

## **Is A Brokerage Account Right For You?**

Broker-dealer services for your investment are provided by Capulent, LLC, member [FINRA/SIPC](#). Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](#), which also provides educational materials about broker-dealers, investment advisers, and investing.

Capulent, LLC ("Capulent" or "we") provides brokerage accounts and services rather than Investment Advisory accounts and services and it's important to understand the difference. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information should you require further detail or have additional questions.

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

Relationships and Services.

- If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy an investment.
- You may select investments or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours.
- We offer a limited selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs.

Our Obligations to You. *We must abide by certain laws and regulations in our interactions with you.*

- We must act in your best interest and not place our interests ahead of yours when we recommend an investment or an investment strategy involving securities. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations. Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.
  - Our interests can conflict with your interests. When we provide recommendations, we must eliminate these conflicts or tell you about them and in some cases reduce them.
- ❖ *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 those qualifications mean?*

## **What fees will I pay?**

Fees and Costs. *Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.*

- The fee you pay is based on the specific transaction and not the value of your account.
- Due to the direct placement nature of Capulent's securities business, fees are disclosed in the offering documentation (prospectus, private placement memorandum or other disclosure document) at or before the time of your investment. These fees are generally taken out of the total invested amount, in the form of a placement fee or commission.
- Some investments may impose additional ongoing management fees that will reduce the value of your investment over time. Additionally, some Registered Representatives of Capulent may also have multiple roles in the transaction and management of an investment, thereby generating additional fees. See Conflicts of Interest below for more information.
- Fees will vary based on the type of security, structure and issuer or sponsor. Refer to the offering documents to see how these fees are broken down.
- The commission-based structure incentivizes brokerage firms to encourage you to engage in transactions.
- 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.

Compare with Typical Advisory Accounts.

You could also open an advisory account with an investment adviser, where you will pay an ongoing asset-based fee that is based on the value of the cash and investments in your advisory account. Advisors typically agree to regularly monitor your account and charge based on a percentage of your assets under their management. This type of compensation arrangement may

be advantageous for somebody who requires the continuous supervision of his or her investments. Please note that some advisors may not be able to offer or manage the same products that Capulent offers.

- ❖ *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?***

Conflicts of Interest. *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.*

- Compensation to us will vary by product, issuer and/or sponsor. As such, we may be more financially incentivized to offer a certain product to you. Your financial professional also receives more money if you buy these investments.
  - We also have an incentive to offer or recommend certain investments, because the manager or sponsor of those investments shares with us revenue it earns on those investments depending on our role in the transaction. As an example, as a Managing Broker-Dealer, we are authorized to receive additional compensation for administration, due diligence, and marketing than if we were only a selling group member. This additional compensation is generally explained in the offering documents.
  - Certain Registered Representatives ("RR") of Capulent may serve multiple roles in the sales and ongoing management of an investment. For example, in a Delaware Statutory Trust ("DST") investment, the RR may also be a General Member of the DST's sponsor or Management Company. As such, he/she would be entitled to additional compensation above and beyond a DST offered by another sponsor. In all cases, this potential conflict of interest will be explained in the offering documents as well as discussed in person prior to the investment.
  - In the course of business, we may form relationships with service providers related to activities outside of the scope of the broker-dealer. For example, we may engage with an escrow agent to facilitate closing an offering and that agent may, in return, refer clients to Capulent for brokerage services. See [Capulent.com/ReferralAgreements](https://www.capulent.com/referral-agreements) for additional details.
- ❖ *How might your conflicts of interest affect me, and how will you address them?*

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

Generally, our financial professionals are paid a percentage of the commissions we charge you, as discussed above. As such, your financial professional is also incentivized to encourage you to engage in transactions. Depending on a variety of factors such as individual production, branch production, complexity of the products and products offered, this payout may differ by individual financial professional. However, the rate that is paid out is consistent across all products we offer and does not motivate your financial professional to offer one product type over another.

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

Yes, some of our financial professionals have some form of disciplinary history. If you would like more information about our firm and/or our financial professionals, you may visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research additional information.

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

**Additional Information.** *We encourage you to seek additional information.*

- For additional information about our brokers and services or to request a copy of this Relationship Summary, visit [Investor.gov/CRS](https://investor.gov/CRS), [Brokercheck.finra.org](https://www.brokercheck.finra.org), our website [Capulent.com](https://www.capulent.com), or your account agreement.
- If you have a problem with your investments, account or financial professional, contact us at 800.255.5181 or in writing at [ClientServices@Capulent.com](mailto:ClientServices@Capulent.com).
- To report a problem to the SEC, or to request up-to-date information including a copy of this Relationship Summary, visit [Investor.gov/CRS](https://investor.gov/CRS) or call the SEC's toll-free investor assistance line at 800.732.0330.