

## Introduction

Zanbato Securities LLC ("Zanbato") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a Member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation ("SIPC"), which is described at [www.sipc.org](http://www.sipc.org). Zanbato acts solely as a broker-dealer and not as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Brokerage fees are generally transaction-based and determined as a percentage of the dollar amount of each transaction, while advisory fees are generally asset-based and determined as a percentage of the total assets managed by the investment advisor. This Form CRS provides a summary of the types of services Zanbato provides and how you pay.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide to me?

Zanbato offers certain limited products and services to retail investors, specifically, (i) facilitating the resale of private company securities, including tender offers ("Transactions"); and (ii) making introductions to curated hedge funds ("Referrals"). We do not create or carry any customer accounts or hold customer funds or securities. We offer only a limited range of investment products and services connected to those products. You will need to open accounts with other financial institutions to make investments in products not offered by us. Zanbato can assist you as follows:

**Transactions:** As a practice, Zanbato does not solicit Transactions or make recommendations with respect to Transactions. All Transactions are on an unsolicited basis, and you make the ultimate investment decision.

- Zanbato provides the opportunity to buy and sell large blocks of private securities via ZX, an SEC registered Alternative Trading System ("ATS"), generally to institutional customers who subscribe for access to our ATS. Listings on our ATS change frequently (often throughout the trading day), and we offer our ATS subscribers both private equity and debt securities. Our minimum Transaction size varies. ZX operates on an inter-broker basis, meaning buyers and sellers submit orders and trade directly with ZX subscribers (i.e., banks and brokers). ZX subscribers and their clients review listings on the ATS and determine whether to buy or sell a certain quantity of a particular security. Zanbato earns transaction-based compensation for completed Transactions; completing multiple Transactions through ZX will require you to pay more in brokerage commissions. Policies and procedures implemented by ZX for the resale of private company securities are designed to reduce transaction and settlement risk in the private company share transfer process.
- Zanbato's parent company has developed software to facilitate tender offers by private company issuers and other buyers (generally, hedge funds or private equity funds), enabling a potential buyer to make a limited-time offer on fixed terms to purchase shares from the issuer's shareholders. This software does not operate on the ATS. Zanbato has licensed the software from its parent, and receives transaction-based compensation from buyers for completed Transactions.

**Referrals:** When making Referrals to hedge funds, Zanbato may sometimes be making recommendations to "retail customers" as to a type of account. Zanbato introduces retail investors to a curated group of hedge funds with whom Zanbato has established Referral relationships. Each hedge fund conducts its own due diligence on each potential investor introduced by Zanbato before accepting investment funds from the referred investor. The minimum investment amount depends on the particular hedge fund's requirements. Hedge funds that participate in Referrals pay rebates to Zanbato that are calculated based on the advisory fees and other fees received by the hedge fund manager in connection with the referred investor's investment.

Zanbato makes recommendations, limited as described above; you make the ultimate investment decision. For all of the products and services we offer, once you have made and funded your investment decision, we collect our commission or other fee, and our involvement ends. We do not, and will not, provide any on-going or periodic review, follow-up, or monitoring of your investments or make any recommendation to you on whether to hold, add to, or dispose of your investment(s).

**Conversation Starters.** Ask your financial professional –

- **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?**

For additional information, please refer to our [Regulation Best Interest Disclosure](#).

<b>What fees will I pay?</b>	<p>The commissions you pay to Zanbato as compensation for the products and services Zanbato provides you through ZX (i) range from approximately 3% to 10% of the total dollar amount of the securities bought or sold in the Transaction; and (ii) may vary from one Transaction to another, but are generally the same for sales that are part of the same Transaction. When investors are identified by Zanbato for Referrals to hedge funds, we earn rebates from those hedge funds for successful Referrals, but you do not pay fees directly to Zanbato.</p> <p>In addition to commissions, you may pay fees imposed by an issuer of securities, such as transfer fees, escrow expenses, or incur the cost of obtaining a legal opinion in connection with a Transaction.</p> <p><i>You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.</i></p> <p><b>Conversation Starters.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• <b>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?</b></li> </ul> <p>For additional information, please refer to our <a href="#">Regulation Best Interest Disclosure</a>.</p>
<b>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?</b>	<p><b>When Zanbato provides you with a recommendation for Referrals, we have to act in your best interest and not put our interests ahead of yours. At the same time, 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 recommendations we provide you. Here are some examples to help you understand what this means.</b></p> <ul style="list-style-type: none"> <li>• Zanbato benefits any time you enter into a Transaction. The greater the number of Transactions and the greater the value of the securities bought and sold, the greater the amount of commissions payable to Zanbato. Pursuant to commission-sharing agreements, Zanbato may receive commissions from both seller's and buyer's brokers. Accordingly, we have an incentive to facilitate the closing of large Transactions to increase our commissions.</li> <li>• We provide the ability for you to purchase or sell products for which we have licenses, but these products may not necessarily be in your best interest because the products we offer are limited by our licenses.</li> <li>• Zanbato enters into rebate arrangements with hedge funds for successful Referrals. A portion of the fee proceeds collected by hedge funds from investors we refer are paid by the hedge funds directly to Zanbato, at no additional cost to the investor(s). Because of this, we may be influenced to guide investors to hedge funds with which we have rebate arrangements that have higher fee structures over others, which is a conflict of interest.</li> </ul> <p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• <b>How might your conflicts of interest affect me, and how will you address them?</b></li> </ul> <p>Zanbato may represent multiple parties in the same Transaction, including other buyers or sellers of the same securities that you are seeking to buy or sell. This is a conflict, since Zanbato is incentivized to facilitate Transactions that will yield the greatest commissions. For additional information, please refer to our Regulation Best Interest Disclosure Statement.</p>
<b>How do your financial professionals make money?</b>	<p>Zanbato's Associated Persons ("APs") are primarily compensated through a combination of salary, transaction-based compensation, and a discretionary bonus, calculated based on a number of factors, including: successful sign up of ZX subscribers, investors, participants, and / or obtaining ZX listings. It is in these APs' interests to increase the number of ZX subscribers, investors, participants, and completed ZX Transactions, as doing so generally increases the AP's own compensation. APs involved in hedge fund Referrals are compensated from the fees received from the hedge fund's rebate agreement. Certain products have higher transaction fees and service charges than other products.</p>
<b>Do you or your financial professionals have legal or disciplinary history?</b>	<p>Yes. Visit <a href="https://www.investor.gov/crs">Investor.gov/CRS</a> for a free and simple search tool to research us and our financial professionals. Visit <a href="#">Zanbato Securities LLC BrokerCheck</a> to look up Zanbato and our Associated Persons:</p> <p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• <b>As a financial professional, do you have any disciplinary history? For what type of conduct?</b></li> </ul>
<b>Additional Information</b>	<p>For additional information about our services, please review our website at <a href="https://zanbato.com">Zanbato.com</a>. If you would like additional, up-to-date information or a copy of this disclosure, please call 866.926.2286.</p> <p><b>Conversation Starter.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• <b>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?</b></li> </ul>

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