

# TradeZero America, Inc.

## Regulation Best Interest Disclosure

U.S. Securities and Exchange Commission (“SEC”) Regulation Best Interest (“Reg BI”) establishes a standard of conduct, under the Securities Exchange Act of 1934, for broker dealers and persons associated with a broker dealer (“Associated Persons” when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer. When making such recommendation to a retail customer, a broker dealer and its Associated Persons must act in the best interest of the retail customer at the time the recommendation is made, without placing their financial or other interest ahead of the retail customer’s interests.

TZA does not recommend securities transactions, investment strategies involving securities, or account types to its customers. However, should any information or service offered by TZA (including any communication describing its trading platforms and functions thereof) be construed or interpreted as a recommendation or a call to action to a retail customer, this disclosure describes (1) the scope and terms of TZA’s relationship with its customers and (2) any conflicts of interest associated with services provided by TZA.

This guide summarizes important information concerning the scope and terms of the brokerage services TradeZero America, Inc. (“TZA” or the “Firm”) offers and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that we are registered with SEC as a broker dealer. Our Form CRS contains important information about the types of services we offer, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable information.

Please carefully review and consider the information in each section below.

## Introduction to TradeZero America

TZA is a broker dealer registered with the SEC and a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). TZA is an online broker dealer that provides its clients with securities trading execution services through its proprietary trading platforms. All TZA clients are self-directed traders and investors. TZA provides its services on an agency only basis and does not solicit trades or provide investment advice. Currently, TZA offers services in U.S. equities and options. TZA is an introducing broker to its clearing firm, Apex Clearing Corporation (“Apex”) who holds all TZA client funds. Through Apex, TZA may offer you a cash, margin, or pattern day trading account.

## Brokerage Services

### Overview

All TZA customer accounts are self-directed and self-managed. TZA does not make recommendations as to whether a customer should buy, sell, or hold investment products. TZA does not monitor the performance of your account other than for risk and regulatory purposes. TZA does not make recommendations to you concerning account types or pricing plans. TZA does not offer securities or investment related research.

TZA conducts itself on an agency only basis and does not have discretionary trading authority over your account other than to accept unsolicited not-held orders, or upon your consent, held orders. TZA does not offer proprietary products. TZA is subject to U.S. securities regulations including the pattern day trading rule.

TZA does require minimum account balances to maintain an account, including a cash account, margin account, or a pattern day trading account. Certain features and services are only available to certain account types, for example short selling is only available to margin account holders.

### **Cash Brokerage and Margin Brokerage Accounts**

Through Apex, we provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from Apex. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by eligible securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains valuable information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, refer to our Margin Disclosure Statement available at [www.tradezero.com](http://www.tradezero.com).

### **Incidental Brokerage Services**

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, marketing materials and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account.

### **Clearing Services**

We have entered into an agreement with Apex to carry your account and provide certain back-office functions such as trade confirmations and account statements. We and Apex share responsibilities with respect to your account.

### **Understanding Risk**

It is important for you to understand that all securities trading and investments involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk trading strategies and investments may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept in order to achieve your trading and investment goals, the more you may decide to trade or invest for potentially greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). For more information on understanding trading and investment risks, please see the Day Trading Risk Disclosure, the Penny Stock Risk Disclosure, Understanding Online Trading Risks Disclosure, the TZA Risk Sell Out Policy, and the Pattern Day Trading Disclosure, provided to you with your TZA account opening paperwork and available on our website under Disclosures, [www.tradezero.com](http://www.tradezero.com).

### **Cash Sweep Program Feature**

Our brokerage services do not include a cash sweep program.

### **Account Minimums and Activity Requirements**

There is a minimum initial account balance of \$2,500.00 required to open a brokerage account with us. After account opening, cash and margin accounts must maintain a minimum account balance of \$2,000.00. A pattern day trading account must maintain an account minimum balance of \$25,000.00.

## **Brokerage Fees**

### **Transaction-Based Fees**

In most cases, you will not pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks. These transaction-based fees are generally referred to as a “commission,” “mark up,” “sales load,” or a “sales charge.”

We charge transaction-based fees under the following circumstances:

Equities:

- Trades in NYSE, AMEX, or Nasdaq listed equities between 4:00am Eastern Time (“ET”) to 7:00am ET will be charged a fee of \$0.005 per share traded.
  - Trades in equities priced below \$1.00 will be charged a fee of \$0.005 per share with a minimum total trade fee of \$0.99 and a maximum total trade fee of \$7.95.\*
  - Trades in OTC/Pink Sheet stocks will be charged a fee of \$0.005 per share with a minimum total trade fee of \$0.99 and a maximum total trade fee of \$7.95.\*
  - Select Routing (see [tradezero.us/pricing](https://tradezero.us/pricing))
- \*\$7.95 per trade up to a maximum of 250,000 shares.*

Options:

- Options trades pay a fee of \$0.42 per contract
- Index Option trades pay additional fee of \$0.65 per contract

Please note that transaction-based fees also include regulatory fees. These fees may change without notice.

Equities:

- TAF Fee \$0.000166 per share (equity sells)
- SEC Fee \$0.0000278 x dollar amount, sell side only
- ADR Fee Pass-Through

Options:

- OCC Fee \$0.02 per contract; \$55 cap
- ORF Fee up to \$0.03175 per contract, based on prevailing rates
- Option Auto Exercise or Auto Assignment \$0.00 per line
- Option Manual Exercise Fee \$35 per line

### **Assisted Trades and Risk Sell Outs**

We charge \$30 per trade for assisted trades and \$50 per trade for a risk sell out trades.

### **Fees Associated with Short Selling**

Margin accounts have the ability to short sell equities securities. Easy to borrow securities do not require a prior locate, however prior to short selling a locate required security you must locate shares to borrow (Short Locates) in order to short sell the equity security. Short Locates are charged on a per share basis according to the prevailing rate that is subject to change throughout the trading day. Similarly, if you choose to carry a short position overnight for one or more nights, you will be charged overnight borrow fees, which are charged daily according to a prevailing variable rate and current market conditions.

### **Account and Service Fees**

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, visit us at [www.tradezero.us/pricing](https://www.tradezero.us/pricing).

### **Operational Fees**

We receive compensation for various operational services provided to you through a brokerage account. For more information regarding account fees for brokerage services, please see the Firms website at [www.tradezero.us/pricing](https://www.tradezero.us/pricing).

### **Trade Corrections**

The Firm may place error trades in the Firm’s error account. The Firm shall be responsible for any losses which occur in the error account. In addition, the Firm agrees to use its best efforts to close out the trade as soon as possible.

### **Compensation for Termination of Services**

Other than any account transfer fees, the Firm would not receive any additional compensation in connection with the termination of its services.

## **How We Are Compensated**

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account.

TZA financial professionals are paid a salary and a discretionary merit bonus which may include both cash and non-cash compensation. TZA financial professionals do not receive commissions or other compensation related to, products sold, client assets, or trading activities.

## **Conflicts of Interest**

Conflicts of interest may exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with the services we provide to you.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage services to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

### **Compensation We Receive From Clients**

#### **Transaction-based conflicts**

Not applicable

#### **Markups and markdowns for principal transactions**

Not applicable

#### **Account maintenance and other administrative fees**

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

### **Compensation We Receive from Third Parties**

#### **Additional Compensation from Third Parties**

Not applicable

#### **Payment for Order Flow**

TZA earns revenue by routing your order flow to securities exchanges and third-party market centers that pay us volume based rebates and incentives, also known as payment for order flow. We have an incentive to route your orders to these exchanges and market centers but mitigates any such conflicts of interest through disclosure and our adherence to our best execution responsibilities. Please refer the firm's website at [www.tradezero.com](http://www.tradezero.com), SEC Rule 606 disclosures

**Compensation Related to Proprietary Products**

Not applicable

**Compensation Related to Our Affiliates**

Not applicable

## Additional Resources

Title	Web address
Form CRS	<a href="http://www.tradezero.com">www.tradezero.com</a>
Legal Disclosures	<a href="http://www.tradezero.com">www.tradezero.com</a>
Margin Disclosure	<a href="http://www.tradezero.com">www.tradezero.com</a>
Investment Objectives and Risk Tolerance	enclosed