

ALLEN & COMPANY LLC

June 30th, 2020

Allen & Company LLC is a broker-dealer registered with the Securities and Exchange Commission and is a member of FINRA (www.finra.org). We feel that it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account is right for you. There are free and simple tools available to research firms and financial professionals at www.investor.gov/CRS which also provides educational materials about investment advisers, broker-dealers and investing.

What investment services and advice can you provide me?

As an SEC registered broker-dealer, we offer retail investors the ability to purchase and sell securities in the secondary trading markets, as well as the ability to invest in securities being offered in private placements. We generally do not recommend securities or otherwise solicit trading interest in connection with the purchase or sale of a security in the secondary trading markets. However, we may solicit investments in private placements, including private placements in funds managed by our affiliated investment adviser, Allen Investment Management, LLC (“AIM”). We do not provide ongoing monitoring of retail investors’ investments. At all times you will make the ultimate decision regarding the purchase or sale of any investment.

We do not offer the general public the ability to open brokerage accounts with us. Generally, we only open brokerage accounts for employees and other retail investors who are high net worth individuals or executives of clients of the firm who want to trade securities through their account with us.

Our brokerage services are mainly geared to trading equity securities on secondary markets. Note that certain services and investments may not be available to you if you open an account with us. For instance, issuers may have their own criteria for determining eligibility, and we may not make an investment available to you, even where you are otherwise eligible.

Questions to Ask Us:

- 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?

As a broker-dealer, we typically charge you a fee for each transaction effected in your account. This fee will be assessed as either a disclosed commission (*e.g.*, a fee applied on a per trade or per share basis), or, where we trade with you as “principal,” in the form of a “markup” or “markdown” on the security being bought or sold. We will generally disclose the size of any markup when we contemporaneously buy (sell) a security from another party and sell (buy) that security to you. Where, however, we sell you a security out of inventory (that is, a security we purchased as principal prior to receiving an order from you), we may not disclose the price at which we purchased the security.

As our fees are transaction-based (that is, we only assess a fee when you trade), we have an incentive to encourage you to trade more. Further, as we incur certain costs in connection with executing your orders on third party platforms, we have the incentive to internally cross your orders with orders from our other clients, which may result in a worse execution than what you would have received from a third-party market center. When we interact with you as principal, we have an incentive to receive the best price available to *us*, rather than the best price available to *you*.

Description of other fees and costs

We will not charge you any fees other than the commissions and markups/markdowns discussed above, nor will you be responsible for any other fees charged us (that is, we will not separately charge you for custody or clearing services). However, as further discussed below, we receive other forms of revenue, including fees paid by issuers where we act as placement agent, and this revenue may represent conflicts of interest to us.

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.

Questions to Ask Us: 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? 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 we provide you. Here are some examples to help you understand what this means.

- *Proprietary Products & Third-Party Payments.* We receive compensation from issuers when acting as placement agent or underwriter on their behalf, including issuers advised by our affiliate, AIM. Separately, we provide M&A and advisory services to a number of issuers, and receive compensation from these companies for these services. We may also hold an investment in these issuers. These relationships represent potential conflicts and may incentivize us to solicit interest in an investment that is not in your best interest.
- *Employee Relationships.* Our employees, as well as employees of our affiliates, may from time to time serve as directors or in similar capacities for issuers, or may otherwise own an investment or have other financial interests in issuers, including issuers for which we act as placement agent or underwriter. These relationships represent potential conflicts and may incentivize us to solicit interest in an investment that is not in your best interest.
- *Preferencing Accounts.* We maintain accounts for certain of our employees and owners, as well as for employees and owners of our affiliates. Further, certain clients may represent larger sources of revenue to us than you or other clients. We have an incentive to preference the above accounts when effecting agency crosses (*e.g.*, when crossing your order with an order from such account), including by effecting a cross at a price more favorable to one party.
- *Referrals.* We receive referral payments from AIM when referring potential clients to AIM. These payments, and AIM's affiliate status, represent potential conflicts and may incentivize us to refer clients to AIM rather than other investment advisors.
- *Principal Trading.* As noted above, when we trade with you as principal, we have an incentive to effect the transaction at a price that is most favorable to *us*.

As noted above, we won't provide you with recommendations in secondary market transactions, but we may solicit your interest in private placements.

Questions to Ask Us: How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our financial professionals receive a base salary and periodic commissions and bonuses. Commissions may be earned by an individual for a specific transaction (*e.g.*, a private placement) and may be paid in cash or sometimes in a type of security received as compensation from the issuers in such transactions (*e.g.*, stock or warrants). Compensation, including the amount of any bonus, is based on a number of factors, including overall performance of the firm and the business unit in which the employee works, as well as an evaluation of the employee's performance by the employee's supervisors and senior management. From time to time, AIM may compensate our financial professionals for the referral of potential wealth management clients; this compensation is in addition to, and separate from, the base salary and bonuses described above.

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

Yes. While our financial professionals do *not* have a disciplinary history (that is, in their individual capacities), our Firm has a disciplinary history. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Questions to Ask Us: As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

Additional information about our brokerage services are available on FINRA's BrokerCheck website (<https://brokercheck.finra.org/>). To request up-to-date information on our firm, including an up-to-date copy of this relationship summary, please contact our firm at (212) 832-8000 and talk to any one of our financial professionals or support staff.

Questions to Ask Us: 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?