



# DAI

DAI Securities, LLC is registered with the Securities and Exchange Commission as a broker-dealer and provides brokerage accounts and services, rather than investment advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences.

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 Me?**

We offer brokerage services to retail investors. The principal services we make available to retail investors include buying and selling, for our clients, the following: corporate equity and debt securities, mutual funds, US government securities, variable life insurance and/or annuities, tax shelters, tax-deferral investments (such as Delaware Statutory Trusts), limited partnerships, privately placed securities and other alternative investments (such as direct participation opportunities in real estate and other businesses). We do not recommend products that we have created or issued ourselves (so-called “proprietary products”).

We make recommendations to retail investors like you relating to the purchases and sales of these securities. We do not accept discretionary authority to buy or sell securities in your account. In other words, you must approve all transactions before we implement them for you.

Many of the investments we recommend for our clients are not required to be held by a qualified custodian such as a broker-dealer. Rather, they are customarily held at by the company that sponsors or issues the investments. However, for other types of investments we may introduce you to the firm we use to execute transactions and hold some of your assets, commonly referred to as a “clearing firm.” The clearing firm we use is Hilltop Securities, Inc. We sometimes use other custodians to hold IRA accounts. These include CNB Custody and NuView Trust Company.

We do not monitor the performance of investments held in your accounts. We may evaluate your portfolio at any time with a view toward recommending how you might wish to update or re-balance your investments, but we are not obligated to do so, nor will we do it on regular schedule.

We have no account minimums or any other formal requirements you must meet before opening an account with us.

**Ask 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?

## **What Fees Will I Pay?**

We will typically charge you a commission or other transaction-based fee on the purchase of securities. These commissions range from 1% to 6% of the amount you purchase. Your registered representative will discuss the specific commission paid for each investment recommended. In addition, for alternative investments the commissions are disclosed in the private placement memorandum or other offering document you will receive prior to investing. You will also pay commissions for exiting or selling exchange-traded investments that are held in a Hilltop account. No commissions are paid for selling alternative investments.

When you buy certain investments, such as variable annuities or mutual funds, we will usually be paid a commission from the issuer or sponsor of the product. In the case of a mutual fund, this commission is charged against your interest in the annuity or fund, meaning the amount you invest is reduced by the amount of the commission. You also pay our variable annuity commissions indirectly, either through the “mortality and expense” charge you pay the issuer, a surrender charge you incur for selling the annuity too soon, lower appreciation than you would otherwise obtain, or some combination of the above. Additionally, some of these products also pay us ongoing or “trail” commissions over time, sometimes for the life of the product or your entire holding period. In the case of mutual funds, these are sometimes referred to as “12b-1 fees.” These charges are described in the offering materials you receive.

You may become obligated to pay certain other fees, either directly or indirectly, in connection with certain investments. Indirect fees include fees that must be paid by a business or trust in which you invest, thereby reducing the value of your interest in the business or trust. These types of fees are too numerous to disclose in this document, but examples are acquisition fees, asset management fees, and property management fees. All of these will be described in the offering materials given to you prior to your investment.

Other fees you may incur include in Hilltop, NuView and CNB Custody accounts include postage and handling fees, IRA setup fees, and account transfer fees. If payment is not made by settlement date for securities purchased by you in a cash account,

to the extent provided by law, a late charge may be imposed at the maximum rate of interest permitted by law from the settlement date to the date of payment. DAI Securities does not mark up any charges we pass through to you from third parties. Please review the current lists of charges by [Hilltop](#), [NuView](#) and [CNB Custody](#).

Some investments also charge you indirectly for certain services or features. For example, variable annuities charge mortality and expense charges that reduce the amount of your investment, while mutual funds pay internal management fees that reduce the amount of your investment. These types of charges are described in the offering material provided to you.

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.

**Ask Us:** 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? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

*When we provide you 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 make. Here are some examples to help you understand what this means.

- Sometimes we receive monetary payments from the issuers of securities to partially reimburse us for due diligence costs we incurred in researching the product to decide whether to offer it to our clients. This creates a conflict of interest in the form of a financial incentive because, as between two possible recommendations we may make to you with similar features only one of which pays us this type of reimbursement, we have an incentive to recommend the investment that pays the reimbursement over the one that does not.
- Other examples of conflicts of interests include: (a) Third-Party Payments: Compensation we receive from third parties when we recommend or sell certain investments; and (b) Revenue Sharing: Investments where the manager or sponsor of the investment or another third party (such as an intermediary) shares with us revenue it earns out of the investments, such as the example of the due diligence reimbursement described above.

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

### **How Do Your Financial Professionals Make Money?**

Our financial professionals are compensated by receiving a portion of the commissions we receive on sales and, where applicable, purchases of investments.

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

### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

Yes. Visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Ask Us:** 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?

For more information about our brokerage services or to request the most current version of this relationship summary, please visit our website at [DAISecurities.com](https://DAISecurities.com), FINRA's website at [brokercheck.finra.org](https://brokercheck.finra.org), or call us at (833) 594-0370.



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