



WEDBUSH SECURITIES INC. CUSTOMER RELATIONSHIP SUMMARY FORM CRS

Wedbush Securities Inc. (hereinafter, “Wedbush”) is a full-service securities broker-dealer and investment adviser registered with the Securities and Exchange Commission (“SEC”), and the Financial Regulatory Authority (“FINRA”) and a member of the Securities Investor Protection Corporation (“SIPC”).

Broker-dealer and investment advisory services and fees differ and it is important for an investor to understand the difference and carefully consider which types of accounts and services are right for you. Free and simple tools to research information about brokers’and advisers’ different services and fees are available at 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?

Wedbush makes recommendations to retail investors of both broker-dealer and investment advisory services.

Broker-Dealer Services

The services we offer as a broker-dealer include buying and selling mutual funds, exchange traded funds (ETFs), domestic and international equities, options, fixed income securities, certificates of deposit (CDs), structured products, insurance and variable annuities. We do not monitor your brokerage account. Wedbush does not maintain discretionary authority on any retail brokerage accounts.

Investment Advisory Services

Wedbush offers investment advice and portfolio management services to retail investors on a discretionary and nondiscretionary basis. For products offered on a non-discretionary basis, you make the ultimate decision regarding the purchase or sale of investments. For products offered on a discretionary basis, you grant your financial professional or a third-party manager the ultimate authority to make investment decisions on your behalf.

Wedbush offers several different advisory programs utilizing individual securities, asset allocation services, mutual funds, ETF’s and managed portfolios from third-party investment managers. The third-party managers we make available to you will invest your account on a discretionary basis using mutual funds, ETFs and other securities. Generally, our advisory services are offered through “wrap fee” programs (as described below). Additionally, there are certain proprietary strategies Wedbush manages and advises whereby it receives additional fees.

A wrap fee is a fee, generally, assessed annually and typically charged quarterly to cover investment advice, execution, clearing, settlement services, custody of assets, and administrative services. Certain wrap fee programs offered by independent contractors may charge fees in addition to the wrap fees. Wedbush also offers non-wrap fee, transaction-based-fee and assets under management fee-based advisory account programs. Additionally, Wedbush offers financial planning services to retail investors. Your financial professional may also charge a separate fee for financial planning services. Investment advisory accounts typically require a minimum investment. See your financial professional regarding the different advisory accounts for more information.

Your investment advisory accounts will be monitored on an ongoing basis by your financial professional.

Additional information: For additional information, please refer to Form ADV Part 2A Disclosure Brochure (including Items 4A and 5) for Investment Advisory services and the Regulation Best Interest Disclosure Document for Broker-Dealer services.

Conversation Starters – Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

Broker-Dealer Accounts

Depending on the product and service offered, you will pay transaction-based fees also known as a commission whenever an investment is purchased or sold. Some products require a minimum holding period which would incur an additional fee if sold or surrendered prior to the expiration of the period. In a brokerage account, you may be subject to other fees such as a custodian fee, account maintenance fee, execution or trade/ticket charge and internal expenses of certain products. For equities, ETF's and other equity securities, you will pay a commission based on the specific transaction and not on the value of your account. For other investments such as bonds and other fixed income securities which Wedbush executes as principal rather than agent, the fee you pay will be part of the investment cost, also known as a "Mark-up" or "Mark-down" of the price of the investment. For mutual funds and certain alternative investments, the fee you pay (depending upon the share class) may reduce the value of the investment, also known as a "Sales load," and is typically calculated as a percentage of the overall dollar value of the investment. Additionally, for certain managed products, you will pay annual internal expense fees, also known as "Expense ratios," typically calculated as a percentage of the overall amount invested in the fund. Certain mutual fund share classes also charge annual management expense fees. Some alternative investments (e.g., private equity funds, hedge funds, etc.) may also charge performance-based fees and/or placement fees paid to your financial professional and typically calculated as a percentage of the overall amount invested. With respect to alternative investments, the product sponsor will pay the representative a sales commission and the broker dealer is also paid a commission or fee. For insurance and annuity products, the commission paid is typically a percentage of the premium built into the policy. Depending on the type of insurance product, the insurance company also charges annual fees known as Mortality, Expense and Administration fees. Fees may vary depending upon the insurance carrier.

Investment Advisory Accounts

With respect to advisory wrap accounts, clients will pay an annual fee, (charged on a quarterly basis) that is based on the value of assets being managed in the account. This fee covers investment advisory services provided, by our financial advisors, the Wedbush Asset Management division and/or independent portfolio manager(s). Fees for custodial services and trade execution through or with our firm will be in addition to the wrap account fees. The fees charged for participation in wrap fee programs may be higher than if the client were to purchase the individual securities without participation in wrap fee accounts. Wrap fee accounts may be terminated by the client at any time and terminations will result in a pro-rata return of fees billed but not yet incurred. Fees charged by Wedbush for their services would be described and disclosed on our Form ADV and in your Wedbush Client Agreement. Fees charged by the independent contractor platform for their services would be described and disclosed separately in the money manager's client agreement and disclosure statement. If you engage a financial professional in the independent contractor platform, you may be charged additional fees in addition to the wrap fee. Some of the financial professionals may personally absorb these charges rather than assessing these charges to you. The financial professional will have a potential conflict of interest in that they would have an incentive to place fewer trades in your account in order to avoid these costs and thereby increase their own compensation.

Additional information: 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. For additional information, please refer to the Form ADV Part 2A Disclosure Brochure (including Items 4A and 5) for Investment Advisory services and the Regulation Best Interest Disclosure Document for Broker-Dealer services.

Conversation Starters – 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?

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we are required 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 and investment advice we provide you. The following are examples to help you understand what this means.

Broker-Dealer Accounts

The more transactions that occur in your account, the more fees or commissions we charge you. We therefore have an incentive to encourage you to engage in transactions and this presents a potential conflict. We can buy investments from you, and sell investments to you, from our own accounts (called “**acting as principal**”). We can earn a profit on these trades, so we have an incentive to encourage you to trade with us.

We also receive additional fees from product sponsors for products such as mutual funds, variable insurance/annuity products and alternative investments such as REITs, hedge funds, etc. In addition, we also receive marketing fees from some product sponsors to appear at our educational events and advertise in our internal communications

Investment Advisory Accounts

The more assets you have in an advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell. Paying for a wrap fee program could cost more than separately paying for advice and for transactions if there are infrequent trades in your account. We can buy investments from you, and sell investments to you, from our own accounts (called “**acting as principal**”), **but only with your specific approval on each transaction**. We can earn a profit on these trades, so we have an incentive to encourage you to trade with us.

Additional information: For additional information, please refer to the Form ADV Part 2A Disclosure Brochure (including Items 4A and 5) for Investment Advisory services and the Regulation Best Interest Disclosure Document for Broker-Dealer services.

Conversation Starters – 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?

Broker-Dealer Financial Professional Compensation

Broker-Dealer financial professionals receive a percentage of commissions generated by the products they sell. Some products may pay a commission higher than others. As such, financial professionals have an incentive to sell higher commission products. In addition, certain products such as mutual funds and variable annuities pay additional compensation on a periodic basis based on fees paid by the retail investor. Financial professionals may receive compensation based on factors not directly related to product sales, such as accumulation of assets, recruiting or other factors.

Investment Adviser Financial Advisor Compensation

Investment Adviser financial professionals receive a percentage of the management or advisory fees collected from your account. Different product strategies and/or managers may charge higher fees than others, and your financial professional has an incentive therefore to place you in higher fee strategies.

Compensation received by our broker dealer and investment adviser independent contractor platform are higher than compensation received by our Wedbush employee financial professionals.

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

Broker-Dealer

Yes.

Investment Adviser

Yes.

Investors are encouraged to visit the Investment Adviser Public Disclosure website at <https://adviserinfo.sec.gov/> as well as the FINRA BrokerCheck website at <https://brokercheck.finra.org/> for publicly available information about Wedbush and its registered representatives. Additionally, investors should visit www.investor.gov/CRS for a free and simple search tool to research you and your financial professionals.

Conversation Starters – Ask your financial professional:

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

Additional information: If you would like additional, up to date information, or a copy of the most recent Form CRS, see www.wedbush.com/disclosures or contact Wedbush at compliance@wedbush.com or (213) 688-8000.

Conversation Starters – Ask your financial professional:

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