



CLIENT RELATIONSHIP SUMMARY (FORM CRS)

Introduction. XML Securities, LLC is registered¹ with the U. S. Securities and Exchange Commission as a broker-dealer and a FINRA/SIPC² member. Fees for brokerage and investment advisory services differ among broker-dealers and investment advisors and it is important that you understand the 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 advisors, and investing.

What investment services and advice can you provide me?

We offer a variety of brokerage services to retail investors. It is important that you discuss your options with your financial professional to determine which type of services are most appropriate for you. We do not require a minimum account size or investment amount to establish a brokerage account. We do not limit our advice to proprietary products, or a limited menu of products or types of investments. The principal type of brokerage service we engage in is recommending investments and buying and selling securities in a brokerage account. The primary types of securities we transact in are: exchange traded equities, corporate equity securities over-the-counter; corporate debt securities, open-end mutual funds, closed-end funds, exchange-traded funds (ETFs), municipal securities, options (put or call writing) and fixed income securities. We also provide brokerage accounts and services conducted via an application to open accounts directly with product sponsors, such as mutual fund companies and insurance companies for variable annuities.

As a broker-dealer, we make recommendations regarding the type of brokerage service to engage, the type of account, and to purchase or sell securities in certain situations. This means we provide advice regarding the characteristics of securities or advisability of a transaction in securities in our capacity as a broker-dealer. You make the ultimate decision regarding the transaction. Upon your authorization, we may accept limited discretion to determine the price or the time to execute an order. We do not monitor brokerage accounts on a continuous basis.

To help you better understand the types of services we offer and the relationship we will have with you, discuss the following questions with us: ***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?***

Please refer to our [Reg BI Brochure](#) disclosure for additional information about our brokerage services at <https://www.xmlfg.com/brokerage-services>.

What fees will I pay?

We charge transaction-based fees, known as commissions, for brokerage services at the time of the transaction. We make more when there are more trades in your account. This means we have an incentive to encourage you to trade often. Transaction charges cover our service and execution and clearing costs. When we buy or sell a security on your behalf, we will charge a commission, or apply a mark-up or mark-down, on each transaction. This is a source of compensation for us. You will incur additional fees and costs, such as custodian account fees and expenses related to the securities themselves, as applicable. Examples of custodian fees are; generally, annual maintenance fees, inactive account fee, termination fee, confirmation postage fees and wire fees. Refer to the schedule of fees provided when you open your brokerage account. Examples of fees and expenses of the securities products themselves are; mutual fund's annual operating expenses, redemption or exchange fees, and as with variable annuities, mortality expense, administrative expenses, sub-account fees, surrender charges and riders costs, if applicable. Refer to the respective product prospectus or application regarding the investment's specific fees and expenses. Ask us questions to help you better understand the impact of fees and costs on investments: ***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?***

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. Please read our [Reg BI Brochure](#) disclosure at <https://www.xmlfg.com/brokerage-services>.

¹ Registration of a broker-dealer does not imply any level of skill or training.

² You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. Securities in your account are protected up to \$500,000. For details, please see www.sipc.org

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?

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 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.

- Revenue Sharing: Revenue sharing arrangements involve payments that are received from product sponsors that share revenues earned from investments in their products. We receive a portion of the revenue that our clearing firm receives for certain assets in their products/programs. This means we have an incentive to recommend certain investments and brokerage account options to you.
- Our financial professionals can invest in the same securities as clients. This creates a risk that they may receive better pricing for personal benefit. We have policies and procedures in place to monitor and remediate this risk.

We are also a licensed insurance agency. Some, but not all, of our financial professionals are also insurance agents and are able to offer various insurance company's products. As insurance agents, these individuals are able to recommend both securities based and non-securities based insurance products. Compensation paid for insurance products includes up-front and trail commissions, a portion of which gets paid to our financial professionals. Therefore, we have a financial incentive to recommend insurance products in addition to the brokerage products and services described.

To help you better understand the conflicts of interest we have with you, discuss the following question with us: ***How might your conflicts of interest affect me, and how will you address them?***

Please refer to our [Reg BI Brochure](#) disclosure for additional information about our conflicts of interest <https://www.xmlfg.com/brokerage-services>.

How do your financial professionals make money?

The type of compensation varies according to the services and products provided to you. Compensation covers operational services and the complexity required to meet your needs. Compensation related to certain products is also set by the respective product sponsor. When providing brokerage trading services, we and our financial professionals are paid in the form of transaction commissions based on the amount of securities traded. Commissions are in the form of a flat charge or percentage of the transaction value depending on the type of security. For debt securities traded in a riskless principal capacity, there is typically a mark-up or mark-down included in the price you pay or receive. When purchasing mutual funds, depending on the share class, we and the financial professionals receive the sales charge and distribution and/or service (12b-1) fees, which are detailed in the fund's prospectus. Financial professionals are paid a percentage of their total revenue, less expenses applied to them, per a tiered payout. As their revenue increase, so does the percentage that they receive. This means your financial professional has an incentive to recommend transactions and products based on the compensation he or she will receive.

Our financial professionals also receive selling compensation related to investments sold via applications submitted to product sponsors or via offering documents/private placement memorandums. The compensation they receive is typically detailed in the product prospectus or the selling agreement with us. This means your financial professional has an incentive to recommend products based on the compensation that he or she will receive, and products with higher compensation levels.

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

Yes. Please visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our firm and your financial professional. To help you better understand our disciplinary history, discuss the following question with us:

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

Additional Information

For additional information about our brokerage services, important notices and disclosures and the [Reg BI Brochure](#) disclosure visit <https://www.xmlfg.com/brokerage-services>. To request up-to-date information and a copy of our Relationship Summary (Form CRS) and that of our affiliated investment advisor, XML Financial Group, call 703.827.2300 or email info@xmlfg.com. To view information about investment advisory services offered through XML Financial Group, visit <https://www.xmlfg.com/disclosures>.

Ask us questions to help you better understand who to contact with any questions or complaints: ***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?***