

D.A. Davidson & Co. Form CRS: Client Relationship Summary

December 20, 2023



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D.A. Davidson & Co. member SIPC

Introduction

D.A. Davidson & Co. (“D.A. Davidson,” “we,” “us,” or our “Firm”) is registered with the Securities and Exchange Commission as both a broker-dealer and an investment adviser. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Relationships and Services

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer both brokerage services and investment advisory services to retail investors. In conjunction with these services, we can recommend that you open or contribute assets to a brokerage or advisory account with our Firm. We can also educate you about consolidating your assets (through rollover or transfer) into a brokerage or advisory account with our Firm or recommend that you rollover from an employer-sponsored plan to an individual retirement account (“IRA”) with our Firm.

Brokerage Services

Our principal (primary) brokerage services are making recommendations about buying, selling, and holding securities, and facilitating the buying and selling of securities on your behalf. We can also provide you with research, financial education, and custody of assets. Although our brokerage services do not include monitoring investments in your brokerage account, we may voluntarily review those investments periodically to determine whether to provide you with additional recommendations.

If you select our brokerage services, you make the decisions regarding buying, selling, and holding securities for your account. Brokerage accounts include taxable accounts and retirement and other qualified accounts such as employer-sponsored plans, IRAs, SEP IRAs, SIMPLE IRAs, Keogh plans, Coverdell educational savings accounts, and other similar accounts (collectively, “retirement accounts”).

The investments we offer include stocks, bonds, mutual funds, unit investment trusts (UITs), exchange-traded funds (ETFs), exchange-traded notes (ETNs), certificates of deposit (CDs), options, real estate investment trusts (REITs), closed-end funds, and a limited menu of complex products, including structured products, buffered investments and alternative investment funds (such as hedge funds, private markets (real estate funds, private credit, private equity and interval funds)), annuities (fixed, variable, and indexed), and other insurance products.

The investments we make available and recommend are not limited to a narrow menu of products or types, and are not limited to proprietary products, but our financial professionals can make recommendations based on their experience and familiarity with different investments.

We do not impose minimum account size or minimum investment requirements for brokerage services.

Investment Advisory Services

Our principal (primary) investment advisory services include wrap fee programs, financial planning, Davidson Private Wealth Services, and advice to plan sponsors about employer-sponsored retirement plans (such as 401(k)) (“retirement plan services”). If you choose our wrap fee programs, we act as your investment adviser, and we also provide brokerage services (such as trade execution and custody) for a single “wrap” fee. For clients in our wrap fee programs, we monitor the investments in the account at least annually as part of our standard services. Financial planning does not include monitoring. For Davidson Private Wealth Services, we monitor your financial plan periodically. For retirement plan services, we monitor pursuant to the terms of the agreement. Advisory accounts include taxable accounts and retirement accounts.

Our wrap fee programs and retirement plan services provided pursuant to the Employee Retirement Income Security Act (“ERISA”) Rule 3(38) are “discretionary” with regard to buying, selling, and holding investments. “Discretionary” means you authorize us (or another investment manager within our programs) in writing to make investment decisions on your behalf. This authorization will remain in place until you revoke it or leave the program.

Davidson Private Wealth Services, financial planning services, and retirement plan services provided pursuant to ERISA Rule 3(21), are “non-discretionary.” This means we provide advice but you, or the plan fiduciary for retirement plan services, make the decisions about buying, selling, and holding investments, or the implementation of financial planning strategies.

We generally provide investment advisory services for the same types of investments we offer in brokerage accounts subject to certain program requirements. We offer self-directed brokerage and advisory accounts to retirement plan services participants when permitted by their plan’s rules. We do not limit investments to a narrow menu of products or types, or to just proprietary products, but our financial professionals can make recommendations based on their experience and familiarity with different investments. Within each of our discretionary wrap fee programs, the program’s strategy and design, and the investment manager’s philosophy, will determine the investments used. Not all investments we offer can be utilized in all wrap fee programs.

Our wrap fee programs, and certain retirement plan services, impose minimum account size requirements. Financial planning,

Davidson Private Wealth Services, and certain other retirement plan services do not impose minimum account or minimum investment requirements.

For additional information, please visit dadavidson.com/Disclosures to review the Regulation Best Interest Disclosures, the Form ADV Part 2A Firm Brochure, and the Form ADV Part 2A-1 Wrap Fee Program Brochure.



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?*

Fees, Costs, Conflicts and Standard of Conduct

WHAT FEES WILL I PAY?

There are important differences in fees and costs associated with brokerage services and investment advisory services. *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.*

Brokerage Services – Principal Fee and Costs

The primary fees and costs you will incur are transaction-based fees, such as commissions. Depending on your investments, we will charge brokerage commissions or similar fees to your account (hereinafter referred to as “brokerage commissions”), or we will receive sales commissions and/or sales concessions or similar fees (hereinafter referred to as “sales commissions”) from the investments you buy.

We charge you a brokerage commission each time you instruct us to buy or sell investment products we offer on the secondary market in your brokerage account, such as stocks, ETFs, ETNs, closed-end funds, REITs, or options.

When you buy or sell certain other investments, including bonds, structured products, and CDs, we typically charge your account a “mark-up” or “mark-down” adjustment from the market price, meaning we keep the difference as our fee. Mark-ups and mark-downs are also charged on “principal” trades for various security types (including equities), meaning where you buy investments from us, or sell investments to us, rather than a third party.

Where we distribute/sell newly issued shares of individual equities (stocks), bonds, mutual funds, UITs, closed-end funds, REITs, structured products, and alternative investment funds, instead of brokerage commissions we receive sales commissions from the underwriter, the funds, or their sponsors. For some, we only receive up-front sales commissions. For others, we also receive ongoing payments such as “trailing” commissions as long as you hold them. Insurance companies also pay us sales and trailing commissions for selling annuities and other insurance products.

D.A. Davidson generally shares the brokerage commissions, mark-ups and mark-downs, and sales commissions we receive with our financial professionals. However, D.A. Davidson also receives certain other types of compensation that we do not share with our financial professionals. For example, we do not pay our financial professionals any portion of the compensation we receive from the third-party banks that participate in our cash management program, which is available to you if you choose an account with our Firm.

Some investment product sponsors contribute to or reimburse D.A. Davidson for the cost of educational and marketing events for our clients and financial professionals. Subject to approval by our Firm, others pay for travel, meals, entertainment and attendance at conferences, training events, and due diligence trips for our financial professionals, but these payments are not made to our financial professionals directly.

The payments summarized above create incentives for us to recommend that you trade often, make large trades, and invest in specific products in your brokerage account, for which we receive more compensation and other benefits.

Investment Advisory Services – Principal Fees and Costs

For our wrap fee programs, we generally charge a fee equal to a percentage of your advisory account assets with us (“asset-based wrap fee”), rather than commissions and other transaction-based fees. Our asset-based wrap fees are usually charged quarterly in advance as long as we continue providing you with advisory services. Because our fees are based on a percentage of your advisory account assets, we have an incentive to recommend that you increase your advisory account assets with us. Our financial planning services are provided at no additional cost to clients with an advisory or brokerage account. Otherwise, we charge you a distinct one-time fee. Our Davidson Private Wealth Services are provided at no additional cost. Our retirement plan services are provided to plan sponsors at a rate negotiated between us and the plan sponsor. We also earn compensation when plan participants open a brokerage account or advisory account with us through their employer-sponsored retirement plan in accordance with the fees related to the specific account type.

Within each of our wrap fee programs, the asset-based wrap fee pays for all investment management and other advisory services (whether provided by us or third-party investment managers), and most transaction and custody fees. Because the asset-based

wrap fees associated with our wrap fee programs include most transaction costs and custody fees, they are typically higher than asset-based wrap fees that do not include those additional services.

D.A. Davidson generally shares the asset-based wrap fees we receive with our financial professionals. However, in connection with our advisory services, as a Firm we receive certain additional payments and expense reimbursements that we do not share with our financial professionals. For example, we receive fees from mutual funds for providing certain services to the funds. We also receive the same payments from participating banks in our cash management program within advisory accounts as within brokerage accounts. As a Firm, we likewise have a conflict of interest when we recommend or select underlying investment managers for our wrap fee programs. If we recommend or select investment managers that are affiliated with D.A. Davidson, our Firm and our affiliated businesses can keep a larger share of the asset-based wrap fees.

Other Fees and Costs

For both brokerage services and investment advisory services (other than financial planning, Davidson Private Wealth Services, and retirement plan services), you will pay some additional charges. Examples include management, distribution, and administrative fees charged by investment funds, fees charged within annuities and other insurance products, handling fees, wire transfer fees, fees for transferring your account to another firm, IRA maintenance fees, and charges for non-publicly traded securities or special services you request. More detailed information on these fees and costs is described in our [Fee and Services Information](#) disclosure. Additionally, if we provide services to you with respect to investments that are not within our custody, your third-party custodian will likely charge you additional custody and brokerage fees.

For additional information about fees and costs, please visit dadavidson.com/Disclosures to review the Regulation Best Interest Disclosures, the Form ADV Part 2A Firm Brochure, and the Form ADV Part 2A-1 Wrap Fee Program Brochure.

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 must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create 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 to you. Here are some examples to help you understand what this means:

Proprietary Products

Our Firm receives more compensation and benefits if you invest in products that are issued, sponsored, or managed by us or our affiliates — for example, a mutual fund managed by Davidson Investment Advisors. This creates an incentive for us to recommend or select proprietary products over others.

Third Party Payments

We receive compensation such as sales commissions for certain investments we sell including mutual funds, UITs, closed-end funds, REITs, structured products, alternative investment funds, annuities, and other insurance products. This creates an incentive for us to recommend or select products that pay us these fees (and that pay them in greater amounts) over those that do not pay us or that pay us lower fees.

Revenue Sharing

The sponsors of some investments (for example, fund companies), participating banks in our cash management program, and other third parties share with our Firm a portion of the revenue they earn. This creates an incentive for us to recommend or select investments that share revenue with us (and those that share more revenue with us than others) and recommend or allocate any cash balances in your account to our cash management program.

Principal Trading and Underwriting

When we sell stocks, bonds, CDs, UITs, closed-end funds, and certain other investments from our Firm's inventory to you, or buy them from you, or where we are a member of an underwriting group we usually receive more compensation and benefits (sometimes as a "mark-up" or "mark-down" adjustment to the price of the investment) than if the trade were between you and a third party in the secondary market. This creates an incentive for us to recommend principal trades or securities issued by us as a member of an underwriting group.

Ask Your
Financial
Professional

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

For additional information about our conflicts of interest, please visit dadavidson.com/Disclosures to review the Regulation Best Interest Disclosures, the Form ADV Part 2A Firm Brochure, and the Form ADV Part 2A-1 Wrap Fee Program Brochure.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

The primary cash compensation we pay to each of our financial professionals is a share of his or her production. "Production" means the commissions, asset-based wrap fees, and certain other revenues that the financial professional generates for our Firm by providing services to investors. Our financial professionals receive between 25% and 51% of their production in most cases, and the rest is kept by our Firm. The percentage that your D.A. Davidson financial professional receives depends on his or her production over the previous six (6) months, and tenure with our Firm. Some revenues paid to our Firm, such as payments from banks in our cash management program, do not count toward our financial professionals' production.

Our financial professionals can also earn performance awards and bonuses payable in cash or stock of our parent company, as well as non-cash compensation, larger expense allowances, and support services. These awards and bonuses are based largely on the financial professional's production.

Because the compensation we pay to our financial professionals is based largely on their production, how much each individual financial professional is paid depends on several factors, including the following:

Level of client assets serviced

More client assets generally mean an opportunity to earn more compensation. This creates a conflict of interest when our financial professionals make recommendations to bring more assets to our Firm.

Products sold (differential compensation)

For brokerage services, we receive different levels of sales commissions from different investments. While we are required to act in your best interest when we recommend investments to you, you should understand that we still receive different rates of compensation for selling different types of investments, and in some cases, even between competing products of the same type. Thus, our financial professionals have conflicts of interest when they recommend investment types or specific products. Some will generate more sales commissions for our Firm, meaning higher production and pay for a financial professional, than others.

Revenues our Firm earns from advisory services and investment recommendations

Both commissions and other charges for brokerage services, and asset-based wrap fees, count toward our financial professionals' production. For brokerage services, while we are prohibited from recommending an excessive level of trading, you should understand that both our Firm and our financial professionals will receive more compensation if you buy and sell securities often and buy and sell larger amounts of securities. For investment advisory services, the frequency and amount of trades does not affect our financial professionals' production. However, we generally receive higher fees for investment advisory services than brokerage services, and higher fees for some advisory programs than others. This creates conflicts of interest when our financial professionals make recommendations about account types (brokerage vs. advisory), and different advisory programs. Each financial professional's production, and thus his or her compensation, will be higher for some services and programs than others.

Disciplinary History

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. Visit Investor.gov/CRS for a free and simple search tool to research our Firm and our financial professionals.

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 our brokerage and investment advisory services, including a copy of this Client Relationship Summary at dadavidson.com/Disclosures. You can also request up-to-date information or a copy of this Client Relationship Summary by calling us at 800-332-5915 or by emailing clientinquiries@dadco.com.

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?*