

Stock Traders CRS

FIRM INTRODUCTION

Stock Traders is providing this *Customer Relationship Summary* as part of our firm's Regulation Best Interest. Our firm makes recommendations under Regulation Best Interest and is providing this document to give you more information about our relationship with you, as a client. Throughout this summary we have called out some "conversation starters" which you may wish to discuss with us as you get to know us better. We have identified these items as bullet points throughout this summary.

Stock Traders believes that communication and transparency are the foundation of its relationship with clients and will always strive to provide you with complete and accurate information. Stock Traders encourages all current and prospective clients to read this Relationship Summary and discuss any questions you may have with your Financial Professional.

Stock Traders is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). Detailed information regarding Stock Traders can be found on public websites including www.finra.org. Investment advisory services are also available through Stock Traders. Additional information about Stock Traders is available at www.adviserinfo.sec.gov. **Brokerage and investment advisory services and fees differ and it is important for you to understand these differences.** For more information, free and simple tools are available to research firms and financial professionals at 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 **non-discretionary** broker-dealer (brokerage) services to individuals, families, trust, charitable organizations, business, and retirement plans, utilizing a menu of investment products such as stocks; exchange traded funds; options; fixed income offerings including corporate, or governmental securities; mutual funds; and cash and cash-alternatives including money market funds, certificates of deposit and bank deposit accounts. We provide you with individualized recommendations which are discussed with you prior to transacting any purchase or sale. If you open a brokerage account with Stock Traders, you will pay us a transaction based fee, generally referred to as a commission, every time you purchase or sell an investment. **Non-discretionary** brokerage services means that you are the decisionmaker on your brokerage account; purchase and sale transactions will only occur when you authorize them.

Stock Traders does not have a minimum account requirement to open a brokerage account but some of our custodians may require a minimum on-going balance to be retained in the account. We do not provide account monitoring services or custody of your brokerage account. Custody is provided by one of our third-party companies (custodians) depending on the type of investments you purchase. Stock Traders does not offer proprietary products.

When you open a brokerage account you establish a transactional, commission-based relationship with Stock Traders.

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. Our brokerage services are designed to take into account your investment objectives, risk tolerance, time horizon, and other investing parameters that are important to you

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 on our services please see our Reg BI Disclosure document.

WHAT FEES WILL I PAY?

Commissions represent the compensation we receive if acting as your "broker" when we buy or sell securities on your behalf based on recommendations we have made to you, or unsolicited transactions you have instructed us to make. The commission on each transaction depends on the asset bought or sold (stock, bond, mutual fund, etc.), the unit size (# shares), maturity date, credit quality, and aggregate value of the position. For brokerage-only accounts, in accord with regulatory guidance commission charges will never exceed 5% of an individual transaction, subject to a minimum commission of \$48 per transaction.

When purchasing 'load' mutual funds, we receive compensation (commissions) directly from the fund company. This typically ranges from 0.00% up to 5.75% depending on the size of the purchase, the type of share class of the purchase, and the compensation schedule of the fund company.

As compensation for providing ongoing information and services relating to your investments, we receive servicing fees, sometimes referred to as a 'trail' or 12(b)1 fee. These fees range from 0.00% to 1.00% but the majority are below 0.50%. Some investments may

be subject to surrender charges if the investment is sold prior to meeting the required minimum holding period. Additional information is available in the prospectus of the mutual fund you are purchasing regarding any holding period requirements. In a brokerage account, you will be charged with each new purchase completed in your account and therefore Stock Traders may have an incentive to encourage you to invest more assets.

Additional fees and expenses may apply for certain non-trade related transactions such as wire transfer or custodial fees for retirement type brokerage accounts such as an IRA. These fees include maintenance and termination fees from the custodian where your brokerage account is located. Specific account fees are disclosed in the account application paperwork provided to you in association with these types of accounts.

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 STARTER. Ask your financial professional:

- ***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?***

For Additional Information on specific fees and how fees are calculated, refer to our Reg BI Disclosure document and your account application paperwork.

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTERESTS DO YOU HAVE?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interest. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here is an example to help you understand what this means:

Financial professionals of Stock Traders may be licensed insurance agents and insurance brokers of various insurance companies offering life and health products. In such capacities, financial professionals may receive commissions, fees and/or other compensations. Customers are under no obligation to purchase these services or products through our financial professionals or Stock Traders.

When we provide brokerage services to you, we must treat you fairly and comply with the rules and regulations of the SEC, FINRA, and State securities divisions, including but not limited to high standards of commercial honor and principles of trade and transaction-based suitability obligations.

CONVERSATION STARTER. Ask your financial professional:

- ***How might your conflicts of interest affect me, and how will you address them?***

For Additional Information about our conflicts please see our Reg BI Disclosure document.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals receive commissions for any investment products they may sell you in a brokerage account in their capacity as a registered representatives of Stock Traders. The level of compensation received for transactions in a brokerage account depends on the type of product purchased.

To eliminate potential conflict, Stock Traders does not use a performance-based fee structure.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No, the firm and its financial professionals have not been involved in legal or disciplinary events related to past or present clients.

CONVERSATION STARTER. Ask your financial professional:

- ***As a financial professional, do you have any disciplinary history? For what type of conduct?***

For Additional Information, visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research the firm and its financial professionals.

ADDITIONAL INFORMATION

For additional and up-dated information about our services, or to request a copy of this relationship Summary, please contact our firm at (714) 375-1788

CONVERSATION STARTER. Ask your financial professional:

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