

## SI Securities, LLC Customer Relationship Summary – Form CRS (June 30, 2020)

SI Securities, LLC (“**SI Securities**,” “**we**,” “**us**” or “**our**”) is a broker/dealer registered with the Securities and Exchange Commission (“**SEC**”), and a member of the Financial Regulatory Authority (“**FINRA**”) and the Securities Investor Protection Corporation (“**SIPC**”). SI Securities and its affiliates conduct business under the name “**SeedInvest**” and operate the investment platform hosted at [seedinvest.com](http://seedinvest.com) (the “**Platform**”).

Brokerage and investment advisory services and fees differ, and it is important for an investor to understand the difference. Free and simple tools to research firms and financial professionals are available at [www.Investor.gov/CRS](http://www.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 brokerage services to retail investors as follows. The Platform permits private companies seeking early stage and angel financing (“**Companies**”) to meet and communicate with investors. Companies may conduct fundraising activities on the Platform, including selling equity securities and convertible notes. We act as agent to facilitate those transactions. We also offer an “Auto Invest” program that allows investors to automatically opt-in to offerings in which they are legally permitted to invest. The securities available for purchase on the Platform are limited to those issued by Companies that have successfully completed our due diligence process and agreed to our terms of service. Certain offerings on the Platform are limited only to Accredited Investors and may require a certain minimum investment amount.

We generally do not solicit or recommend purchases or sales of securities, provide investment advice, monitor your investments, or maintain investment discretion over your investments (other than facilitating the Auto Invest program). You make the ultimate decision regarding the purchase or sale of securities. We also do not trade securities for our own account.

For additional information, please refer to <https://www.seedinvest.com/faqs> and our Supplemental Disclosures document, which will be provided to you in connection with each offering.

Conversation Starters – Ask your financial professional,

- Given my financial situation, should I choose a brokerage service? Why or why not?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### *What fees will I pay?*

Generally, investors are charged a 2% transaction processing fee, up to \$300, per investment. This fee is refunded if the Company doesn’t meet its fundraising goal. Investors may pay additional fees and expenses as set out in our Customer Agreement.

For additional information, please refer to <https://www.seedinvest.com/faqs> and our Supplemental Disclosures document, which will be provided to you in connection with each offering. 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

Conversation Starters – 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 your firm make money and what conflicts of interest do you have?***

We generally *do not* provide recommendations. However, if we *do* provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. In addition, whether we provide a recommendation or not, 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 services we provide you. Here are some examples to help you understand what this means.

We receive fees from Companies that sell securities on the Platform. Generally, for each successful raise, we will receive: (1) reimbursement of \$10,000 to cover our due diligence costs; (2) a placement fee of 7.5% of the funds raised; and (3) an equity fee of 5% of the funds raised. Investors also pay fees in connection with transactions on the Platform. We therefore have an incentive to promote these offerings to ensure successful fundraising rounds.

For additional information, please refer to <https://www.seedinvest.com/faqs> and our Supplemental Disclosures document, which will be provided to you in connection with each offering.

Conversation Starters – 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?***

Our financial professionals are paid a fixed base salary, and certain of our personnel may receive discretionary bonuses.

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

Yes.

Investors should visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research you and your financial professionals.

Conversation Starters – Ask your financial professional,

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

For additional information or to request a copy of Form CRS, please contact our Compliance Team at (617) 863-2136.

Conversation Starters – Ask your financial professional,

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

**Supplemental Disclosures**  
**SI Securities, LLC**  
**June 30, 2020**

This guide summarizes important information concerning the scope and terms of the brokerage services offered by SI Securities, LLC (“**SI Securities**,” “**we**,” “**us**” or “**our**”) and details the conflicts of interest that arise through our delivery of services to you. We encourage you to review this information carefully, along with any applicable disclosure documentation you may receive from us.

We are a broker/dealer registered with the Securities and Exchange Commission (“**SEC**”), and a member of the Financial Regulatory Authority (“**FINRA**”) and the Securities Investor Protection Corporation (“**SIPC**”). SI Securities and its affiliates conduct business under the name “**SeedInvest**” and operate the investment platform hosted at seedinvest.com (the “**Platform**”).

We do not generally make recommendations regarding securities transactions or investment strategies involving securities. In connection with the services provided by us or our registered representatives (“**Registered Representatives**”), we encourage you to consider the following disclosures.

Our Capacity

We and our Registered Representatives act in a broker-dealer capacity in connection with investments on the Platform. Additional details regarding the services we offer is available in our Form CRS Relationship Summary, available at <https://brokercheck.finra.org/firm/summary/170937>.

Fees and Costs

We charge fees to the companies that sell securities on the Platform (each, a “**Company**”), and to investors who purchase or sell securities. Generally, for each successful raise, we will receive from the Company: (1) reimbursement of \$10,000 to cover our due diligence costs; (2) a placement fee of 7.5% of the funds raised; and (3) an equity fee of 5% of the funds raised. In addition, investors are charged a 2% transaction processing fee, up to \$300, per investment. This fee is refunded if the Company doesn’t meet its fundraising goal. Investors are not charged any ongoing management fee, carried interest or other administrative expenses by us. Investors should refer to the fee schedule included in our Customer Agreement for a complete listing of fees and expenses they may pay.

Registered Representatives are compensated through base salaries. Certain of our personnel may also receive discretionary bonuses. Registered Representatives are not paid differential compensation for various products.

Our Services

Our services are limited to facilitating investments in Companies via the Platform. Companies may conduct fundraising activities on the Platform, including selling equity securities and convertible notes. We act as agent to facilitate those transactions. We also offer an “Auto Invest” program that allows investors to automatically opt-in to offerings in which they are legally permitted to invest. The securities available for purchase on the Platform are limited to those issued by Companies that have successfully completed our due diligence process, agreed to our terms of service, and met other required conditions.

Certain offerings on the Platform are limited only to Accredited Investors and may require a certain minimum investment amount. Investment minimums are set by each individual Company at the beginning of their respective fundraising campaign. While the investment minimums vary from one

Company to the next, they most commonly range from \$1,000 to \$2,000 with some as high as \$10,000. Participation in the Auto Invest program requires a minimum initial funding of \$1,000.

We generally do not solicit or recommend purchases or sales of securities, provide investment advice, monitor your investments, provide advice with respect to your overall allocation of investments, provide any other customary brokerage services, or maintain investment discretion over your investments (other than facilitating the Auto Invest program). You make the ultimate decision regarding the purchase or sale of securities. We also do not trade securities for our own account.

### Conflicts of Interest

We receive fees from Companies that sell securities on the Platform, as described above under “Fees and Costs.” We therefore have an incentive to promote those offerings to ensure successful fundraising rounds. We or our affiliated entities may also own equity in certain Companies that are seeking to raise funds on the Platform, and may therefore have interests that conflict with those of our customers. Any such conflicts will be disclosed in connection with the applicable Company offerings.

Representatives of SI Securities are also affiliated with SI Advisors, LLC (“**SI Advisors**”), an exempt investment advisor that acts as the General Partner of SI Selections Fund I, L.P. (“**SI Selections Fund**”) and Black Capital Fund I, L.P. (“**Black Capital Fund**”). SI Selections Fund and Black Capital Fund are both early stage venture capital fund owned by third-party investors. From time to time, SI Selections Fund and Black Capital Fund may invest in offerings made available on the Platform. Investments made by SI Selections Fund and/or Black Capital Fund may be counted towards the total funds raised necessary to reach the minimum funding target as disclosed in the applicable offering materials.

In the event that our Registered Representatives provide you with a recommendation, they are under regulatory obligations to ensure their recommendations are reasonable, but they will not consider any alternative products offered by or through third parties or provide advice with respect to your overall allocation of investments. You are advised to consult with your financial and tax advisers before making any investment.

### Risk Factors

All securities involve risk and you may lose money. There is no guarantee that you will meet your investment goals, or that the securities we recommend will perform as anticipated.

**Investments in small businesses and start-up companies are often risky.** A brief summary of certain risks of investing in start-up companies includes:

- The securities offered on the Platform will not be registered with the SEC, and no one has passed upon either the adequacy of the disclosure contained herein or the fairness of the terms of the offering.
- There is no public trading market for the securities, and none may develop. The securities sold on the Platform are generally restricted and not freely transferable. Accordingly, you should be prepared to hold the securities acquired in such offerings indefinitely and cannot expect to be able to liquidate any or all of their investment even in case of an emergency.
- The Companies have limited operating history. The Companies are still in an early phase, and are just beginning to implement its business plan. There can be no assurance that they will ever operate profitably.

- The Company may require funds in excess of its existing cash resources to fund operating deficits, develop new products or services, establish and expand its marketing capabilities, and finance general and administrative activities, and such funds may not be available.
- The offering price of the securities offered on the Platform has been arbitrarily determined and may not be indicative of its actual value or future market prices.
- Unless the Company has agreed to a specific use of the proceeds from an offering, the Company's management will have considerable discretion over the use of proceeds from their offering. You may not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately.
- For the Company to succeed, it needs to experience significant expansion. There can be no assurance that it will achieve this expansion.
- The Company faces competition from other companies, some of which might have received more funding than the Company has.
- While the Company believes that there will be significant customer demand for its products/services, there is no assurance that there will be broad market acceptance of the Company's offerings.
- Because the Company's founders, directors and executive officers may be among the Company's largest stockholders, they can exert significant control over the Company's business and affairs and have actual or potential interests that may depart from those of subscribers in the offering.
- The Company may not have audited financial statements, nor may it be required to provide investors with any annual audited financial statements or quarterly unaudited financial statements.

We encourage you to refer to <https://www.seedinvest.com/general-risk-factors> for a more detailed discussion of these risk factors.