



# Oberweis Securities, Inc.

Form CRS – Customer Relationship Summary  
June 30, 2020

## **Item 1. Introduction**

Oberweis Securities, Inc. (“OSI”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”) (for more information visit [www.finra.org](http://www.finra.org); also [brokercheck.finra.org](http://brokercheck.finra.org)). You should be aware that brokerage and investment advisory services and fees differ and it is important for you to understand the 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.

## **Item 2. Relationships and Services**

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

**Services:** OSI is a general securities broker-dealer offering a diversified and comprehensive array of securities products and services that can assist our retail investors in meeting their individual objectives, goals and risk tolerance. OSI offers its services through various types of accounts for retail investors such as individual, joint, trust, custodial and retirement accounts. Retail investors will have access to buying and selling listed stocks, OTC stocks, options, mutual funds, bonds and certificates of deposits.

In addition, OSI offers recommendations to retail investors through OSI’s Financial Consultants. There are no material limitations on the securities or investment strategies involving securities that may be recommended to you provided recommendations are consistent with the above and in your best interest.

**Monitoring:** OSI does not provide account monitoring services and does not monitor your investments.

**Requirements to Open and Maintain an Account:** OSI has a \$50,000 account minimum requirement to open or maintain an account held through OSI.

**ADDITIONAL INFORMATION:** Additional information can be found at [www.oberweis.net/resources](http://www.oberweis.net/resources).

**Conversation Starter:** *Given my financial situation, should I choose a brokerage service? 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?*

## **Item 3. Fees, Costs, Conflicts and Standard of Conduct**

*What fees will I pay?*

**Principal Fees and Costs:** OSI Financial Consultants utilize their own commission fee schedule. Retail investors will be charged a transaction-based commission on trades when OSI acts in an agency capacity in effecting such transactions, and the commission is generally based on the size of the order, the type and value of the security, the type of transaction and the market where the trade is executed. Markups and markdowns apply to transactions in fixed income investments when OSI acts in a principal capacity in effecting such transactions. Specific information regarding trades is provided to you in trade confirmations pursuant to regulatory obligations after execution of the trades.

Fees for mutual fund transactions, such as sales loads/charges and what they are based on, e.g., the mutual fund family, class type and amount invested and ongoing mutual fund operating costs (such as investment advisory fees for managing the fund’s holdings and marketing and distribution expenses, e.g., 12b-1 fees) imposed by mutual funds are described in the fund prospectus. The prospectus is delivered to you after the transactions pursuant to regulatory obligations and in accordance with the delivery method you have selected, such as by mail or electronically.

**Other Fees and Costs:** You are solely responsible for paying all fees and charges by National Financial Services LLC (“NFS”), OSI’s clearing firm, which serves as custodian for OSI’s retail investors’ accounts held at NFS. Such account-based fees and costs are described further in a Schedule of Fees provided to you at account opening.

You would be charged more when there are more trades in your account and OSI may therefore have an incentive to encourage you to trade often.

**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 more information, please visit [www.oberweis.net/resources](http://www.oberweis.net/resources).

**Conversation Starter:** *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?*

#### **Standard of Conduct/Conflicts of Interest**

*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 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 we provide you. Here are some examples to help you understand what this means. The recommendation of a mutual fund that pays OSI sales loads and 12b-1 fees constitutes a conflict of interest in that it gives OSI an incentive to recommend such mutual funds. Also, when OSI retail investors invest in The Oberweis Funds (the “Funds”), a no-load mutual fund managed by Oberweis Asset Management, Inc. (“OAM”), an affiliate of OSI registered as an investment adviser with the SEC, OAM receives fees for advisory and management services provided to the Funds based on the amount of assets in the Funds. In addition, OSI, as principal distributor of the Funds, receives a 12b-1 distribution and shareholder servicing fee, at the annual rate of .25% of the asset value of the Funds’ Investor Class Shares. As a result, OSI may therefore have an incentive to recommend that you invest in the Funds.

Further, because OSI receives markups and markdowns applied to purchase and sale transactions, respectively, in fixed income investments when OSI acts in a principal capacity, OSI may therefore have an incentive to encourage you to trade such products often.

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

**ADDITIONAL INFORMATION:** For more information about our firm’s conflicts of interest, please see [www.oberweis.net/resources](http://www.oberweis.net/resources).

**How do your financial professionals make money?** OSI Financial Consultants receive commission-based compensation on a transactional basis including sales loads and 12b-1 fees for mutual fund sales. OSI Financial Consultants are responsible for seeking new clients, establishing new accounts and reporting to clients and receive compensation for their services. In addition, OSI Financial Consultants solicit investment management business for OAM and receive solicitors’ fees from OAM for the referral of advisory clients, which are based on a percentage of advisory fees received by OAM from such referrals. OAM also pays OSI a percentage of the advisory fees received from advisory clients referred by OSI Financial Consultants.

#### **Item 4. Disciplinary History**

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

Yes. For more information, visit <https://brokercheck.finra.org/firm/summary/42060>. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search to research us and our financial professionals.

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

#### **Item 5. Additional Information**

If you have any questions about our brokerage services or if you wish to request a copy of the relationship summary, please contact us at [www.oberweis.net](http://www.oberweis.net). You can also call us at 630-577-2300 for up-to-date information and request a copy of the relationship summary.

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