

## FINANCE 500, INC.

## CUSTOMER RELATIONSHIP SUMMARY

Finance 500 Inc. is a broker-dealer registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and that it is important that you understand the 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.

### WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Finance 500 does not offer retail investment services to the public. Finance 500 buys and sells fixed income securities for its own account and on behalf of its customers. Finance 500 offers brokerage services to (i) investment professionals who are registered representatives of the firm and (ii) institutional clients. The firm does not offer recommendations to retail investors and retail investors make the ultimate decision regarding the purchase and sale of investments. The firm does not accept discretionary authority and does not monitor retail investors' investments. The firm generally limits its business to fixed income instruments, but registered representatives may be permitted to personally invest in other investment products with no minimum investment.

**Conversation Starters:** 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?

Finance 500 generally transacts business on a principal basis. This means that Finance 500 sells to you or buys from you using the firm's inventory account. Transactions are marked up or marked down to allow the firm to make a profit on the transaction and to cover overhead and other costs. The firm may also on occasion act as your agent in a purchase or sale and charge a commission on the transaction that will be disclosed to you on a confirmation. You may also pay custodial or account maintenance fees, wire fees, or other account related service fees that are charged by Finance 500's clearing firm. 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.

**Conversation Starter:** 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?**

We *do not* provide recommendations. 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. We make money on transactions, either through principal trades with markups or markdowns or through agency trades where we charge a commission. We also make money based on sharing in fees charged by our clearing firm or on credit balances in your account.

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

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

Our registered representatives receive a portion of the markup, markdown or commission charged on your transactions. This creates an obvious conflict of interest.

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research Finance 500 and its financial professionals.

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

**ADDITIONAL INFORMATION**

Investors can request additional information about Finance 500's brokerage services and request up-to-date information and a copy of this relationship summary from our Compliance Department at 949-253-4000 or by writing to: Finance 500, Inc., Attn: Compliance, 584 Wald, Irvine, CA 92618.

**Conversation Starter:** 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?