



## Customer Relationship Summary (Form CRS) – January 2, 2025

**Introduction.** We are ExchangeRight Securities, LLC, (hereafter, “our Firm”) a Broker-Dealer and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), and are registered with the Securities Exchange Commission (SEC). Our Firm is not a Registered Investment Advisor. Brokerage and investment advisory services and fees are different. It is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

**“What investment services and advice can you provide me?”** We offer brokerage services in a limited capacity as broker-dealer of record to Registered Investment Advisors and their accredited clients who are interested in buying real estate securities issued by ExchangeRight Real Estate and Telos Capital. In this role, we will interact directly with Registered Investment Advisors and their retail investors to facilitate the submission of subscription agreements to the investment issuer but do not make investment recommendations or provide investment advice.

We do not have discretionary or any other authority over any investment accounts, and we do not monitor investments. Additionally, we do not buy or sell securities on behalf of retail investors, and we do not hold retail investors’ cash or securities (either in accounts or otherwise). Since we do not hold cash or securities in accounts for retail investors, we do not require account minimums. However, the investment issuer(s) may set a minimum threshold on the size of investments, which may vary from one issuer or offering to another.

As we do not make investment recommendations or provide investment advice to retail investors, you and your Registered Investment Advisor and/or Registered Representative will ultimately make the final decision as to whether or not to invest directly in the offerings where we serve solely as the broker-dealer of record. Your Registered Investment Advisor and/or Registered Representative must maintain their fiduciary, best interest, and/or suitability requirements and work with you to understand your needs, investment objectives, risk tolerance, experience, liquidity needs, and more to make appropriate investment recommendations.

**Conversation Starters:** “Given my financial situation, should I choose a brokerage service? Why or why not?” “How will you choose investments to recommend to me?” “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”

**“What fees will I pay?”** As a Broker-Dealer, our Firm receives commissions on the real estate securities transactions for which we serve as broker-dealer of record on behalf of Registered Investment Advisors and their clients. These fees are set by the securities issuer and are defined in each Private Placement Memorandum (PPM) and the Selling Agreements our Firm has with each issuer for whose products we serve as the broker-dealer of record. Commissions have the potential to create a conflict of interest for our Firm as we receive compensation for trades where we serve as the broker-dealer of record. We have attempted to mitigate this conflict of interest by not providing investment advice or recommendations to you or any other retail investor. For the offerings that have upfront commissions, the commissions are structured into the purchase price of the offering and do not vary significantly from one offering to another. This means that there are no additional out-of-pocket costs to clients, and these costs are already accounted for in the issuer’s cash flow, return expectations, and pro forma projections. Our Firm also oversees the activity of the issuer’s sales and distribution team and may receive additional fees for these services. However, any additional fees paid to our Firm will be paid by the issuer and will not cause any out-of-pocket costs to you or have any financial impact on your investment. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

**Conversation Starters:** “Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”



The private placement securities brokered by our firm are structured differently than public securities, such as public stocks or mutual funds. The fees and costs associated with each private placement offering are paid to the Issuer and/or the property management companies, as described in each offering's Private Placement Memorandum (PPM). It is important to understand how the upfront load paid by investors to the Issuer can vary across offerings and how that may impact your overall returns.

***What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?*** We **do not** provide recommendations. The way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide you. Here are some examples to help you understand what this means.

- The principals of the Firm are also owners of vertically integrated real estate investment companies, ExchangeRight Real Estate and Telos Capital. These companies' offerings are regularly made available to investors through Broker-Dealers and Registered Investment Advisors. While our Firm does not provide recommendations, this presents a potential conflict of interest as affiliated principals are motivated by investments in affiliated investments vs. non-affiliated investments.
- Further, the investment Sponsor (which is affiliated with the Firm) may acquire properties from its 1031-eligible portfolios for incorporation into a larger, aggregated portfolio as a part of its exit strategy on behalf of investors. This could create a potential conflict of interest between investors in the original portfolio, on one hand, and investors in the larger aggregated portfolio, on the other hand, since the ideal acquisition price for the aggregated portfolio would be as low as possible, while the ideal selling price for the original portfolio would be as high as possible.
- Finally, some of our affiliated investment Sponsors' offerings may include performance-based disposition fees, meaning that fees will be collected from investors if the offering exits favorably—either meeting or exceeding the Sponsor's original targeted returns to investors.

***Conversation Starter:*** "How might your conflicts of interest affect me, and how will you address them?"

***How do your financial professionals make money?*** Our financial professionals may receive a commission on the securities transactions we broker. This topic is covered in detail in the "What fees will I pay?" section.

***Do you or your financial professionals have legal or disciplinary history?*** Yes. Visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research your financial professionals.

***Conversation Starter:*** "As a financial professional, do you have any disciplinary history? For what type of conduct?"

***Additional Information.*** You can find additional information about our services and request a copy of the relationship summary from our compliance department by calling (855) 317-4448

***Conversation Starter:*** "Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"