

**OUR FIRM IS REGISTERED WITH THE SEC AND FINRA AS A BROKER/DEALER.**

Brokerage and investment advisory services and fees differ based on a number of factors. It is important that you understand these differences and ask questions as they arise. Free and simple tools are available to research firms and financial professional at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational information about broker-dealers, investment-advisers and investing.

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

Chauner Securities ("CSI") provides retail brokerage services for primarily long term, illiquid private placement real estate and, to a lesser extent, energy investments. This service includes thorough due diligence of the investment sponsor, the investment program being recommended and from time to time collaboration with the sponsor on the structure and terms of the program. CSI has many ongoing relationships with sponsors and a deep familiarity with their expertise and operations as well as with the asset types. CSI usually has only a small number of investment programs available for recommendation at any time.

The investment programs the firm recommends generally have investment minimums of \$25,000 or higher, and they are only available to accredited investors. CSI does not provide discretionary investment advice, but rather, provides recommendations and education to assist clients in evaluating whether or not to invest in a certain product offered by CSI. The decision to invest is that of the Client and must be authorized by the investor through a completed subscription agreement.

The firm does not provide overall portfolio management, and any recommendations made will rely on information received from investors regarding their financial situation, including without limitation, investment objectives, risk tolerance, net worth, income, tax status, and the percentage of an investor's portfolio currently invested in illiquid assets.

CSI offers investment recommendations to retail investors. CSI is not compensated for monitoring of investors' holdings but does monitor the ongoing performance of investments and sponsors for all programs in which CSI has placed investors. CSI is available to answer questions from investors and facilitate communication between the sponsor and the investor, when appropriate.

**Additional questions you may want to ask your registered representative:**

1. Given my financial situation, should I choose a brokerage service? Why or why not?
2. How will you choose investments to recommend to me?
3. What is your relevant experience, including your licenses, education and other qualifications?
4. What do these qualifications mean?

**What fees will I pay?****Transaction based fee description (B/D):**

CSI is compensated for its services by commissions and offering expense allowances, which vary from program to program. CSI believes that such compensation is within industry norms for complex illiquid investments. These fees are paid at the time of purchase and are included in the gross purchase price to the investor. 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. Transaction fees are disclosed in the Private Placement Offering Memorandum for each investment being considered by an investor.

For some investments, Chauner Securities serves as managing dealer for the offering. In these instances, CSI receives an additional managing dealer fee to compensate the firm for its services in consulting the sponsor and assisting with the marketing and sales efforts of the program through other broker dealers in the selling group for the offering. When serving as managing dealer in some programs Chauner Securities may receive coordination or servicing fees from investment sponsor and, not directly paid by the investor. This compensation is for ongoing services provided by CSI to the sponsor.

Shown below are samples of two recent private placement securities offerings in which Chauner Securities participated. The offering expenses and net offering proceeds for investment are believed to be in line with industry standards. As with most such offerings broker dealer compensation is paid at the time of the closing of the offering and reflects the time and effort broker dealers spend analyzing offerings and performing due diligence prior to making the decision to allow recommendations to any client. Actual recommendations require determining the suitability of the investment for the client and confirmation that it is in the client's best interest.

	Private REIT*		Private R/E Fund*	
	Per \$100,000 Investment	Percent	Per \$100,000 Investment	Percent
Selling Commissions	\$6,000	6%	\$7,000	7%
Broker Dealer Fee	\$1,000	1%	\$1,000	1%
Managing Dealer Fee	\$1,500	1.5%	\$1,500	1.5%
Total Offering Expenses Paid to B/D	\$8,500	8.5%	\$9,500	9.5%

*\*These figures are examples only. Investors should reference the Private Placement Memorandum of the specific offering being considered for actual commission and fee amounts.*

**Additional questions you may want to ask your registered representative:**

1. 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 will 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 we provide you.

Here are some examples to help you understand what this means:

CSI has certain conflicts of interest in that the firm only receives sales compensation when a transaction is consummated and, when serving as a managing dealer, receives compensation for this service based on sales. CSI believes that the level of such compensation is within acceptable industry norms. Unlike lower commission products with ongoing investor service fees, CSI's compensation is at the time of sale. Private real estate investments typically have longer holding periods (often 5 to 10 years), and the up-front compensation may be less than ongoing fees. Also, the overwhelming amount of analysis and due diligence performed by CSI occurs prior to a recommendation and transaction.

**Additional questions you may want to ask your registered representative:**

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

**How do our financial professionals make money?**

Our company, and the financial professionals registered with it, receive commissions for the execution of sales in privately offered securities. The compensation structure for every offering may be different. For information regarding a specific offering, please refer to the offering memorandum and disclosure consent form.

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

Yes. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Additional questions you may want to ask your registered representative:**

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

**Additional information:**

You may always request additional information about the brokerage and request a copy of this relationship summary from your representative or at the following address, telephone number or email address:  
666 Dundee Road, Suite 903, Northbrook, IL 60062, 847-509-8880, [sarah@chaunersecurities.com](mailto:sarah@chaunersecurities.com).

**Additional questions you may want to ask your registered representative:**

1. Who is my primary contact person?
2. Is he or she a representative of an investment advisor or a broker dealer?
3. Who can I talk to if I have concerns about how this person is treating me?