

As with most financial services companies, Capulent, LLC (referred to as “we” “us” “our” or “Firm”) has certain conflicts of interest that we feel is important for you to know. This brochure provides information about how we and our financial professionals are compensated and related conflicts of interest. In particular, the information below describes conflicts of interest associated with compensation received by us and our financial professionals on brokerage and referral services.

We and our financial professionals are compensated from the investments made by customers. We can get paid an upfront commission at the time of the transaction, and/or ongoing compensation, typically called a trail payment. If we are paid an upfront commission, it means that the larger transaction amount a customer makes, the more we are paid. The amount we receive varies depending on the particular type of investment a customer makes. In addition to commissions and trails, we may receive additional compensation as described below. The compensation described in this document represents the maximum gain or profit we receive on an investment before subtraction of any expenses.

Please note that not all of the conflicts described in this brochure apply to a particular financial professional or his or her services and the products we sell, and the types and amounts of compensation we receive, may change over time so we encourage you to periodically review this disclosure document for material updates. Customers should ask their financial professional if they have any questions about compensation and/or conflicts of interest.

## Compensation

### **Commissions and sales charges.**

We receive upfront commissions when we execute transactions that result in the purchase of a security. A commission, which also may be called a sales load, sales charge, or placement fee, is typically paid upfront, can reduce the amount available to invest, can be charged directly against an investment and is often based on the amount of assets invested.

We receive a portion of the sales charge or commission and share it with our financial professional. In many cases, a portion of the sales charge or commission is retained by the investment sponsor.

Factors to consider:

- You pay us a transaction-based fee, generally referred to as a commission, every time you buy an investment. The fee you pay is based on the specific transaction and not the value of your account. This payment structure incentivizes brokerage firms to encourage you to engage in transactions.
- Fees will vary based on the type of security, structure and issuer or sponsor. This creates an incentive to sell a higher commission security rather than a lower commission security. Due to the direct placement nature of Capulent's securities business, fees are disclosed in the offering documentation: prospectus, private placement memorandum or other offering document. These fees are generally taken out of the total invested amount, in the form of a placement fee or commission.

- Some financial professionals of Capulent may also have multiple roles in the transaction and management of an investment, thereby generating additional fees. See the Conflict of Interest section below for more information.
- You pay fees and costs whether you make or lose money on your investments. Ongoing management fees and costs will reduce the value of your investment over time. Please make sure you understand what fees and costs you are paying.

Compensation Type	Description	Fee Structure
<i>Alternative Investment</i>	<i>When a transaction occurs, Capulent is paid a commission from the issuer.</i>	<i>3.0% - 7.0% of the total amount invested.</i>

### **Trail compensation.**

Capulent may receive ongoing compensation from investment products. This compensation (commonly known as trails) is typically paid from the assets of the investment under a distribution or servicing arrangement with the issuer, is calculated as an annual percentage of invested assets, and is shared between us and our financial professional.

The more assets you invest in the product, the more we will be paid in these fees. Therefore, we have an incentive to encourage you to increase the amount of your investment. The amount of trails received varies from product to product. This creates an incentive to recommend a product that pays a higher trail rather than a lower trail.

For more information about trail compensation received with respect to a particular investment, please refer to the offering documentation: prospectus, private placement memorandum or other offering document.

Compensation Type	Description	Fee Structure
<i>Alternative Investment</i>	<i>When a transaction occurs, some products may include provisions for Capulent to receive ongoing trail compensation.</i>	<i>0.0%-1.0% annually of invested assets.</i>

### **Concessions.**

Capulent may receive concessions from investment issuers for other types of expenses. Typical concessions include an allowance for marketing and/or due diligence. These concessions vary from product to product and are generally shared between us and the financial professional.

Compensation Type	Description	Fee Structure
<i>Alternative Investment</i>	<i>Some products may include provisions for Capulent to receive concessions in the form of marketing and/or due diligence allowance fees directly from the issuer, not as a portion of the upfront commission or trail compensation.</i>	<i>0.0% - 1.5% of the total amount invested.</i>

### **Managing broker-dealer.**

Capulent may engage issuers as the managing broker-dealer for a securities offering. The managing broker-dealer is responsible for distributing the offering and receives additional compensation to do so; therefore, Capulent has a greater incentive to sell these products to you because we make additional money when you buy the product.

Compensation Type	Description	Fee Structure
<i>Alternative Investment</i>	<i>Capulent may engage the issuer as managing broker-dealer and earn additional compensation in the form of management, placement, and wholesaler fees.</i>	<i>0.0% - 3.0% of the total amount invested.</i>

### **Non-cash compensation.**

Capulent and our financial professionals receive compensation from investment sponsors that is not in connection with any particular customer. Compensation includes such items as gifts valued at less than a specified amount annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, workshops or events.

Compensation Type	Description	Fee Structure
<i>Non-Cash Compensation</i>	<i>Fringe benefits such as meals and entertainment, inexpensive gifts, workshops, and events.</i>	<i>Gifts valued less than \$100 annually.</i>

### **Compare with typical advisory accounts.**

Outside Capulent 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 the same products that Capulent offers.

## ***Conflict of interest***

### **Outside business activities.**

Our financial professionals are permitted to engage in certain approved business activities other than the provision of brokerage services through Capulent. In certain cases, our financial professionals could receive greater compensation, benefits, and non-cash compensation, through the outside business than through our firm.

Our financial professionals could also be an accountant, real estate agent, tax preparer, lawyer, etc. Our financial professional could refer customers to other service providers and receive referral fees. As other examples, our financial professionals could provide advisory or financial planning services through an independent unaffiliated investment advisory firm, sell insurance through a separate business, or provide third party administration to retirement plans through a separate firm.

If you engage with one of our financial professionals for services separate from us, please discuss with him or her any questions you have about the compensation he or she receives from the engagement.

### **1031 CF Properties, LLC sponsored offerings.**

Some Capulent financial professionals may serve multiple roles in the sales and ongoing management of investments sponsored by 1031 CF Properties, LLC. Typically, the financial professional is a General Member of the investment sponsor or Management Company. As such, the financial professional would be entitled to additional compensation beyond a DST offered by another sponsor.

### **Equity Trust Company.**

Capulent and our financial professionals have identified Equity Trust Company as our preferred self-directed IRA custodian. We have partnered to provide our respective clients enhanced services via our company websites, including online account creation, funding facilitation, and product awareness. This relationship does not involve financial considerations.

**Referrals.**

In the course of business, Capulent and our financial professionals 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.

**Limitations on our investment recommendations.**

We offer and recommend investment products only from investment sponsors with which we have entered into selling and distribution agreements. Other firms could offer a wider range of choices, some of which might have lower costs.

The scope of products and services offered by our individual financial professionals may also be more limited than generally available through us, based on their licensing and training.

*For additional information about Capulent's services, concerns about any of Capulent's financial professionals, or to receive a copy of any disclosures, contact us at 800.255.5181 or email [ClientServices@Capulent.com](mailto:ClientServices@Capulent.com).*