

## Exhibit to Client Relationship Summary on Form CRS Update filed April 30, 2022

On April 30, 2021, FS and FSAM together filed an update for the Client Relationship Summary on Form CRS (Form CRS). Below is a summary of changes that is designed to make clients aware of information that has changed since the last filing of Form CRS and that may be important to them.

### ENHANCEMENTS MADE TO THE CLIENT RELATIONSHIP SUMMARY MADE AS PART OF THIS UPDATE

As part of this update, hyperlinks to the Firm's website were updated, conversation starters and headlines were updated to align with broker-dealer instructions. We provide more detail regarding services and related conflicts of interest about affiliates and their proprietary products, additional fees and charges, and information pertaining to revenue from third-parties.

# Customer Relationship Summary

# Form CRS

First Southern, LLC ("FS") is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer and is also a member of FINRA, MSRB and SIPC. Investment advisory services are also offered through First Southern Asset Management, LLC, an affiliated RIA. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

We offer full-service brokerage to retail investors, providing recommendations in the purchase and sale of a variety of security products. We offer many different brokerage account types including individual and joint accounts, custodial accounts, estate and trust accounts, individual retirement accounts, 529 accounts, annuities and other types of retirement accounts as outlined in our account agreement(s). You should refer to our account agreement(s) for more information concerning available account types or speak with a registered representative. All recommendations regarding your brokerage account will be made in a broker-dealer capacity. When we make a recommendation to you, we will expressly tell you orally which account we are discussing.

When we make a recommendation, you make the ultimate decision regarding the purchase or sale of investments. You may accept or reject any recommendation we make. It is your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial advisor about whether an advisory services relationship is more appropriate for you.

There is no minimum initial account balance required to open a brokerage account with us. However, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

Additional information about our services are available on our Best Interest Disclosure Brochure and on our website at [fssec.com](https://fssec.com).

### When considering our services, ask your financial professional:

- 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?

## What fees will I pay?

We receive direct and indirect compensation in connection with your brokerage accounts. Direct compensation is taken directly from the brokerage account in the form of commissions, markups, markdowns, or sales charges on transactions. Commissions and other transaction-based fees are charged when a trade occurs. Indirect fees include trails and 12b-1 fees that are paid by the product sponsor. You will be charged more when there are more trades in your account, and we, therefore, have an incentive to encourage you to trade often.

Aside from the fees we charge you for buying and selling securities, you will have to pay other fees related to brokerage services, which could be charged directly or indirectly. Direct fees include custodial fees and account maintenance fees (including IRA fees) charged by the clearing firm; margin interest fees, markups and markdowns; redemption fees; wire fees; transfer fees; etc. Direct fees will be shown on your trade confirmation and/or brokerage account statement. Indirect fees include internal expenses charged by mutual funds and ETF's (including 12b-1 fees and annual fund operating expenses).

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.

Additional information about our fees are available on our Best Interest Disclosure Brochure and in your Customer Agreement.

### When considering our services, 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? How else does the 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 that means.

**Proprietary Products:** We and our affiliates receive additional compensation from products we issue, sponsor, or manage, known as proprietary products. This creates an incentive for us to recommend proprietary products over third-party products.

**Third-Party Payments:** Some third-party product providers pay us additional compensation as an incentive to sell their products. This creates an incentive for us to recommend third-party product providers that pay us additional compensation over those that do not pay additional compensation or that pay smaller amounts of additional compensation.

**Revenue Sharing:** FS has a conflict of interest through its revenue sharing arrangements with our Clearing Firm and other product providers, including investment companies. This creates an incentive for us to recommend products where we receive revenue sharing over products for which we do not receive revenue sharing or receive smaller revenue sharing payments.

**Principal Trading:** Where permitted under applicable law, we trade certain products on a principal basis, meaning you are buying from or selling to our firm's inventory account. When we execute transactions as principal, we earn a mark-up or markdown from the then-prevailing market price of the security. In addition, we may make a profit (or a loss) on the difference between the price at which we purchased the security and the price at which we sell it to you. As a result, we may make more on a principal transaction than on an agency transaction.

Additional information about our conflicts of interest are available on our Best Interest Disclosure Brochure.

### When considering our services, ask your financial professional:

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

## How do your financial professionals make money?

Registered Representatives earn a portion of the commissions and other transaction fees you pay. As commissions are based on a number of factors, so is the compensation paid to our Registered Representatives. For example, certain products pay higher commission rates than others. Typically, a financial advisor's payout schedule increases with revenue generation and asset levels.

Some product and service providers provide training and education to the Registered Representatives. Such meetings are provided at no cost to us and may include reimbursement for meals and travel. These meetings or events are held to educate Registered Representatives and are also considered to be a form of non-cash compensation.

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

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

### When considering our services, ask your financial professional:

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

## Additional Information

Additional information, including our most recent Relationship Summary, is available at our website at <https://fssec.com/>; in your Customer Agreement; or you can call your Registered Representative at 787.979.2165 to request up-to-date information and a copy of the Relationship Summary.

### When considering our services, ask your financial professional:

- Who is my primary contact person?
- Is she or he 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?