

MDB Capital Group LLC

Customer Relationship Summary

June 30, 2020

MDB Capital Group LLC (MDB) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). The services provided and fees charged by investment advisory and brokerage firms differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://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?

We offer brokerage services, including buying and selling stocks, options, and other exchange traded securities online. Trading for your account is self-directed. We may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase and sale of investments will be yours. MDB does not have discretionary trading authority over your account other than accepting not-held orders.

Monitoring of your account is solely your responsibility as **we do not provide account monitoring services**. In general, we do not impose value minimums to open or maintain a brokerage account with us. Specific programs or services, like margin or stock loan, have minimum equity and other requirements. Account statements are always available for you to download over customizable periods. At least quarterly, you will be notified when your account statement is available via email to assist you in monitoring your account.

We offer a limited selection of investments, including the IPOs and private offerings we finance, which may not be eligible to all retail investors. Other firms could offer a wider range of choices, some of which might have lower costs.

For additional information, please see mdb.com/disclosures and mdb.com/RegBI

Conversation Starters. Ask your financial professional—

- *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?

With our brokerage services, you will pay us a transaction-based fee, generally referred to as a “**commission**”, for each investment made on your behalf. Depending on the investment product you select, these fees can include up-front commissions, as well as fees that are charged on an on-going basis for as long as you hold the investment, known as “trails” or “12b-1 fees”.

You may select the investments, or we may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase or sale of investments will be yours. We must act in your best interest and not place our interests ahead of yours when recommending an investment or an investment strategy involving securities. Because we are compensated for transactions, **we have an incentive to encourage you to trade more frequently** and in greater amounts.

You will also pay fees for custodial services or administrative services, as well as fees and expenses associated with certain investments, such as mutual funds, ETFs, and ADRs.

For additional information, please see mdb.com/RegBI and mdb.com/fees

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. 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? 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 place 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.

- We earn revenue in raising capital for affiliated companies and may recommend securities including private and public offerings underwritten by the firm, which creates a conflict of interest.
- Our financial professionals may occasionally be officers or directors of companies for which we provided underwriting services and in which many of our retail investors are invested, and may possess material non-public information concerning such companies that they are unable to share with clients.
- MDB and our financial professionals may own substantial equity (stock, options or warrants) in the companies for which we provide underwriting services. In addition, we may engage in transactions alongside retail investors.

For additional information, please see mdb.com/disclosures and mdb.com/RegBI

Conversation Starter. 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?

Our financial professionals are compensated through base salaries and commission. The amount of compensation varies by product type and/or the nature of the transaction e.g. investment banking, private placement, traditional brokerage transactions.

These compensation arrangements may create a conflict of interest, which we will mitigate by:

- Informing you of the conflict of interest in our Disclosure Brochure
- Routine supervisory review of transactions

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

Yes. Visit Investor.gov/CRS for a free and simple search tool to research us 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?*

Additional Information

For additional information about our services, visit Investor.gov, BrokerCheck, our website mdb.com, and your account agreement. If you would like additional, up-to-date information or a copy of this disclosure, please call 310-526-5000.

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?*