

Passfolio Securities, LLC
Form CRS Customer Relationship Summary January 19, 2021

Introduction

Passfolio Securities, LLC is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services and fees differ and 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://www.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 provide retail self-directed investors the ability to buy and sell exchange-traded securities through our mobile application.

Recommendations: We do not make recommendations of account types, securities or investment strategies.

Monitoring: We will make available your account statements on our mobile application. We do not monitor or manage accounts.

Investment Authority: You are solely responsible for trading and investment decisions in your account. We do not have the authority to manage your accounts on a discretionary basis and we do not trade in your accounts.

Limited Investment Offerings: We offer a limited selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs. The investments offered primarily include publicly-traded equities.

Account Minimums and Other Requirements: We do not currently impose any minimum or maximum account balances, although we reserve the right to impose them in the future.

Additional Information:

For additional information on our services, please visit BrokerCheck at [BrokerCheck.Finra.org](https://www.brokercheck.finra.org), our website at <https://passfolio.com>, your account agreement and the Form CRS FAQ at <https://www.passfolio.com/fag/form-crs-customer-relationship-summary-faq>

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?**

What fees will I pay?

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

Transaction-Based Fees: We charge fees based on the specific transaction and not the value of your account. We do not charge commissions on trades if the price of the stock is \$5 or above. If the price of the stock is under \$5, we charge \$0.2 per share.

Other Fees and Costs: We charge account maintenance fees for Passfolio Pro which gives you access to our dividend reinvestment program, margin trading, and limit and stop orders, The annual subscription costs \$100 per year and is billed annually, while the monthly subscription costs \$10 per month and is billed monthly. We also charge margin interest, calculated as a percentage on funds you borrow to purchase securities in a margin account. We do not charge any additional fees, such as custodial fees and account inactivity fees. We charge fees associated with specific activity in your account. Please see: <https://www.passfolio.us/fees>

Additional Information:

For additional information on our fees, please visit <https://www.passfolio.us/fees>

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?**

What are your legal obligations to me when providing recommendations as my broker dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

We **do not** provide recommendations as your broker-dealer. 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

Conflicts of Interest: The more transactions in securities priced under \$5 in your account, the more fees we charge you. However, those fees are charged by our clearing firms and are passed through to you, without us making any profits. We therefore do not have an incentive to encourage you to engage in those transactions.

Proprietary Products: We do not sell investments that are issued, sponsored, or managed by us or our affiliates.

Third-Party Payments: We do not receive compensation from third-parties to promote, offer or sell any specific securities or investments. Our financial professionals do not receive more money if you buy certain investments.

Revenue Sharing: Our clearing firm shares with us interest revenues on the cash balance in your account, and the payments they receive from trade execution venues when they send your orders to these venues for execution.

Principal Trading: We do not buy investments from you, and sell investments to you, from our own accounts (called “*acting as principal*”), so we have no incentive to encourage you to trade with us.

Fractional Shares: We facilitate transactions in fractional shares that are less than one full share. We have an incentive to encourage you to buy these shares as they are not transferable and therefore encourage you to remain as a client.

Additional Information:

For additional information please see the Form CRS FAQ at <https://www.passfolio.com/faq/form-crs-customer-relationship-summary-faq>

Conversation Starter. Ask your financial professional—

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

How do your financial professionals make money?

Employees are typically paid on a salary basis. Because employees do not provide individualized advice, such compensation is not based on factors such as the amount of client assets they service, the time and complexity required to meet a client’s needs, the product sold (differential compensation); product sales commissions, or revenue we earn from financial professionals’ advisory services or recommendations.

Do you or your financial professionals have legal or disciplinary history?

No

Additional Information Regarding Our Financial Services:

For additional information see Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter: Ask your financial professional—

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

Additional Information

For additional information about our brokers and services, please see Investor.gov, BrokerCheck at BrokerCheck.Finra.org, our website at <https://passfolio.us> and your account agreement. You may also contact us at +1 (256) 530-2387 or at support@passfolio.us to obtain copies of these documents at any time. You can find answers to the questions posed in this Form CRS in the Form CRS FAQ <https://www.passfolio.com/faq/form-crs-customer-relationship-summary-faq>

Conversation Starters. Ask your financial professional—

- **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?**