

# Entoro Capital, LLC

and

# Entoro Securities, LLC

## Customer Relationship Summary (Form CRS)

August 5, 2020

### Introduction

Entoro Securities, LLC (Entoro Securities) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Entoro Capital, LLC (Entoro Capital) is registered with the SEC as an investment adviser. Entoro Securities and Entoro Capital are affiliated through common ownership and control.

We provide our clients broker-dealer services through Entoro Securities, and investment advisory services through Entoro Capital. You should carefully consider which types of accounts and services are right for you. This document gives you a summary of those services we provide and how you pay for them. Please ask us for more information.

Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available for you to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), a website maintained by the SEC. These tools can also provide you with educational materials about broker-dealers, investment advisers, and investing.

### What investment services and advice can you provide me?

#### Relationship and Services:

#### Brokerage Services provided by Entoro Securities, LLC

Entoro Securities services are listed below:

- Broker or Dealer selling Oil and Gas Interests
- Private Placements of Securities,
- Investment Banking and Mergers and Acquisition of Advisory Services.

#### Investment Advisory Services provided by Entoro Capital, LLC

We offer investment advisory services and advice on a regular basis to retail investors. We provide services to high net worth individuals, separately managed accounts, private funds and SEC registered investment companies. Our standard services include discussing your investment goals, designing with you a strategy to achieve your investment goals, and the on-going monitoring of your account and investments. We will contact you no less than annually regarding your investment portfolio.

Additionally, as an investment adviser we provide discretionary advisory services. Our discretionary authority is generally granted, at the outset of our advisory relationship in our client agreement, to select the identity and amount of securities to be bought or sold during your advisory relationship with us. We exercise such discretion in a manner consistent with the stated investment objectives, limitations and restrictions imposed upon us by you.

#### Advisory Services

Our investment advice generally covers equities, debt, options, futures, and mutual funds. Other firms could provide advice on a wider range of choices, some of which might have lower cost. We do not have any minimum requirements for retail investors to open or maintain an account or establish an advisory relationship with us.

## **Brokerage Services**

Entoro Securities acts as a placement agent to institutions and accredited investors through Regulation D (Rule 506c) and Regulation S offerings, on a best efforts basis, in the energy, technology and real estate industries. In these transactions, Entoro Securities provides financial and strategic advisory services which include Capital Formation, Mergers and Acquisitions, Acquisition and Divestiture in the oil and gas industry, leveraged finance, equity/equity-linked financing, restructuring and recapitalization solutions to a wide range of established and growth-oriented businesses around the world. .

## **Additional Information**

For additional information, please see our Regulation Best Interest Disclosure (for brokerage relationships), our Form ADV, Part 2A brochure, Items 4 and 7, (for advisory relationships), your account or advisory agreement, other applicable documents, or our website: [www.entoro.com](http://www.entoro.com). You can contact us about our services at 713-823-9200 and we will be happy to discuss with you.

*Conversation Starters: - Ask your financial professional -*

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?**

### **Fees, Costs, Conflicts and Standard of Conduct:**

#### **Principal Brokerage Fees and Costs**

Entoro Securities does not open retail brokerage accounts. This service is not applicable to their business.

Entoro Securities charges a success fees for private placement engagements, investment banking services, and mergers and acquisition transactions.

#### **Principal Investment Adviser Fees and Costs**

Retail investors will incur the fees described below for investment advisory services, which are negotiated between you the client, and us. The principal fees for investment advisory services are as follows:

- Asset-based fees, which are an on-going fee, and based upon a percentage of the assets managed by us.
- Performance Fees are asset -based and generally consist of an annual management fee based upon the assets under our management, including margin debt, plus a performance fee based on the annual appreciation of the account. *Performance-based fees may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.*
- You will pay a commission to your financial professional when we buy and sell an investment for you. This is in addition to the advisory fees payable to us for advisory services.

Our advisory fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. Additionally, the amount paid to us and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account.

*The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell your investment assets*

## **Other Fees and Costs**

We also charge you additional fees, such as custodial fees, account maintenance charges, account inactivity fees, deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on custodial brokerage accounts and securities transactions. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time.

## **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 additional information, please see our Regulation Best Interest Disclosure (regarding our brokerage services), our Form ADV, Part 2A brochure, Item 4 and 5. (regarding our advisory services), your account or advisory agreement, or other applicable documents.

*Conversation Starters: Ask your financial professional and start a conversation about the impact of fees and costs on investments -*

- *Help me understand how these fees and costs 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 as my broker-dealer or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?**

*We do not make recommendations as your broker-dealer.*

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

- Proprietary Products: We will earn higher fees, compensation, and other benefits when you invest in a product that we (or one of our affiliates) advise, manage, or sponsor, such as a partnership, mutual fund or structured CD. As such, we have an incentive to recommend (or to invest your assets in) those products over third-party products.
- Your custodian provides services to us, including research, execution, brokerage, custody and access to mutual funds and other investments. Additionally, other services provided assist us in managing and administering clients' accounts. These services are provided based in part on the assets held at the respective custodians, and as such, creates an incentive for us to direct clients to their custodial platforms.

## **Additional Information**

For additional information, please see our Regulation Best Interest Disclosure (regarding our brokerage relationship), our Form ADV, Part 2A brochure (regarding our advisory relationship), your account or advisory agreement or other applicable documents.

*Conversation Starters: 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?**

Your financial professional earns compensation based upon a portion of the amount of client assets they service, and the time and complexity required to meet a client's needs. As a result, your financial professional may have a financial incentive not to reduce fees.

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

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

### **Disciplinary History:**

**Yes**, we (Entoro Securities) have a legal or disciplinary history.

A free search tool to research us and our financial professionals is available at [www.Investor.gov/CRS](http://www.Investor.gov/CRS).

*Conversation Starters: Ask your financial professional:*

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

## **Where can I find additional information**

For additional information regarding our services, please see our Regulation Best Interest Disclosure (regarding our brokerage relationship), our Form ADV, Part 2A brochure, Items 4 and 7 , (regarding our advisory relationship), your account or advisory agreement, other applicable documents, or if you would like additional, up-to-date information or a copy of this disclosure, please contact us by phone at 713-823-9200, or by email at [jrow@entoro.com](mailto:jrow@entoro.com).

*Conversation Starters: Ask your financial professional -*

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?*