

1. INTRODUCTION

Spencer Clarke LLC is registered with the Securities & Exchange Commission as a broker-dealer and is 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 which also provides educational materials about broker-dealers, investment advisers, and investing.

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

- The brokerage services we provide are private placements in private and public companies generally via offering document including a private placement memorandum.
- You may select investments or we may recommend investments for you, but the ultimate investment decision is yours. We are not required to monitor your portfolio or investments on an ongoing basis. We have no minimum investment requirements. More detailed information about each offering will generally be found in the offering material.

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.

- The fee you pay is based on the specific transaction and not on the value of your investments.
- The fee will be generally be disclosed in the offering material

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 either because they are managed by someone related to our firm or because they are offered by companies that pay our firm to sell their investments. Your financial professional also may receive more money, including but not limited to warrants, common stock and other forms of compensation, if you buy or invest in these investments.

- **You may find further information in the offering memorandums for each specific investment you make.**

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?

Our financial professionals earn commissions on investments they make on your behalf. In addition, your financial professionals may earn retainer fees, warrants, common stock and/or other incentives, from the issuing company of the private placement offering.

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

Yes. Visit www.investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals. To report a problem to the SEC, visit Investor.gov or call the SEC's toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, call 301-590-6500. If you have a problem with your investments, account or financial professional, contact us in writing a compliance@spencerclarke.com

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 www.spencerclarke.com and www.finra.org/brokercheck.
- You may request a copy of the Form CRS Relationship Summary by contacting your investment professional. You may also call 212-446-6100 for a copy or to request up-to-date information.

Questions to ask:

Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?

SPENCER CLARKE LLC

General Conflicts of Interest Disclosure

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Item 1: Introduction

Spencer Clarke LLC (“Spencer Clarke,” the “firm,” “we,” “us” or “our”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) (www.sec.gov) pursuant to the Securities and Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) (www.finra.org) and Securities Investor Protection Corporation (“SIPC”) (www.sipc.org). We offer products and services to you through financial professionals (“FPs”). These FPs are all FINRA-registered representatives (RRs) authorized to offer securities brokerage products. What we are offering to you is guidance, informed by industry experience and knowledge, regarding the investments and/or strategies that are best suited to help you meet your financial goals.

In providing this guidance, we are obligated to act in your best interest. However, as is the case no matter which financial services company you choose, our interests are not always the same as yours. We and our FPs have business and financial interests “that might incline (us or our FPs)—consciously or unconsciously—to make a recommendation that is not disinterested.”ⁱ This is what we mean when we refer to “conflicts of interest.” You will see words like “incentive” and “influence” in this disclosure, in addition to “incline”; these words should alert you to conflicts of interest and are used to describe the potential effects of those conflicts. For instance, and as discussed in greater detail later, Spencer Clarke has affiliated companies that manage or invest in private placements and investment products sold by FPs. Investments in or sales of these offerings serve the interests of the affiliated companies’ and accordingly, create a conflict of interest for Spencer Clarke and its FPs. So how do we address conflicts of interest—how do we ensure that our own interests do not interfere with our obligation to act in your best interest? We tell you about our conflicts; that is the main purpose of this document. We have designed our compensation structure to disfavor or mitigate economic incentives that can influence your FP’s recommendations in a way that conflicts with your best interest. Finally, we conduct supervisory oversight to ensure that each recommendation meets all regulatory requirements. Spencer Clarke is providing you this disclosure because you are considering engaging with an FP to purchase a product or service. As you make your decision, it is important that you are aware of all facts that you would consider important (these are called “material facts”); we believe that conflicts of interest are important facts you should consider, as are the fees and costs that you are likely to incur, and what options are available for you to consider. Having this information will help you to make the right choices and to know whether we are living up to our commitment to act in your best interest whenever our FPs make recommendations to you. Please be aware this document is only a summary; it does not include everything you may wish to know about our products, services, fees, or conflicts. But in addition to the matters summarized, this disclosure cites other sources (including hyperlinks, if you are online) where you can get additional information relevant to your investment decisions which, taken together, provide you with information to help you make informed investment decisions—and to recognize, we hope, the value of the guidance and knowledge our FPs have devoted their careers to sharing with you. While we will take reasonable

care in developing and making recommendations to you, securities involve risk and you may lose some or all of your invested money. There is no guarantee that you will meet your investment goals, or that our recommended investment or investment strategy will perform as anticipated. Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product and the possible conflicts that may exist with affiliated companies.

Item 2: Conflicts of Interest

In a brokerage or banking relationship, Spencer Clarke and your FP may receive sales compensation when investments are purchased and when additional amounts are added for investment. Such compensation can take the form of a separate charge paid in addition to the amount invested in the security, or it can be built into the product itself or in the form of additional stock, warrants or other economic benefits; and it can be paid all at once, or over time, or a combination thereof.

Commissions/Sales Charges. When your FP makes a recommendation that results in the purchase or saleⁱⁱ of a security, Spencer Clarke receives and shares with your FP a commission, also called a placement or finder's fee. Commonly, the commission is built into the cost of the product and paid at the time of the transaction, and is often based on the amount of assets invested (i.e., it is a percentage of what you invest, rather than a set amount).

Private Placements Products. From time to time, Spencer Clarke offers private placements which are created to offer (the "Offering" or "Fund") its, Common shares, (the "Common shares") Preferred shares, (the Preferred shares), debt or convertible debt, or member interests (the "Member Interests") and to use the net proceeds of this Offering to attempt to make venture capital investments in private businesses operating in various sectors. Each Offering is may be conducted with a private placement memorandum. Offerings in to Fund structures usually have a Manager which has the sole discretion over all decisions regarding the Company, the Member Interests, the acquisition and disposition of Portfolio Securities, and whether to cause Member Interests to be redeemed by the Company or sold to third parties and at what prices. This creates a number of conflicts. For instance, An FP of Spencer Clarke, is affiliated with the Manager and Advisor Member of the Fund and in such capacity with make investment decisions for the Manager and Advisor Member. In addition, this FP of Spencer Clarke, also serves as the President and Chief Executive Officer of Spencer Clarke, which is the placement agent for the Offering.

Such relationships can create conflicts of interest between the Spencer Clarke and the investors in this or any Offering. There are also potential conflicts of interest between Spencer Clarke and the Manager. Spencer Clarke, in its capacity as a broker-dealer, may affect transactions in Portfolio Securities for its own account. Conflicts of interest may arise as to, among other things, the order in which the Manager's affiliates and the Company proceed to acquire and/or dispose of Portfolio Securities. The Manager and related parties will seek to resolve these conflicts in as equitable a manner as possible under the prevailing facts and circumstances, but there is no assurance that any such conflicts will be resolved in a manner advantageous to the Company and the Members. The Manager and its principals will devote to these Companies as much time as the Manager deems necessary and/or appropriate to manage the business of the Company in the Manager's sole discretion. The Manager, Spencer Clarke and their respective affiliates may engage for their own account and/or for the account of others, including other investors, in all aspects of the investment business, including, without limitation, making investments outside the Company in the same or other securities (on the same or different terms from those offered to the Company), establishing other investment funds, or the management of investments. The Manager, Spencer Clarke and/or their respective affiliates may begin or continue such activities, individually, jointly with others, or as owners or managers of any person, regarding the same types of investments in which the Company may likewise be investing; may deal with the Companies as counter-parties or through any other person in which they may be interested; may sell securities to or buy securities from the Companies; may participate in other investment funds, as investors or otherwise; and shall not be required to permit the Companies or the Members to participate in any other funds or investments in which the Manager, Spencer Clarke or any of their respective affiliates may be interested or share in any profits or other benefits therefrom. Therefore, situations may arise in which the interests of the Manager, Spencer Clarke and/or their respective affiliates conflict with the interests of the Company and/or its Members.

When our affiliates are successful in an Offering, we and our FPs may benefit directly or indirectly. When investors (“Members”) of the Offerings have received distributions equal to a certain percentage above their contributions, future distributions may be subject to a “Carried Interest Allocation” or “Performance Fee” to the Manager, as disclosed in the Private Placement Memorandum. This performance fee may be distributed to Spencer Clarke and Spencer Clarke may then distribute all or a portion of such allocation to its FPs, contingent upon their ongoing compliance with certain conditions. Notwithstanding the above, Spencer Clarke, with the exception of the Member or when it is the Member or Manager, is not involved in the management of the Company or the Manager, and is not authorized to make investment decisions on behalf of the Company including, but not limited to, the Portfolio Securities. This too may create an incentive to recommend these products over other, otherwise similar products.

We address these conflicts of interest through disclosure here and the client companies attempt to disclose risks and conflicts through private placement memorandums and/or other offering materials, as well as through training, tools, and processes to ensure our FPs’ recommendations are in their clients’ best interest, and through supervisory oversight designed to ensure that each recommendation meets all regulatory requirements.

Item 3: Financial Professional Compensation and Conflicts

Your FP’s Compensation and Conflicts. Your FP is entitled to receive compensation and other benefits from Spencer Clarke based on the percentage of revenue or other metrics that he or she generates from sales of products and services. As a general matter, your FP’s total cash and equity-based compensation depends upon his or her agreements with Spencer Clarke and may increase as the revenue he or she generates increases. Your FP can also earn a greater percentage of revenue for recommending one type of investment product or service over another. This creates an incentive to recommend some transactions, products and services over others.

Outside Business Activities. Your FP may also be engaged in activities outside the firm or have particular business models that present their own conflicts. Your FP could be an accountant, attorney, consultant or refer clients to other service providers and receive referral fees, for example. Your FP may provide advisory services through an independent investment advisory firm in which your FP may have an ownership interest. Your FP may receive greater compensation through the outside business than through Spencer Clarke, or have another incentive to recommend or sell products through the outside business. All outside business activities must be disclosed and pre-approved by Spencer Clarke; but they create conflicts that cannot always be mitigated, other than through disclosure.

Limitations on Products and Services. Spencer Clarke does not offer every type of product or service available in the marketplace. In particular, we do not make available any stocks or mutual funds in brokerage accounts, nor do we offer insurance product. Our product offerings are limited for various reasons, including but not limited to customer demand, level and type of investment risk, and business considerations. Additionally, investment and product offerings may be limited by the specific licenses held by your FP. Such “brokerage only” FPs may be limited in the types of brokerage services they may offer. For example, a “Series 7” registered representative can offer all equity and fixed income securities, whereas a “Series 6” registered representative can recommend only mutual funds and, if insurance licensed, variable insurance products. Moreover, your FP may have the requisite licenses and credentials to offer all of our available products and services in some states, but not in others. If your FP cannot provide the products or services that you are seeking and/or may best serve your interests, your FP is required to disclose that to you during your discussions and you should request to work with another FP. These various limitations create conflicts of interest because your FP has an incentive to recommend products and investment types that are offered by the firm or that your FP is licensed to provide, even where a different product or investment type may be in your best interest. This type of conflict is addressed by this disclosure, as well as Spencer Clarke’s ongoing efforts to ensure the products and investment types offered cover most if not all of the investment needs the firm’s clients may have. If your FP has one or more of the above-referenced limitations, your FP should tell you about them verbally or in writing. You are also encouraged to ask your FP what products and investment types he or she can and cannot provide. You may verify licensing and other information about your FP on FINRA’s BrokerCheck site (<https://brokercheck.finra.org>).

Item 4: Other conflicts.

Management Compensation and Conflicts. Spencer Clarke may pay compensation to its managers, advisors, or representatives for supervision, training and administrative or sales support to the FPs under their supervision. This compensation is based on their job performance and contribution to the overall needs and profitability of Spencer Clarke.

Spencer Clarke's Board of Directors. Spencer Clarke is a wholly-owned subsidiary of Spencer Clarke Holdings LLC. One or more of the firm's executives are also officers or directors of our affiliates, which is a conflict in that they have an incentive to propose or vote in favor of broker-dealer sales, marketing, or product strategies that result in increased investments in products issued by those affiliates.

Item 5: Investment philosophy, and general basis for recommendations

When the firm is raising capital of public or private companies, one of the firm's target market is high income and high net worth retail and accredited investors who are generally seeking and willing to sustain substantial volatility of principal and assume a high level of risk in pursuing higher returns with an emphasis on aggressive investments that assume above average risk with the hope of achieving commensurate gains. Our offerings include public and private investments, direct or structured investments, investment funds and products, and investment strategies believed to be in the best interest of the firm's customer base.

We require our financial professionals to have a reasonable basis, taking into account the potential risks, rewards, and costs associated with a recommendation, to believe that each recommendation made to a customer is in the customer's best interest, and does not place the interest of themselves, the broker-dealer, or affiliates, ahead of the interest of the investing customer at the time the recommendation is made.

In determining whether our financial professional's recommendation is in the investing customer's best interest, we consider the investing customer's individual or investing entities investment profile, which includes but is not limited to the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other information that the customer may disclose to us or to the FP in connection with a recommendation.

ⁱ This is how the SEC defines "conflict of interest" in its Regulation Best Interest adopting release; see <https://www.sec.gov/rules/final/2019/3486031.pdf>, p. 36.

ⁱⁱ For many investment products, sales charges are incurred when you purchase and not when you sell, although some products have early withdrawal penalties or other restrictions that serve a similar purpose as sales charges.