

Ausdal Financial Partners, Inc. (“Ausdal”, “we”, “us”) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). 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 [Investor.gov/CRS](http://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 provide both brokerage and investment advisory services to retail investors. We’ve summarized below the main types of services that we offer and their key features:

#### **BROKERAGE (COMMISSION-BASED)**

As a broker-dealer, our primary service is buying and selling securities for your account. The brokerage programs we offer include:

- **Standard Brokerage:** The accounts are assigned a Financial Professional who will offer recommendations to buy or sell securities and other financial products. The accounts are non-discretionary, which means you must approve each transaction prior to execution.
- **Limited Service:** Typically, these accounts are opened for specific purposes or investment strategy, which benefits from a brokerage account arrangement.
- **Investment and Related Services:** Our industry brokerage and insurance relationships enable us to offer access to specialized accounts and securities products, such as alternative investments, variable annuities and other insurance-based products, as well as cash management services and margin accounts.

**Account Monitoring:** We do not provide account monitoring services for your brokerage accounts. Your financial professional may voluntarily review holdings in your brokerage accounts from time to time and may or may not make recommendations to you based on these reviews. These voluntary account reviews are not an account monitoring service.

**Investment Authority:** You make the ultimate decision regarding the purchase and sale of investments in your brokerage investment account(s).

**Limited Investment Offerings:** We offer and make recommendations on non-proprietary products. We do not offer or make recommendations on all products.

**Account Minimums:** We do not require a minimum dollar amount to open and maintain a brokerage account. However, some investment products may have investment minimums.

#### **INVESTMENT ADVISORY (FEE-BASED)**

As an investment adviser, our principal investment advisory services are the following:

- **Portfolio Management:** These accounts are assigned a Financial Professional to manage the portfolio on a discretionary basis, based on information you provide (and update from time to time) about your personal and financial situation, and your accounts’ investment objectives, tolerance for risk, reasonable investment restrictions, and other information. Portfolio management services are offered through wrap fee programs and non-wrap fee arrangements (traditional advisory fee plus commissions).
  - Where appropriate, we recommend third-party investment managers (“Third-Party Managers”), who will have primary responsibility for managing a portion of your portfolio; subject to our “hire and fire” authority.
- **Financial Planning & Investment Consulting:** Through your financial professional, we offer financial planning and consulting services. These services are individually negotiated between you and the financial professional to encompass services to meet your needs.

**Account Monitoring:** Our standard portfolio management service includes monitoring your portfolio on a continuous basis, based on information you provide (and update from time to time) about your personal and financial situation, and your account’s investment objective(s), tolerance for risk, reasonable investment restrictions you provide us in writing, and other information.

**Investment Authority:** On request, we will manage an advisory account on a non-discretionary basis, where we recommend investments to purchase or sell, but you must make the ultimate decision regarding which investments will be bought or sold for the account. Non-discretionary accounts are handled differently than discretionary accounts, and these differences can reduce the amount of money you earn compared to a discretionary account.

**Limited Investment Offerings:** We provide advice on non-proprietary products; provided, certain advisory programs use model portfolios and buy and sell “signals” developed by an investment manager with which we and one of our senior managers has a financial interest. Not all financial professionals offer advice with respect to all securities products or services available to all other financial professionals. Additionally, we do not make all mutual funds available for use in advisory programs and generally limit the offered mutual funds to a single share class.

**Minimum Asset Size and Annual Fee Requirements:** We do not impose a minimum asset size to open or maintain an advisory relationship, or a minimum annual advisory fee. However, certain Third-Party Managers may impose a minimum asset size of up to \$100,000 (or higher) to open or maintain an advisory relationship and impose a minimum annual program fee.

**Additional Information** – For detailed information about our brokerage and advisory services, fees, compensation, and other disclosures, refer to the disclosures on our website by clicking here, <https://www.ausdal.com/site-disclosures>, and also refer to our Form ADV Part 2A Brochure and Form ADV Part 2A, App. 1 Wrap Fee Brochure, by clicking this link <https://adviserinfo.sec.gov/firm/brochure/7995>.

#### Key Questions to 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?

##### BROKERAGE (COMMISSION-BASED)

##### INVESTMENT ADVISORY (FEE-BASED)

Below, we summarize the principal fees and costs you will pay in connection with our brokerage and investment advisory accounts and services:

#### Brokerage Fees and Expenses

Brokerage accounts can expect to incur the following fees and expenses:

**Transactional Fees and Expenses:** You will incur transactional Brokerage Expenses and Investment Company Expenses with respect to security purchases in your brokerage account, as described below under **Other Fees and Costs**, including commissions, markups and markdowns (analogous to a commission in a principal transaction involving a dealer), front-end or back-end (deferred) sales charges (for mutual fund transactions), and surrender charges (typically, for early withdrawals from variable annuities).

*Transaction charges differ from one product to another. Because we receive a portion of transaction charges as compensation, we and your financial professional have an incentive to recommend products that have higher charges, and to encourage you to engage in more frequent transactions. These factors provide an incentive for us and your financial professional to recommend securities transactions based on the compensation to be received, rather than based on your investment needs.*

**Non-Transactional Fees and Expenses:** You will also incur non-transactional expenses in connection with your investments, as described in more detail under **Other Fees and Costs** below, including without limitation: Investment Company Expenses; Cash Management Fees; Margin Interest Expenses; and Short Sale Expenses. As discussed below, because such expenses are asset-based and we receive a portion of such expenses as compensation, we have an incentive to encourage you to increase the assets invested in these types of accounts or receiving these services.

#### Advisory Fees and Expenses

Advisory accounts can expect to incur the following fees and expenses:

**Asset-Based Fees:** For portfolio management services, we charge an “Advisory Fee” (and a “Platform Fee,” for certain programs) (the Advisory Fee and Platform Fee are referred to jointly as the “Advisory Fee”); the Advisory Fee is payable quarterly in advance, based on a percentage of your account value (an “asset-based fee”). For asset-based fees, the more assets there are in your account, the more you will pay us in fees; consequently, we have an incentive to encourage you to increase the assets in your account. Your Advisory Fee rate(s) are described in your Advisory Agreement (or related advisory program documentation).

**Third-Party Program Fees:** Client assets managed through a Third-Party Manager or Third-Party Program (wrap fee or non-wrap program) will pay the Program Fees, brokerage expense (if not included in Program Fee), internal investment, and other fees and expenses of the Third-Party Program and any Third-Party Manager (all the “Third-Party Fees”), in addition to our Advisory Fee with respect to such assets. Third-Party Fees are asset-based fees and are included in the assets upon which we calculate Advisory Fees you pay us; therefore, we have an incentive to encourage you to increase the assets in Third-Party Program accounts.

**Wrap Program Fees:** The wrap program arrangements we offer charge you the following asset-based fees: “Adviser Fee” (compensation for Ausdal), Platform Fee (charge by Ausdal for administration and operation of Program), Program Fee (charge for Third-Party Program administration and operation), Third-Party Manager Fees (fees of Third-Party Manager to manage assets in Third-Party Program, sometimes included in Program Fees). These asset-based fees include most transaction costs and fees of the broker-dealer with custody of client assets, and therefore are higher than a typical asset-based advisory fee.

**Financial Planning & Consulting Fees:** Financial planning or consulting engagements are negotiated between you and your financial professional, with terms typically providing for an estimated fee (based on an hourly or fixed fee rate), amount of a partial deposit in advance (typically 50%, subject to negotiation), and payment of balance upon completion.

**Other Fees and Costs** – In addition to the fees and expenses above, brokerage accounts and advisory accounts (including wrap accounts) will incur additional fees and costs. Examples of the most common additional fees and costs you will incur are described below:

- **Brokerage Expenses** – transaction-based commissions and mark-ups and mark-downs charged by brokers and dealers to execute securities transactions for your account (*not generally charged to wrap program accounts*); and electronic wire transfer fees, handling fees, mailing and delivery fees, exchange fees, miscellaneous service fees, account transfer fees, foreign exchange fees, and annual IRA fees charged by brokers, dealers, exchanges and financial intermediaries;
  - wrap program clients do not generally pay commissions for account transactions, but pay dealer spreads (mark-up/mark-downs on a “net” basis between dealers), and the types of **Brokerage Expenses** listed above;
- **Investment Company Expenses** – asset-based mutual fund and variable annuity front-end sales charges, back-end (deferred) sales charges, and surrender charges (typically, for early withdrawals from variable annuities) (sales charges are not generally charged to wrap program clients); and asset-based mutual fund, ETF, and variable annuity internal fees and expenses (including variable annuity mortality expenses), and asset-based mutual fund and variable annuity service fees (such as 12b-1 Fees) (may be charged to wrap program clients).
- **Cash Management Expenses; Margin Interest Expenses; and Short Sale Expenses** – asset-based fees and interest charged in connection with optional cash management account, margin account, and short sale program transactions and based on your cash management account balance, margin debit balance, and short sale transactions.
- **Custodial Expenses** – custodial and account maintenance or transfer fees, according to your custodial agreement. Depending upon your account and relationship, you may also incur periodic account maintenance, or transfer fees, as well as processing, service, and other account fees upon certain events or occurrences.
- **Other Product-Level Fees** – fees associated with specific investments made or held for your account.

*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.*

**Additional Information** - Detailed information about the fee ranges and rates, and related costs of our services, refer to the disclosures on our website by clicking this link <https://www.ausdal.com/site-disclosures> and refer to our Form ADV Part 2A Form ADV Part 2A, App. 1 Brochure, by clicking this link <https://adviserinfo.sec.gov/firm/brochure/7995>, and reviewing Items 5.A., 5.B., 5.C., 5.D., and 5.E.

#### **Key Questions to 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 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 you. Here are some examples to help you understand what this means.

**Proprietary Products:** “Proprietary products” are securities that are issued, sponsored, or managed by Ausdal or a person (entity) controlling or controlled by Ausdal, or under common control with Ausdal. From time to time, Ausdal has authorized the offering of securities by its financial professionals where Ausdal or an affiliate was associated with the issuer, sponsor, or manager. Ausdal and its financial professionals will earn compensation in connection with the offering and sale of these securities. The issuing company generally pays Ausdal fees and expenses, including ongoing due diligence and monitoring fees; and sponsorship and marketing fees for educational and marketing sessions to support Ausdal meetings. In some cases, Ausdal financial professionals or supervised persons may serve as officers or directors of the issuer (or an affiliate of the issuer) and may receive separate compensation. There is a conflict since Ausdal has an incentive to recommend these products based on the economic benefits it and its financial professionals will receive, rather than based solely on your investment needs.

Advisory programs are not traditionally “proprietary programs;” however, where Ausdal and an Ausdal senior manager have a financial interest (and an equity position, for the senior manager) involving an investment manager that develops and maintains model portfolios for one of the advisory programs, and provides buy and sell signals for program accounts, Ausdal treats this program similar to a proprietary program and discloses the relationship and conflict of interest in Form ADV Part 2A Brochure, Items 10 and 14.

**Third-Party Payments:** We receive a number of different forms of compensation from third parties when we recommend or sell the following investment products, including: (1) payments from Pershing based on our clients’ assets in: the FundVest mutual funds, the Pershing Cash Management Sweep Program, and Pershing’s margin and short sale programs; (2) payments from sponsors of brokerage products for due diligence and product education and marketing programs and conference support, including the Strategic Partners Program; and (3) reimbursements by Pershing and TD Ameritrade to reimburse new clients the transfer fees they incur to transfer their accounts, which facilitates the transfers and promotes goodwill. The third-party payments provide an incentive for Ausdal to recommend to its clients the services of the third-party making the payment to Ausdal based on Ausdal’s interest in continuing to receive such payments, rather than the client’s investment needs.

**Revenue Sharing:** The manager or sponsor of the following investments or the Sponsors of the following types of Third-Party Programs share with Ausdal a portion of the revenue such manager or sponsor receives with respect to those investments, or Third-Party Programs:

- Revenue sharing from Pershing, payments based on amounts charged to clients for Trade Handling Charges, Ticket Charges, Annual IRA Fees, and account transfer fees; and
- Revenue sharing from Third-Party Programs, based on (i) a share of Sponsor Program Fees; and (ii) payments of Sponsor Due Diligence and Marketing Support Fees.

**Principal Trading:** We buy and sell securities from our clients (referred to as “principal trades”). Principal trades carry incentives for us to act in our interest and against your best interest by setting the prices we buy from you lower than the contemporaneous market price, or the price we sell to you higher than the market price. When permitted in an advisory account, principal transactions require trade by trade consent by you; however, you should ask us about the prices we provide you.

#### **Key Questions to Ask Your Financial Professional**

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

**Additional Information** – For detailed information about our brokerage and advisory services, fees and compensation, and conflicts of interest, refer to disclosures on our website <https://www.ausdal.com/site-disclosures>, and refer to our Form ADV Part 2A Brochure and Form ADV Part 2A, App. 1 Brochure, by clicking this link <https://adviserinfo.sec.gov/firm/brochure/7995>, and review: information regarding conflicts involving our direct compensation (Proprietary Products) is available in Items 4, 5, 10, 11.B, and 14.A; information regarding conflicts involving indirect compensation (e.g., Third-Party Payments and Benefits) is available in Items 5.E, 10, 12 and 14.A.; and information regarding conflicts involving Principal Trading is available in Items 5.E, 10, 12 and 14.A.

#### **How do your financial professionals make money?**

**Brokerage and Advisory Services:** Financial professionals are compensated for their brokerage and investment advisory services based on a percentage of the following types of revenue:

- Commissions, and markups and markdowns earned in brokerage accounts, which vary by product;
- Front-end and deferred sales charges, and ongoing asset-based service fees (including 12b-1 fees) from mutual funds, 529 Plans, and variable annuities;
- Advisory fees (including Third-Party Fees) earned in investment advisory accounts, which you pay according to the terms of your Advisory Agreement; and
- Fees related to other products and services provided to you.

The revenue financial professionals receive will generally increase as the number of transactions in brokerage accounts, and amount of assets in advisory accounts increases; consequently, financial professionals are incentivized to increase transactions in your brokerage account, and assets in your advisory account based on the increase in compensation, rather than your investment needs.

**Insurance Services:** Many financial professionals are separately licensed to sell life, health, annuity, long-term care and disability products, and are appointed as agents (“Agents”) by various insurance companies. These financial professionals will earn additional commission-based compensation in connection with client purchase of these insurance products, which is separate from, and in addition to, our advisory fees. This practice presents a conflict of interest because the financial professional has an incentive to recommend insurance products based on their interest in earning the additional compensation rather than based solely on your insurance needs.

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

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple research tool to research our firm and our financial professionals.

#### **Key Questions to Ask Your Financial Professional**

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

**Additional Information** –You can find additional information about your brokerage and/or investment advisory services, and request a copy of this Relationship Summary by calling us at (800) 722-8732, or by clicking this link <https://www.ausdal.com/site-disclosures>.

#### **Key Questions to 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?