

**ACE DIVERSIFIED CAPITAL, INC.  
FORM CRS RELATIONSHIP SUMMARY**

**1. INTRODUCTION**

Ace Diversified Capital, Inc. (“Ace Diversified” or “firm”) is registered with the Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. Ace Diversified is also a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at: [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

**2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

We offer full-service and self-directed brokerage services, including buying and selling securities and offering securities recommendations to retail investors. Our firm offers retail customers a variety of products including stocks, exchange-traded funds, mutual funds, variable insurance products, options and retirement accounts and margin lending (i.e. borrowing against the securities in your account). We do not offer proprietary products that are issued, sponsored or managed by us or our affiliate. We do not provide account monitoring services. We do not act with discretion in brokerage accounts. You make the ultimate decision regarding the purchase or sale of investments in your account. We require a minimum account funding level of \$2,000 and a minimum account balance of \$1,000.

For additional information about the services we provide, visit our website: [www.acediversifiedcapital.com](http://www.acediversifiedcapital.com)

**Questions to ask:**

- *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?*

**3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

**3A. What Fees Will I Pay?**

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.

- You will pay transaction-based fees for purchases or sales you decide to execute in your account. The more transactions in your account, the more fees we will charge you. We therefore have an incentive to encourage you to engage in transactions.
- The fee you pay is based on the specific transaction and not on the value of your account.
- With stocks or exchange-traded funds, the fee is usually a separate commission. With mutual funds, a fee typically called a load reduces the value of your investment. Mutual funds also charge annual management fees which vary depending on the fund. With certain investments such as variable annuities, you may have to pay fees such as surrender charges to sell the investment, reducing the value of your investment.

- We may charge you additional fees such as custodian fees, account maintenance fees, account inactivity fees, wire fees, account transfers and/or termination fees, and margin interest.

**Questions to ask:**

*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?*

**3B. 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.**

- We can make extra money by selling you certain investments that pay more.
- Trail Compensation is ongoing compensation from product sponsors typically paid from the assets of an investment product based on an annual percentage of invested assets and varies by product. We therefore have an incentive to recommend products that pay higher “trails.”
- We are also an insurance broker or agent. This is a conflict of interest because we receive additional compensation for providing these other services to you. We have an incentive to recommend and provide these other services to you.
- We currently do not engage in revenue sharing or principal trading.

**Questions to ask:**

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

**3C. How do your financial professionals make money?**

Ace Diversified’s financial professionals are compensated based on a percentage of revenue generated from the sales of products and services to clients. This compensation varies by product, and financial professionals are therefore incentivized to recommend products that have higher fees and/or ongoing payments.

**4. DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. For additional information about our brokers and services, visit <https://brokercheck.finra.org/>, our web site <https://www.acediversifiedcapital.com> and refer to your account agreement.

**Questions to ask:**

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

**5. ADDITIONAL INFORMATION**

You may find additional information about our brokerage services at our website <https://www.acediversifiedcapital.com>. You may request a copy of the Form CRS Relationship Summary by contacting your investment professional. You may also contact us at [lynnwoodj@acediversifiedcapital.com](mailto:lynnwoodj@acediversifiedcapital.com) or call (626) 307-8300 for a copy or to request up-to-date information.

**Questions to ask:**

*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?*

**Form CRS Exhibit**

**September 20, 2022**

**Summary of Material Changes  
Ace Diversified Capital, Inc.**

- On page 1, in “What Investment Services and Advice Can you Provide?”, new content has been inserted regarding proprietary products, which we do not offer. Also, margin lending has been added in the list of services that our firm provides.
- On page 2, in “Fees, Costs, Conflicts, and Standard of Conduct” under “What Fees Will I Pay?”, new content has been added in the fourth key point regarding other fees that we may charge you.
- In the “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?” section on page 2, new key point has been added to indicate that our firm is also an insurance broker or agent. Additionally, new content has been added to indicate that our firm does not engage in revenue sharing or principal trading.