

## Item 1. Introduction

1<sup>st</sup> Discount Brokerage, Inc., (“1DB”) is registered with the Securities and Exchange Commission as a broker-dealer, member of [FINRA](#) and [Securities Investor Protection Corporation](#).

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 [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## Item 2. Relationships and Services: What investment services and advice can you provide me?

Our firm offers brokerage services to retail investors including buying and selling securities. We do not limit our services to proprietary products or specific asset classes. Our firm does not monitor your accounts.

Our firm provides limited discretionary authority for the following services – buying and selling securities. Our firm does not monitor your accounts. A discretionary commission based account is available with an approved registered representative only. If you invest on a discretionary basis, our firm will buy and sell investments in your accounts without requiring your pre-approval on an ongoing basis until you notify us in writing to switch.

Our firm offers non-discretionary services for retirement planning, estate planning, investment recommendations, personal investment strategies, and other consulting services ([MyCFO](#)). You make the ultimate decision regarding the purchase or sale of investments.

**For additional information including minimum investment amounts, please see [www.1db.com/CRS](http://www.1db.com/CRS) for our Fee Schedule and our Regulation Best Interest Disclosure.**

***CONVERSATION STARTER: Ask your financial professional –***

*1. Given my financial situation, Should I choose a brokerage service? Why or why not? 2. How will you choose investments to recommend to me? 3. What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## Item 3. Fees, Costs, Conflicts, and Standard of Conduct.

### a. What Fees will I pay?

If you open a brokerage account, you will pay us a *transaction-based fee*, generally referred to as a commission, every time you buy or sell an investment. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Products such as mutual funds and variable annuities charge up-front commissions, as well as fees that are charged on an on-going basis for as long as you hold the investment (“trails”). Also, with certain investments such as variable annuities, you may have to pay fees such as “*surrender charges*” to sell the investment. We pass along regulatory trading activities fees. If we buy a security from you, or sell a security to you for our own account (as “principal”), we may “*mark-up*” or “*mark down*”, which is a benefit to us. With mutual funds, this fee (typically called a “*load*”) reduces the value of your investment.

Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us. The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions more frequently and in greater amounts.

In addition to the foregoing investment fees, you will typically pay, and we will receive a portion of, certain fees associated with your brokerage account, including fees paid to the clearing firm or account custodian, as well as fees for certain services that you select, such as wire transfers or margin interest, account maintenance fees, paper documents fees, account inactivity fees, and a termination or transfer fee when your brokerage account is terminated or transferred to another broker-dealer.

**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 more detailed information about our fees and costs please review our Regulation Best Interest Disclosure and Fee Schedule found at [www.1db.com/CRS](http://www.1db.com/CRS).**

**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?*

**b. What are your legal obligations to me when providing a recommendation 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 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 and investment advice we provide to you. We must eliminate these conflicts or tell you about them and in some cases reduce them. We have policies and procedures in place to mitigate the influence of these conflicts. Here are some examples to help you understand what this means.

- We receive payments from third party product sponsors and managers (or their affiliates), such as mutual fund or insurance companies, when we recommend or sell certain products, and we may also receive ongoing payments, such as 12B-1 fees or trails, from them in your brokerage account. As such, we have an incentive to recommend (or to invest your assets in) products that pay us more compensation or products of third-parties that pay us over products of third parties that do not pay us, or pay us less.
- We have an incentive to advise you to invest in certain investments, such as the Apex sweep program, because Apex Clearing, the manager or sponsor of the investment, shares with us revenue it earns on those investments.
- Our firm engages in principal trading (buying or selling investments from your account for our own accounts) which can lead to price manipulation or the sale of unwanted securities to you. We may buy or sell securities to you for its own account (with your consent in advisory accounts). Because we earn compensation (such as commission equivalents, mark-ups, mark-downs, and spreads) and can receive other benefits in principal transactions, we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

**CONVERSATION STARTER: Ask your financial professional –**

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

**c. How do your financial professionals make money?**

We pay our financial professionals and their supervisors a portion of the commissions that we receive. As noted above, the commissions we receive generally vary based on the investments purchased and sold and the volume of trading. This creates an incentive for our financial professionals to sell more investments to generate commissions. In the case of certain investment funds and products, the issuer or the sponsor provides our financial professionals other forms of compensation, such as expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and small gifts. The receipt of these payments presents a conflict because it creates an incentive for the financial professional to recommend those investments or funds whose issuers or sponsors offer these forms of compensation.

**Item 4. Disciplinary History: Do you or your financial professionals have legal or disciplinary history?**

Yes. Our firm has disciplinary history addressed in our Form ADV or Form BD, and some of our financial professionals may also have a legal or disciplinary history. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm 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?*

**Item 5. Additional Information.**

For additional information about our broker-dealer and investment advisory services, please visit [www.ldb.com](http://www.ldb.com). You can request a copy of this Form CRS Customer Relationship Summary by contacting us in writing at 8927 Hypoluxo Rd, Ste A-5, Lake Worth, FL 33467. You can also call us at 1-561-515-3200 or email [support@ldb.com](mailto:support@ldb.com) to request up-to-date information and request a copy of this Form CRS Customer Relationship Summary.

**CONVERSATION STARTER: 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?*