

Form CRS - Relationship Summary
North Capital Private Securities Corporation - 6/30/2020

Introduction

North Capital Private Securities Corporation (NCPS) is a broker-dealer registered with the U.S. Securities and Exchange Commission. NCPS is a member of [FINRA](#) and [SIPC](#). Brokerage and investment advisory services differ, and that it is important for you to understand these differences. We are not an investment advisor and do not provide investment advisory services, portfolio management, or advice or recommendations about your overall investment portfolio or the types of account(s) you should have. Our brokerage business is narrowly focused on the sale of securities issued by the companies that we represent and secondary transactions in private securities. We are an issuer's agent, which means that unless we have a written agreement with you to the contrary, we are not your agent and we do not give advice or make recommendations about specific securities, types of securities or investment strategies involving securities. To the extent that a solicitation or call to action is deemed to be a recommendation under U.S. law or regulation, you should be aware that we are inherently conflicted with your interests and you should consider seeking advice from an investment advisor or a broker who will act as your agent. Free and simple tools are available to research firms and financial professionals at <https://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?

Description of Services: We offer *agency brokerage services* to retail investors, including executing transactions in private placements and other exempt offerings under Reg A+, Reg D, and Reg S, for issuers we represent. We do not offer investment advice or recommendations. Limitations to these offerings include: they are illiquid, speculative, and high risk; they may not be suitable for you; the required minimum investment may be high; most offerings are only be available to accredited investors; fees and expenses are higher than other investments. Other risks are described more fully in our Disclosure Overview and in the offering materials for each investment. A particular risk to our business model is that we do not offer a diversified menu of private investments; we narrowly focus on offering securities of issuers for which we serve as managing dealer or placement agent, and the scope of our product offering is therefore limited compared to a broker that is offering you recommendations or advice.

We operate an *Alternative Trading System (ATS)*, the [PPEX ATS](#), that offers investors the ability to buy and sell private and other exempt securities on a secondary market. Limitations of the ATS include: we select the securities for listing on the ATS; securities you own or wish to buy may not be eligible for the ATS; buyers and sellers determine whether there is liquidity in a particular issue and its market price (if any); you might not be qualified to transact on the ATS; you must transact through a broker-dealer. Refer to the PPEX User Agreement for a full discussion of ATS procedures, fees, and expenses.

We *custody* cash and certain assets for investors. Limitations on custody include: we do not give buy, sell, or hold recommendations on custodied assets and we do not monitor the performance of custodial accounts or any investments; we do not require a minimum account balance, but some of the investment products held by us might require minimum holding amounts; we do not custody public securities except for mutual funds and certain non-traded public issues; we charge fixed transaction fees and/or flat account fees and/or asset-based fees that could be significant as a percentage of the account balance. Refer to our account agreement for a full discussion of fees and expenses.

Conversation Starters: *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?*

What Fees Will I Pay?

Description of Principal Fees and Costs: You pay us fees, directly or indirectly through the issuer or its sponsor through which you make your investment. These fees vary depending on the issuer, type of security, number and size of transactions, account balance, and nature of services. Review the Fees and Expenses section of our Disclosure Overview and the offering materials for each offering for a full discussion of fees and costs. Since we are compensated by issuers when we serve as their agent, we have a conflict of interest in that we have an incentive to sell you securities from which we stand to profit most. When we receive fees based on the number or size of transactions, we have an incentive to encourage you to trade more often or in larger amounts. 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. Contact us for more information if you have questions about fees or expenses related to a product or service.

Conversation Starters: *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*

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?

Standard of Conduct: We do not provide advice or recommendations about securities, investment strategies, or investment accounts. If you seek such advice, we encourage you to establish a relationship with an investment advisor or broker to serve as your agent. If a solicitation or call to action is deemed to be a recommendation under U.S. law or regulations, then we are subject to Regulation BI. *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 that we provide you. Here are some examples to help you understand what this means:

- We are an issuer's agent and receive third-party payments for selling their securities; we have a salesman's stake and are not your agent.
- We receive compensation based on the number and size of transactions; this creates an incentive for us to transact with you more often and in greater size, whether or not the transactions are in your best interest.
- Certain securities pay brokers higher fees than others; this creates an incentive for us to sell you securities on which we receive higher fees.

Conversation Starters: *Ask your financial professional: How might your conflicts of interest affect me, and how will you address them?*

Additional Information: You can find more information about our conflicts of interest and how we mitigate them in our Disclosure Overview and in the offering documents for each offering.

How Do Your Financial Professionals Make Money?

Description of Compensation of Registered Representatives: NCPS has both salaried personnel and independent contractors. Salaried personnel receive a salary and discretionary bonus based upon their individual performance and firm performance, and some institutional sales personnel receive commissions. All salaried personnel are eligible to receive equity in our parent company. No salaried personnel receive commissions from the sales of securities. Independent contractors are paid salaries and may receive bonuses from their principal employer, which is not an affiliate of NCPS. Some contract registered representatives also receive commissions for sales of securities issued, sponsored, or posted on a funding platform operated by the principal employer. Compensation is tied directly or derives from sales by us, which exacerbates the conflict of interest previously described.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

Yes. While the firm does not have a legal or disciplinary history, certain registered representatives have a legal or disciplinary history to report. You can look up more information about us and our registered representatives at <https://www.investor.gov/CRS>.

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

Additional Information About North Capital Private Securities

Additional information about us and the brokerage services we offer can be found on our website: <https://www.northcapital.com>. If you have any questions or would like to receive an up-to-date copy of this relationship summary, email info@northcapital.com or call (888) 625 7768.

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