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STARTENGINE PRIMARY, LLC

REGULATION BEST INTEREST DISCLOSURE STATEMENT

StartEngine Primary LLC encourages you to carefully review the information contained within this Regulation Best Interest Disclosure Statement, along with any applicable account agreement(s) and documentation that you may receive from us or that is contained on our website. The Regulation Best Interest Disclosure Statement highlights important information concerning the scope and terms of the services we offer, including details regarding the potential conflicts of interest that may arise through our services.

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Overview

The Regulation Best Interest (“Reg BI”) disclosure statement is provided to inform you, our retail customers, about the services we offer and our relationship with you. Reg BI establishes a standard of conduct for broker-dealers and their associated persons when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. StartEngine Primary LLC (“SE Primary” or “We”) is providing this Reg BI Disclosure Statement as required under the U.S. Securities and Exchange Commission (“SEC”). This Disclosure Statement provides information about material facts relating to the scope and terms of our brokerage relationship for your StartEngine brokerage account.

What Investment Services does StartEngine Primary LLC provide?

We offer agency brokerage services, including executing transactions in Regulation A+ (“Reg A+”), Regulation Crowdfunding (“Reg CF”), and Regulation D 506(c) (“Reg D”) offerings, to issuers we represent. The investments available to you are shares offered under Reg A+, Reg CF, and Reg D. SE Primary facilitates these offerings of investments to retail investors through our online platform (StartEngine.com). It is important to note that in certain instances, the issuers of such shares are our affiliates.

Please Note: *We do not make recommendations for either Reg A+ or Reg CF offerings. For Reg A+ and Reg CF offerings, the company issuing securities is our client. If you are a Reg A+ or Reg CF investor, you are not a client or customer of SE Primary for purposes of Reg BI. Of significant importance, we do make recommendations in limited circumstances for Reg D offerings. However, we will not provide you with personalized advice based on your portfolio as to whether you should make or continue to hold a particular investment or as to which type of investments may be better suited for you. We will also not monitor any investments made or held by you, including on StartEngine Secondary. For more information, see below.*

Investing in these offerings involves significant risks, which you must understand fully. All investments carry risk, including the possibility of losing your entire principal. Private placements and equity crowdfunding are particularly high-risk investments. While these investments may offer the potential for higher returns, they also carry the real possibility of greater losses, including the risk of losing your entire investment. You should only consider these higher-risk investments if your risk tolerance (the level of risk or loss you are willing and able to accept to achieve your investment goals) is high. We encourage you to carefully evaluate your investment objectives and risk tolerance before making any investments.

Please note the following, important limitations of our offerings:

- **Illiquidity:** These investments are not easily sold or exchanged for cash.
- **Speculative Nature:** These offerings carry a high level of risk and uncertainty.
- **High Risk:** The potential for loss is significant, and they may not be suitable for all investors.
- **Minimum Investment Requirements:** The required minimum investment amount may be substantial.

The above factors should be carefully considered when evaluating the suitability of these investments for your financial goals.

A particular risk to our business model is that we do not offer a diversified menu of investment products; 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.

SE Primary also serves as executing agent to buyers and sellers in connection with self-directed secondary market trades of private and other exempt securities. These trades may be facilitated in the alternative trading system (“ATS”), StartEngine Secondary (“SE Secondary”), a SEC-registered ATS operated by SE Primary. Limitations of SE Secondary include:

- 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 may not be qualified to transact on the ATS; and
- You must transact through the broker-dealer or other qualified member, which can be SE Primary or another broker-dealer. If you are such a buyer or seller, contact SE Primary to request a copy of the terms and conditions of your trade. We custody cash and certain assets for investors.

SE Primary separately offers the ability to indicate interests to buy or sell securities through StartEngine Bulletin Board (“SE Bulletin Board”), a bulletin board platform operated by SE Primary. In order to sell securities via SE Secondary or the SE Bulletin Board, you may need to be a member of the StartEngine Venture Club program which has a \$275 annual fee.

Important Information Regarding Recommendations

As a FINRA member and SEC registered Broker-Dealer, we prioritize compliance with regulatory standards and ensuring that our recommendations, when given, align with the best interests of our clients. Given that part of our commitment is to continuously maintain high standards of practice, we wish to inform you of the following with respect to our offerings:

Reg D Offerings

SE Primary provides recommendations for investments in Reg D offerings under limited circumstances, through our affiliate, StartEngine Private (“SE Private”). These offerings are exclusively limited to accredited investors and involve private placements, which can carry higher risks but also offer potential opportunities for sophisticated investors.

Reg A+ Offerings

As emphasized above, SE Primary does not provide recommendations for Reg A+ offerings. While we facilitate access to Reg A+ investments on our platform, we do not offer specific recommendations or advice for these offerings.

Reg CF Offerings

As emphasized above, SE Primary does not provide recommendations for Reg CF offerings. While we facilitate access to Reg CF investments on our platform, we do not offer specific recommendations or advice for these offerings.

Our services are tailored to ensure compliance with Reg BI as a FINRA member broker-dealer. For detailed information about a specific investment, please refer to the relevant Offering Circular, Offering memorandum, or Private Placement Memorandum (“PPM”).

Scope and Terms of Our Relationship with You

Our Capacity

SE Primary is acting as a broker-dealer in connection with the Reg D recommendations provided. As a broker-dealer, SE Primary is engaged in facilitating transactions in securities and may receive compensation for its services. Before engaging in any investment activities, please review and understand the fees and charges associated with the services provided.

When SE Primary makes a recommendation to you, it is doing so as a broker-dealer, and the recommendation will be made in your best interest, without placing the interest of SE Primary ahead of your interests. This document is supplemental to other disclosure documents you have previously received that also contain relevant and important information, such as the StartEngine Form CRS and StartEngine Customer Account Agreement.

Material Fees and Costs That Apply to Your Transactions, Holdings, and Accounts

The fees charged by SE Primary in connection with each type of offering are often paid for by the issuer out of the proceeds of the offering. In certain cases, investors may pay a convenience fee to SE Primary in excess of their investment amount of up to 3.5% of their investment. Although such fee will be paid by the issuer it will be passed on to the investor.

Example: If an offering is charging this fee, an investment of \$100 will cost the investor \$103.50. Whether or not this fee is being charged for a given offering can be found in the Offering Circular, Offering Memorandum, Form C Filing, or PPM.

Generally, the fees and costs that a customer may incur or receive in exchange for our brokerage services are as follows:

1. Commission Fees: Charged to you on the secondary sale of securities on SE Secondary.
2. Placement Fees: Charged to issuers for successful Reg A+, Reg D, and Reg CF capital raises.

SE Primary does not currently charge clients minimum activity fees or require minimum equity to open an account. Customers will pay fees and costs whether they make or lose money on their investments, and this will reduce any profits from investments over time. We do not compensate employees based on the number of trades a client places or the amount of fees a customer pays. Following is an overview of our fees and costs:

Reg A+ and Reg CF Offerings

- I. Commissions from Secondary sales of Reg A+ and Reg CF securities: SE Primary offers Reg A+ and Reg CF offerings which may later trade on SE Secondary, and we will receive fees from their trading activity. If a company agrees to be quoted on SE Secondary, then they will be able to announce that their shares will become immediately tradable upon the close of their campaign. Companies must sign a quotation agreement with SE Primary to allow their investors to trade on SE Secondary. However, not every company that raises funding on StartEngine will trade on SE Secondary. For more information, please see below.
- II. Placement fees from Reg A+ and Reg CF issuers: The more successful the Reg A+ or Reg CF capital raise, the more placement fees we receive. Placement fees for Reg CF offerings can be

up to approximately 13%, although the exact fee structure may vary. For Reg A offerings, placement fees are typically capped around approximately 9%.

Reg D Offerings

- I. Placement fees from Reg D issuers: The more successful the Reg D capital raise, the more placement fees we receive. Placement fees vary, given there is no explicit cap on underwriting compensation for Reg D offerings.

We encourage you to review the relevant issuer’s offering document(s) for more specific information. Our goal is to ensure transparency while maintaining regulatory compliance.

SE Secondary and SE Bulletin Board

The fees charged by SE Primary in connection with either the purchase or sale of securities on SE Secondary or SE Bulletin Board may be up to 5% of the transaction for both the buyer and the seller. In addition, membership in the StartEngine Venture Club Program, which, as noted above, has an annual fee of \$275, may be required to sell securities on both SE Secondary and the SE Bulletin Board.

Moreover, please review the below table, as noted within our Form CRS, for more information regarding our services, fees, and conflicts of interests:

Revenue Item	Item Description	Incentives or Conflicts Created
<p>Primary Offering Revenue: We receive fees from Reg CF, Reg A+, and Reg D sales.</p>	<p>Placement fees received from an issuer selling securities through SE Primary.</p>	<p>We receive placement fees from issuers when you invest in Reg A+, Reg CF or Reg D offerings and in certain cases, convenience fees from investors. Higher sales increase the placement fees we receive</p>
<p>Secondary Revenue: You will pay us commission fees from the secondary sale of securities on SE Secondary or SE Bulletin Board.</p>	<p>Up to 5% of the price of the securities sold on SE Secondary or SE Bulletin Board from the buyer and seller each.</p>	<p>SE Primary offers Reg A+ and Reg CF offerings which may later trade on SE Secondary or SE Bulletin Board and we will receive fees from their trading activity</p>
<p>Additional Compensation: We may receive warrants or equity of up to 5% from an offering The amount of warrants or equity we receive from an issuer is based upon the total amount raised by SE Primary.</p>	<p>The Offering Circular, Offering Memorandum or PPM for each issuer marketed on our website describes additional compensation (warrants) we may receive. Please read the Offering Circular, Offering Memorandum or PPM before investing</p>	<p>Warrants we may receive have a holding period for a specified time frame. If we exercise (purchase) those warrants after the holding period, dilution occurs for all shareholders. Equity will result in immediate dilution for all shareholders.</p>
<p>Affiliate Revenue: Our affiliates will financially</p>	<p>Please carefully review the Offering Circular, Offering</p>	<p>Because our affiliated issuers financially benefit from your</p>

benefit from your investment in them, and in certain instances they can charge you fees, including, for funds managed by our affiliated investment adviser, in the form of management fees and carried interest.	Memorandum or PPM for each affiliated issuer marketed on our website which describes the additional compensation that they will charge.	investment in them we have an incentive to encourage you to invest in them.
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For more detailed fees and costs associated with a particular investment, please refer to the relevant Offering Circular, Offering memorandum, or PPM.

Service Scope, Material Limitations, and Investment Risks

Material Limitations

As a FINRA member firm, SE Primary must disclose that certain recommendations may have material limitations. As noted above, these limitations can include, but are not limited to, factors such as illiquidity and highly speculative nature of the recommended investments. Retail customers should be aware of the potential risks and consider their individual circumstances before making investment decisions.

You or your designee are solely responsible for the ongoing review and monitoring of the investments held within your SE Account, including instances whereby SE Primary has made a recommendation to you. It is important you understand that SE Primary is not an investment advisor and is not required to update any previously provided recommendations. In addition, unless specifically agreed to in writing, we will not monitor any investment recommendation made to you or the investments held in your SE Account. You are responsible for independently ensuring that the investments in your SE Account remain appropriate given your Investment Profile. Moreover, we receive compensation in connection with you investing in affiliated-entity Reg A+, Reg CF, or Reg D offering.

General Investment Risks

All investments involve risk of financial loss. Reg A+, Reg CF, and Reg D allow companies to offer and sell securities to the public, but with more limited disclosure requirements than what is required for publicly reporting companies. Key risks include:

- **Speculative Nature**. Investments in startups and early-stage ventures are speculative and you must understand that the businesses may fail. Unlike an investment in a mature business where there is a track record of revenue and income, a startup often relies on the development of a new business, product, or service that may or may not find a market.
- **Illiquidity**. Although there is no resale restriction, investments may need to be held for an indefinite period and may not be easily sold. If the securities are not sold, and if there are no plans for the securities to be listed on an exchange where you can quickly and easily trade the securities, you will have to locate an interested buyer when you do seek to resell your investment.
- **Economic Conditions and Market Volatility**. The overall state of the global economy and capital markets significantly impacts all issuers. Factors such as inflation, energy costs, geopolitical issues, and the availability and cost of credit can lead to increased market volatility and lower economic and market expectations, including those for this investment. These and other unlisted factors may heighten the risk of issuer failure and the potential loss of the entire investment. Startups and early-stage ventures are especially vulnerable to these economic conditions.

- **Forward-Looking Statements.** The materials provided to you may include forward-looking statements, such as “will be,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “expect,” “estimate,” “project,” and similar terms. These statements about future events and the issuer's potential financial performance are subject to risks and uncertainties that could cause actual events or results to differ significantly from those anticipated. Risks include market changes, technological advancements, regulatory shifts, and new market entrants. Given these substantial risks and uncertainties, these forward-looking statements should not be interpreted as guarantees of the issuer's objectives or plans. You should recognize the significant risk that these goals may not be achieved.

Detailed information regarding a specific investment's risks is also provided in other disclosure and legal documents we make available to you, including subscription agreements, account agreement, and our Form CRS. Accordingly, it is of significant importance that you review these documents, including the relevant Offering Circular, Offering Memorandum, or PPM, to understand the unique risks of the particular investment under consideration. Please do not hesitate to ask additional questions about the business practices and risks associated with any offering.

As noted above, you are responsible for deciding whether and how to invest in the securities, products, and services offered by SE Primary, unless we recommend a Reg D offering. You should carefully consider your investment objectives and the risks, fees, expenses, and other charges associated with an investment product or service before making any investment decision. The investments held in your SE Account are not deposits in a bank and are not insured or guaranteed by the FDIC or any other government agency.

Conflicts of Interest

A conflict of interest is a situation in which SE Primary participates in a transaction or activity where our interests significantly conflict with yours. Potential conflicts may exist when we provide services to you. The existence of a conflict of interest does not necessarily mean your interests will be harmed, but it is essential to acknowledge these conflicts and even more important that we disclose these conflicts to you. Our regulatory obligations require us to establish, maintain, and enforce written policies and procedures designed to manage potential conflicts of interest related to any recommendations we make to you. We are committed to upholding these obligations diligently.

SE Primary is committed to identifying, mitigating, and avoiding conflicts of interest. Below, you will find additional information on potential conflicts of interest. While this is not an exhaustive list, it covers those conflicts that may be significant to you. Additionally, conflicts of interest are disclosed in various agreements, disclosure documents, and other information provided to you, including on our website and Form CRS.

Our Affiliate Structure

We facilitate Reg CF offerings through our affiliate SE Capital, and Reg D offerings through our affiliate SE Private. This structure enables us to leverage our broker-dealer capabilities to provide a seamless and comprehensive range of investment services. Additionally, we operate SE Secondary, an SEC-regulated ATS. We are committed to transparency and will fully disclose any potential conflicts of interest, ensuring that customers can make well-informed investment decisions.

Transaction-based Conflicts

Conflicts of interest arise because the products and services we offer have different costs to you and different levels of compensation earned by us, our affiliates, and our representatives. Generally, SE Primary and our affiliates earn more compensation when you select a product or service offered by us or one of our affiliates (i.e., a “proprietary” product or service), as compared to a product or service offered by a third party. SE Primary may also receive compensation from third parties in connection with the securities you purchase.

Financial Professionals Conflicts

Moreover, our financial professionals earn a salary and a bonus based on performance. The amount of the bonus is based on a variety of factors:

- Financial professional performance;
- SE Primary’s business performance; and
- Revenue growth.

Additionally, with respect to some private placement offerings that we facilitate, certain financial professionals can receive commissions of up to 2%. Although your financial professional must make recommendations (for Reg D offerings) and provide advice that is in your best interest, their bonus structure in addition to any transaction-based compensation that they receive may encourage your financial professional to act in a way that maximizes his or her compensation.

Mitigation Strategies

We seek to address these conflicts in multiple ways, including the following:

- We train, compensate, and supervise SE Primary Representatives appropriately to ensure they provide you with the best client experience, including offering products and services that are in your best interest based on your financial situation and needs. Products and services that require more time and engagement with a customer and/or that are more complex or require special training or licensing typically provide greater compensation to a Representative.
- We identify and, at a minimum, disclose all conflicts of interest associated with Reg D recommendations to you.
- We identify and eliminate any sales contests, quotas, bonuses, and non-cash compensation that are based on the recommendation of Reg D offerings.

Additional Information

The information in this Reg BI Disclosure Statement is current as of June 21, 2024. We reserve the right to change our programs, fees, and payment structures at any time. We will notify you of any material changes we make. You should review this Reg BI Disclosure Statement carefully, retain it with your records, and refer to it when you receive recommendations (for Reg D offerings) from us.