



Client Relationship Summary - Form CRS

March 1, 2025

Candlewood Securities LLC (Candlewood) is registered with the Securities and Exchange Commission (SEC) as an introducing broker dealer only. It is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Candlewood is owned by its parent company, Candlewood Holdings LLC.

Candlewood's primary business is serving institutional clients; however, it periodically conducts business with smaller, private customers by offering private placement financing opportunities.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to broker dealers and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker dealers, investment advisers, and investing.

Below are Questions and Conversation Starters which will help to initiate or continue the appropriate discussions with clients as we further our relationships together.

1. What types of investment services and advice can you provide?

- *Should I use a broker dealer given my financial situation? 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?*

Candlewood is registered with the SEC as an introducing broker dealer only. Candlewood primarily serves sophisticated, institutional clients. It does not offer investment services similar to those provided by larger brokerage houses. Candlewood does not offer mutual funds, or insurance products, and does not actively trade in publicly traded securities.

As a broker dealer, we periodically recommend - only to accredited investors and qualified purchasers¹ - investments in private debt, private equity, hedge funds, private equity funds, and other alternative financial products. Candlewood does not provide custody services or hold any retail client accounts.

Account monitoring: We do not monitor investor accounts. Periodically we may review them from time to time at an investor's request and may or may not make recommendations based on these reviews.

Investment Authority: We do not have discretionary investment authority over any accounts which means we do not buy or sell investments for, or on behalf of any client.

¹ Accredited investor and qualified purchaser definitions are provided by the SEC under Regulation D.

Investment Offering Limitations: We limit our recommendations to sophisticated, institutional investors, accredited investors, and qualified purchasers.

2. What are your legal obligations when acting as my investment adviser? How does your firm make money? What conflicts of interest do you have?

- *How do the financial professionals make money?*
- *How might conflict of Interest affect the client, and how do we address them?*

When we provide a recommendation as a broker dealer, we are required to act in the client's best interest and not put our interest ahead of theirs. Concurrently, the way we make money creates some conflicts with client interests. Clients should understand and ask about these conflicts as those conflicts can affect the recommendations and investment advice we provide. As an example, Candlewood is often paid more when a client invests more; we have an incentive to encourage you to make additional investments.

Candlewood compensates financial professionals based on a portion of the fees it receives from its clients. As noted above, the commission Candlewood receives varies based on the investments purchased and sold. The portion of the fees Candlewood pays to the financial professionals also varies internally depending on individualized payout schedules. Such schedules are based on several factors such the role played in the process, or the holding period of the assets, but compensation is not necessarily limited to experience in the industry and geographic location. This creates an incentive for financial professionals to sell more investments as a registered representative of our broker dealer to qualify for a higher portion of commissions.

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

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

Candlewood does not have any disciplinary history. Background checks for any one individual's disciplinary history may be found on FINRA's Broker Check, which is a free public resource that can help research the professional backgrounds of brokers and brokerage firms. Go to www.finra.org/brokercheck for further information. The SEC also has free tools at www.investor.gov/crs to research Candlewood, and all its financial professionals.

4. Additional Information

- *Who is my primary contact person?*
- *With whom may I speak if I have concerns about this person?*

A client's primary point of contact is their representative, but additional inquiries can be made to our CCO Matt Hoffman at 203-594-7512 or at mth@candlewoodpartners.com.

Candlewood provides additional information and necessary disclosures on its website: www.candlewoodpartners.com.