

NETWORK 1 FINANCIAL SECURITIES, INC.

CUSTOMER RELATIONSHIP SUMMARY

June 29, 2020

This Summary is being provided to you in order to help answer this Question:
Why should I choose a brokerage service?

Network 1 Financial Securities, Inc. is – hereinafter, “we” are – a broker-dealer registered with the U.S. Securities & Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). We provide brokerage accounts and services rather than advisory accounts and services. 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 <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

How are advisory services different from brokerage services?

- If you open an advisory account with an investment adviser, while you can pay a one-time fee for a financial plan, you will, generally speaking, pay an ongoing asset-based fee that is based on the value of the cash and investments in your advisory account. In this instance, this fee is paid periodically even if you do not buy or sell. For an adviser who charges an asset-based fee, the more assets you have in an advisory account, including cash, the more you will pay the adviser. Hence the adviser has an incentive to increase the assets in your account in order to increase its fees. The broker is paid differently and operates under different incentives. The Broker receives commission income from the investments you purchase or sell through them.

What brokerage investment services and advice can Network 1 provide me, the customer?

- We offer brokerage services to retail investors, including buying and selling of securities that include traditional equity securities, investment company securities (i.e., mutual funds, variable life insurance and variable annuities), and corporate debt and municipal securities.
- We offer a limited selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs.
- We offer “active trading” to a limited number of investors who are sophisticated, high net worth customers (both domestic and international) who, with the guidance of experienced traditional Wall Street stockbrokers, desire to take advantage of the world’s constantly moving markets and continually changing investment climate.
- We do not accept discretionary authority (other than time/price discretion). You may select investments or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours.
- We offer traditional investment banking services (Private Placements, IPOs and Securities Offerings, Financial Consulting, Mergers and Acquisition, Bank and Debt Financing, Business Planning and Development, and Fairness Opinions.)
- We also offer non-traditional investment banking services (Non-Deal Road Shows, Shareholder Relations and Communications, and Electronic Media.)
- We offer market making services.

What is Network 1’s legal obligation to you when providing recommendations? *We must abide by certain laws and regulations in our interactions with you.*

- We must act in your best interest and not place our interests ahead of yours when we recommend an investment or an investment strategy involving securities. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations. Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.
- Our interests can conflict with your interests. When we provide recommendations, we must eliminate these conflicts or tell you about them and in some cases reduce them.
- When we provide you with 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. Here is an example to help you understand what this means:
 - You give your broker \$10,000 to invest:
 - How much will go to fees and costs? How much will be invested for you?
 - You will pay fees and costs whether you make or lose money on your investments.

The Galleria • Suite 241 •
2 Bridge Avenue • Red Bank, NJ 07701-1106
Phone: 732-758-9001 • Toll Free: 800-886-7007 • Fax: 732-758-6671

Member FINRA/SIPC

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What fees will I pay as a customer of Network 1? *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.*

- The fee you pay is based on the specific transaction and not the value of your account. 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.
- 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.
- With stocks or exchange-traded funds, this fee is usually a separate commission.
- With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”).
- Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “surrender charges” to sell the investment.
- With mutual funds, this fee (typically called a “load”) reduces the value of your investment.
- We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees.
- We can offer you additional services to assist you in developing and executing your investment strategy and monitoring the performance of your account but you might pay more.

Conflicts of Interest. *We benefit from our recommendations to you.*

- 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.
- The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.

Does Network 1 or its financial professionals have legal or disciplinary history?

- We have legal and disciplinary events.
 - Visit <https://www.investor.gov/> for a free and simple search tool to research our firm and our financial professionals. You can use this website to report a problem to the SEC or use SEC’s toll-free investor assistance line at (800) 732-0330 (if outside of the U.S., call 1-202-551-6551).
 - Visit FINRA’s BrokerCheck (<https://brokercheck.finra.org/>). To report a problem to FINRA, you can call 844-57-HELPS (844-574-3577).

Who is my primary contact person? *Who can I talk to if I have concerns about how this person is treating me?*

- Your broker is your primary contact person.
 - If you want to know about your broker’s relevant experience, including his licenses, education, and other qualifications, you should contact your broker directly?
 - If you want to know what these licenses and other qualifications mean to you, you should contact your broker directly.
 - If you want to discuss a particular transaction or series of transactions in your account, you should contact your broker directly.
- If you want to talk to someone about how your broker is treating you, you can contact our Home Office Compliance Department Toll Free: 800-886-7007.

Additional Information. *We encourage you to seek additional information.*

- For additional information about our brokers and services, visit our website: <https://network1.com/>