

Introduction

Pactolus Capital Partners, LLC (“Pactolus Capital”), is registered with the Securities and Exchange Commissions (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”). Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing. Our firm and financial professionals’ registration information are also publicly available on this website.

Relationships & Services

What investment services and advice can you provide me?

We offer private placement services to retail investors. 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. We do not give advice or make recommendations about specific securities, types of securities or investment strategies involving securities. Our services generally involve ongoing monitoring and due diligence of your private fund investments. 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 offer investments in private or unregistered securities to retail investors, including executing transactions in private placements and other exempt offerings under Reg D for issuers we represent. 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 available to accredited investors; fees and expenses are higher than other investments. Other risks are described more fully in the offering materials for each investment. With respect to private placement activity, we are generally engaged by an issuer that may be related to one of our Pactolus Private Wealth Management clients. Recommendations of these private placements create a conflict of interest in that our recommendation could be viewed as currying favor with an existing advisory client.

Other Questions You May Have

Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

Fees, Costs, Conflicts & Standard of Conduct

What fees will I pay?

Our fees for private placements are disclosed in the offering documents provided to each prospective investor with subscription form. Subscriptions in private placements offered by Pactolus Capital require investors to be qualified investors with a net worth of at least \$2,100,000. Our fees for private placements are expressed as a percentage of the capital raised and, as it relates to an individual investor, a percentage of the total amount you invest. In addition to these fees, there are performance-based fees. Performance-based fees create conflicts of interest relating to allocation of time and investment opportunities. A description of the fees is provided in the offering documents before any subscriptions are accepted.

Other Questions You May Have

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 acting as my broker-dealer? How else does your firm make money and what conflicts of interest do you have?

When we act as the placement agent, we must act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts of interest. You should understand and ask us about these conflicts, because they can affect the investment advice we provide. Here is an example to help you understand what this means:

Pactolus Capital is typically engaged by the issuer looking to raise operating or growth capital. Being engaged by the issuer represents a conflict of interest in that we are economically incented to raise capital for the fund. If you are considering a private placement transaction, we strongly advise you to read the offering documents carefully and consult with your financial, legal, and tax advisors prior to subscribing.

Other Questions You May Have

How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our financial professional are either paid a percentage of the fees we collect from you or a salary and bonus. In either scenario, we are incentivized to recommend that you add additional assets to your account.

Disciplinary History

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

Yes, certain representatives of Pactolus have disciplinary records, which can be found by accessing [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our firm and our financial professionals.

Other Questions You May Have

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

Additional Information

You can find additional information about our investment advisory services at [Investor.gov/CRS](https://www.investor.gov/crs). You may also request a printed copy of this Client Relationship Summary by contacting us at 571-297-6364 or via email to requests@pactolus.com.

Other Questions You May Have

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?

Introduction

You are receiving this disclosure statement because you have either received a recommendation from our broker-dealer division or you have elected to open a retail brokerage account through Pactolus Capital Partners, LLC ("Pactolus Capital"). We are acting as your broker-dealer to provide brokerage services. You acknowledge that you have received the Pactolus Capital Client Relationship Summary. Please see the following description of our brokerage services and related conflicts of interest.

Services

We offer the following services to high net worth clients and to a variety of corporate and legal entities, such as trusts, IRAs, partnerships, and small companies. We offer affiliated and non-affiliated private funds to our brokerage customers. In addition, we offer various insurance products such as variable annuity products. We do not engage in a retail securities business and do not hold customer accounts. You may obtain information on our firm by accessing [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

We offer advice exclusively on private placements and insurance products. Our services are consultative in nature and do not involve us taking any discretion on the purchase or sale of securities. With respect to private placement activity, we are generally engaged by an issuer that may be related to one of our Pactolus Private Wealth Management clients. Recommendations of these private placements create a conflict of interest in that our recommendation could be viewed as currying favor with an existing advisory client. Pactolus Capital does not provide investment advisory services, but it may provide monitoring and due diligence services to investors. Any investment we offer to individuals is considered risky, illiquid, and only available to accredited or qualified investors. Private placements of securities, in addition to being risky and illiquid, lack transparency, lack a public market, and have complex tax structures. In addition to a careful review of the offering documents, you are advised to consult with your financial, legal, and tax advisors prior to investment.

Securities Recommendations

We recommend investments based upon your individual suitability requirements, such as individual circumstances, liquid net worth, total net worth, annual income, expectation of current and future cash needs, investment objective, and risk tolerance. We are engaged by private companies to raise operating and growth capital. We will only approach investors for whom we have a pre-existing substantive relationship who desire risky, illiquid investments with the goal of obtaining a return commensurate with the amount of risk involved.

Portfolio Monitoring

We generally do provide ongoing portfolio monitoring of the private placements you purchase through Pactolus Capital.

Costs & Related Conflicts

Our fees for private placements are disclosed in the offering documents provided to each prospective investor with a subscription form. Subscriptions in private placements offered by Pactolus Capital require investors to be qualified investors with a net worth of at least \$2,100,000. Our fees for private placements are expressed as a percentage of the capital raised and, as it relates to an individual investor, a percentage of the total amount you are willing to invest. In addition to these fees, there are performance-based fees. Performance-based fees create conflicts of interest relating to allocation of time and investment opportunities. A description of the fees is provided in the offering documents before any subscriptions are accepted. Please consult your Pactolus Capital financial advisor for the commission costs, as they vary depending on the price of security and the quantity subscribed.

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 by carefully reading the offering memorandum and related subscription documents.

How Pactolus Capital Makes Money

We must act in your best interest and not put our interests ahead of yours. The way we make money creates some conflicts of interest. If you subscribe to a private placement and the total initial fees are 3% including our fee, then assuming an initial subscription of \$100,000, there will be \$97,000 available for investment. Please bear in mind as an investor there will be other ongoing fees assessed against your investment, such as legal costs, accounting, tax, and other fees as disclosed in the offering documents. Generally, these ongoing fees are annual fees, assessed quarterly, and draw down the balance in your capital account, having the net effect of reducing your rate of return on the investment. Our fees include a management fee, performance-based fee, and monitoring and due diligence fees.

When we act as the placement agent, we must act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts of interests. You should understand and ask us about these conflicts, because they can affect the investment advice we provide. Here are some examples to help you understand what this means:

- Pactolus Capital is typically engaged by the issuer looking to raise operating or growth capital. Being engaged by the issuer represents a conflict of interest in that we are economically incented to raise capital for the fund. If you are considering a private placement transaction, we strongly advise you to read the offering documents carefully and consult with your financial, legal, and tax advisors prior to subscribing.
- Conflicts of interest can incentivize us to put our interests ahead of yours. We manage these conflicts through disclosures in the offering and subscription documents. In addition, we employ supervisory procedures to ensure our financial advisors are acting in your best interest.

Additional Disclosure Materials

There are additional disclosure materials available to you that supplement this disclosure statement. When you subscribe to a private placement or an insurance product, you are required you to sign subscription documentation which includes disclosures regarding the operation of the investment and the legal obligations you and the issuer have with respect to your investment. In addition, there are product-specific disclosures when you purchase certain types of investments such as placements of securities and variable annuities. These disclosures are provided in a prospectus or offering document and contain important information about the investment, its risks, conflicts of interest, legal structure, and those responsible for managing the investment vehicle. You are encouraged to read this material and consult your financial advisor with any questions you have.

Financial Advisor Compensation

Some of our financial professionals are paid a salary and bonus. In this regard we are economically incentivized to effect a higher number of transactions in your brokerage account or utilize products or strategies that carry higher commission costs or fees.

Disciplinary History

The firm and certain financial professionals have disciplinary disclosures. You can visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our firm and our financial professionals.

Additional Information

Your Pactolus Capital financial advisor will be your primary point of contact. However, administrative requests may be handled by an administrative assistant or client service professional.

In the event you have issues to be addressed, you may contact Mr. Alan Harter at 571-297-6364 or by email to aharter@pactolus.com.