

Regulation Best Interest Disclosure

This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that Moody Capital Solutions, Inc. (“Moody”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and is also a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). Our brokerage services involving private placements and crowdfunding offerings are the primary focus of this guide. In addition, our Form CRS contains important information about the types of services we offer, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information. Form CRS is available via our website at <http://moodycapital.com> and at [Investor.gov/CRS](http://investor.gov/CRS).

Brokerage services

We offer private placements to “Institutional Investors” and “Accredited Investors” only. A private placement is a non-public offering of securities exempt from full SEC registration requirements. “Institutional Investors” is defined in FINRA Rule 4512(c) and includes (i) a bank, savings and loan association, insurance company or registered investment company; (ii) an investment adviser registered either with the SEC or with a state securities regulatory agency; or (iii) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million. “Accredited Investors” is defined in SEC Rule 501(a) and includes natural persons with a net worth of more than \$1 million (not including the person’s primary residence) or with an annual income at least \$200,000 each year for the last two years (or \$300,000 combined income if married) and have the expectation to make the same amount during the current year.

We may also recommend crowdfunding offerings to specific retail investors.

We do not offer all types of securities, but limit investment recommendations to private placements, best effort underwritings and crowdfunding offerings. Other security products or brokerage services may be more suitable for you.

Most private placements have a minimum investment amount which is typically \$100,000, but the minimum investment amount can vary by issuer and placement. Investment minimums may be waived and will be listed in the private placement memorandum (“PPM”) or similar offering documents.

Most crowdfunding offerings have a minimum investment amount which is typically \$10,000, but the minimum investment amount can vary by issuer and offering. Investment minimums may be waived and will be listed in the offering documents.

When a private placement or crowdfunding offering is offered by Moody, we do so on a best-efforts basis, meaning we do not agree to raise all of the money requested by the issuer. Once you subscribe, we will not monitor your investment on a regular basis. Moreover, we do not agree to enter into a fiduciary relationship with you. It is important for you to understand that when our Registered Representatives make a recommendation to you, we are obligated to ensure the recommendations is in your best interest, considering reasonably available alternatives, and based upon your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor your investments, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of any recommended securities. If you prefer on-going monitoring of your investments, you should speak with a financial professional about whether an advisory services relationship is more appropriate for you. From time to time we may provide you with additional information and resources to assist you with managing your investment. This may include but is not limited to educational resources, financial reports, summaries and/or updates about the issuer. When we offer this information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings, they do not contain specific investment recommendations about investment holdings, and you should not consider them a

recommendation to trade or hold any particular security. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under any specific obligation to do so.

Investment Risks

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Higher-risk investments, including private placements and crowdfunding offerings, may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. Our recommendations are based in part on your risk tolerance and investment objective. We encourage you to carefully consider your investment objective and risk tolerance before investing.

Private Placements are extremely speculative, illiquid, and includes unique risks. While we will take reasonable care in developing and making recommendations to you, private placements involve risk, and you may lose money. There is no guarantee that any private placement will meet the stated investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any available PPM or other offering documents for any security we recommend for a discussion of risks associated with the product.

The PPM contains important information about a particular investment’s business, operations, financial condition and risks. The risks below include a summary of risk factors and is not meant to be all inclusive. These include the following:

- **Investments are Generally Risky and Offer No Guarantee of Success.** All investments generally bear the risk of partial or complete loss of capital. There is no guarantee that an investment will be profitable.
- **Illiquidity.** Private placements have limited transferability and investors may not be able to liquidate their interest in an issuer. Because of a variety of restrictions upon the transferability of the issuance, including restrictions imposed by federal securities laws, an investor may be required to retain their investment indefinitely. As a result of the foregoing factors, prospective investors must understand that there may never be a market of any kind for the purchase and sale of the interests.
- **Forward-Looking Statements.** Issuer material may contain forward-looking statements. When used in the material, including but not limited to words such as “believe,” “anticipate,” “intend,” “plan,” “seek,” “will be,” “expects,” “estimates,” “projects” and similar expressions identify such forward-looking statements. Such statements regarding future events and/or the future financial performance of an issuer are subject to certain risks and uncertainties which could cause actual events or the actual future results of the issuer to differ materially from such forward-looking statements. Certain of these risks include changes in the markets in which the issuer operates, technological advances, changes in applicable regulations and new entries into the market. In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the issuer or any other person that the objective and plans of the Issuer will be achieved.
- **Changes in Capital Markets and the Economy.** Each issuer is materially affected by conditions in the global capital markets and the economy generally. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit may contribute to increased volatility and diminished expectations for the economy the markets or this investment going forward. These factors, among others not listed, may contribute to increased likelihood of Issuer failure and loss of investment. In addition, small and new businesses may be particularly susceptible to such factors.

Because the risks of each issuer and private placement are unique, it’s important to review the PPM or other offering material, understand the unique risks of the particular investment under consideration, and ask your registered representative additional questions about the business practices and risks associated with any recommended private placement.

Brokerage fees and our compensation

It is important to consider that while private placements may provide a cost-effective way to invest in public and private companies, they are not for everyone given the risks, fees and costs involved. You will pay transaction-based fees when you subscribe to a private placement. These transaction-based fees are generally referred to as a “commission,” a “sales concession.”

For each placement we receive sales compensation based on the amount of money invested. The amount of compensation is generally 1-8% of your initial investment, but the exact amount varies by issuer. Again, exact terms of fees and expenses vary between each private placement offering. The specific fees and expenses associated with a private placement are listed in the PPM or similar offering document, or are available upon request.

Conflicts of interest

Conflicts of interest exist when we provide investment services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of such conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our Registered Representatives, our clients and third parties. Securities rules allow for us, our Registered Representatives, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Registered Representatives receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in various agreement(s) and disclosure documents and other information we make available to you.

Compensation We Receive from Clients

Transaction-based conflicts

You will pay certain fees (commissions and sales concessions) in connection with investing in a private placement or crowdfunding offering. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial professional receive. This compensation creates an incentive for us to encourage you to invest in private placements and/or crowdfunding offerings. Moreover, we have multiple brokerage relationships which may not all have the exact same revenue agreements. At times, we may have the ability to influence the decision-making process with reference to such relationships. Accordingly, we strive to ensure that clients are fully informed of their brokerage options to allow for the most informed decision.

Registered Representatives are compensated based on the percentage of revenue generated from sales of products and services to clients. This compensation may vary by the product or service associated with a brokerage recommendation. Private placements carry higher fees than other types of securities. Therefore, Registered Representatives are incentivized to recommend these products over other brokerage products. We maintain policies and procedures designed to ensure that recommendations are in your best interest.

We have entered into marketing agreements with certain third-party investment managers. By introducing a manager to a client, who ends up investing with the manager, we will receive fees based off of investment performance and management fees. We maintain policies and procedures designed to ensure that recommendations are in your best interest.

Compensation Received by Registered Representatives

Personal Trading Activities

Registered Representatives may invest in the same private placements offered to clients. This creates a conflict of interest in that they may invest without paying a commission. Sometimes, additional fees are earned based on the total amount raised, or a minimum amount raised. Our written supervisory procedures are designed to assure that the personal securities transactions,

activities, and interests of the Registered Representatives of Moody will not interfere with making decisions in the best interests of our customers or implementing such decisions while, at the same time, allowing Moody Registered Representatives to invest for their own accounts. The Firm has procedures to monitor the personal trading activities and securities holdings of each of the Firm's Registered Representatives and includes procedures for limitations on personal securities transactions of associated persons. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

Additional Resources

You can visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. You can also call your Registered Representative at (770) 377-3556 to request up-to-date disclosure information or to ask any questions you have about this brochure or services offered by Moody.