

Union Square Advisors, LLC

Form CRS

Material Changes

There are no changes to this information, which was previously filed in May 2021.

Item 1 - Introduction

Union Square Advisors, LLC (“USA”) is a broker-dealer and an investment advisor that is registered with the Securities and Exchange Commission. USA is a member of FINRA and SIPC.

USA conducts two types of business: investment banking services in mergers and acquisitions as well as private placements and also investment advisory services to private funds.

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 advisors and investors.

Item 2 – Relationships and Services

A. What investment services and advice can you provide me?

- B. Description of Services:** USA’s investment management team provides discretionary investment advisory services to private funds and does not offer any investment advisory services to retail customers. Its initial client is the Union Square Special Purpose Vehicle I, LP (“SPVI”), which had previously been managed by an affiliate. USA may offer additional private funds.

USA also acts as the broker-dealer placement agent for SPVI and solicits investors, including retail investors. SPVI was fully funded and was closed to new investors under the prior manager, but USA will manage SPVI going forward. USA does not offer discretionary services to investors in any fund. Investors make the ultimate decision regarding the purchase of the investment in a fund. At no time does USA open or maintain brokerage accounts for any investor.

USA may also solicit potential investments in private placements of securities, which may be issued by affiliates of USA

USA does not provide recommendations to buy or sell any securities other than interests in a private placement or a fund, and does not make any recommendations concerning equity securities, bonds, options, or mutual funds.

- a. Monitoring:** USA only provides investment monitoring services to the funds and not to any retail investors. The funds provide investors reports without charge at least twice a year.
- b. Investment Authority:** The SPV1 has executed an investment management agreement with USA, whereby investment authority is delegated to USA. The specific types of investments that may be made are outlined in the Private Placement Memoranda. Any retail investor in a fund makes the ultimate decision regarding the purchase of the investment in the fund.

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c. Investment Minimum and Other Requirements: The minimum investment in a SPV or a private fund may be \$250,000.00, however the Fund's General Partner has the ability to accept a lesser commitment. Investments that are private placements generally have high minimum investments, often \$250,000. However, the management of the private company could waive any minimum investment amount.

C. Additional Information: USA's investment banking team provides mergers and acquisition services to private and public companies in the technology sector and private capital raising for those companies and receives a fee for those services. The specific services and fees charged are outlined in an engagement letter. Investment banking fees are a percentage of the overall value paid by the buyer or seller of our client company or of the capital raised. The interest of USA in earning investment banking fees can conflict with the interest of private funds.

D. Conversation Starters:

- *"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?"*

Item 3 – Fees, Costs, Conflicts and Standard of Conduct

A. Fees: *What fees will I pay?*

- a. Principal Fees and Costs:** The investment management fees and expense reimbursements that USA receives for the management of any private fund are paid from the funds that investors invest in the fund, and from the profits or interest income the fund investments generate. USA will typically receive a management fee of 2% per year of the assets under management from the private fund(s) that it manages, paid on a quarterly basis. USA will also receive reimbursement from a fund for some of its expenses incurred in the management of the fund. USA will be reimbursed by the SPVI general partner for the expenses of the SPV when the investment has a closing event. USA has waived the receipt of investment management fees in connection with SPV1; those fees will be paid to the General Partner of SPV1, which is a USA affiliate. USA does not charge any commissions in connection with placement of interests in the Fund.
- b.** Any fund or SPV will pay management fees and expenses regardless if you make or lose money on your investment. Fees and costs reduce the amount of money you make on your investments over time. Make sure you understand what fees and costs you are paying.
- c.** Companies that engage USA to raise capital in a private placement pay USA a fee that is a percentage of the funds raised. The investor does not pay a direct commission to USA. USA does not receive any compensation for any investment made in an affiliated company.

Conversation Starter: *"Help me understand how these fees and costs might affect my investments. If I give you \$10,000, how much will go to fees and costs, and how much will be invested for me?"*

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d. *How will I pay fees? How does it work?* For example, if an investor contributes \$5 million to a fund, those dollars will be invested as described in the offering documents. However, a fund pays USA a quarterly management fee, and that amount is deducted from the fund. That results in less total dollars to invest. Some of the expenses that USA incurs are also paid by the fund in the same manner. For most private funds, the management fee is 2% per year of the total funds committed by the Limited Partners (the investors). If the net asset value of the fund increases, then the 2% fee is calculated on that greater amount.

e. *What type of expenses are paid by the funds?*

The management fees, the allocation of profits and the expense reimbursements are outlined in detail in the investment management agreement and offering documents. The types of expenses for which USA is reimbursed include costs for organizing and setting up a fund, the General Partner and USA as manager, legal expenses, accounting expenses and the expenses for a fund's administrator. USA does not charge brokerage customers commissions for any investment in a fund.

B. *What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment advisor?*

a. *Standard of Conduct*

- When we provide you with a recommendation, we must 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.
- When we provide you with a recommendation as your broker-dealer, we must 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 interest. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.

b. *Examples of Ways You Make Money and Conflicts of Interest*

- If you invest in a fund, which are proprietary products created by USA and its affiliates, your investment increases the money in the fund and increases the asset management fee that we are paid.
- If a fund investment(s) make money, the fund or its General Partner make money and in turn the parent company that owns USA makes money.
- If a company that is an investment in a fund is successful because of the investment funds received, and that company is also an investment banking client of USA, USA may ultimately receive an investment management fee because of that company, and also an investment banking fee from that company.
- USA has an incentive to seek investment banking revenues from the sale of a fund portfolio company even if it may be in the fund's interest to hold that security for longer-term appreciation.

Conversation Starter: *"How might your conflicts of interest affect me, and how will you address them?"*

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Please see the attached “Conflicts of Interest” excerpt from the prospective investment opportunity.

- c. ***“How do your financial professionals make money?”*** USA financial professionals are paid a salary and an annual discretionary bonus. The bonus is based on several factors, including their individual contributions to the business of USA in developing its investment banking business, identifying potential investments for private funds, and recommending those funds to investors and the overall performance of USA. The more profitable the investments in funds, the greater the fee paid to USA. If the investment banking engagements are successful, USA receives a fee. The more profitable that USA is, the more money is available to be paid to its financial professionals as a bonus.
- d. Funds invest in companies that are also clients of the investment banking practice at USA. If those companies are more successful because of the investment made by the funds, the engagement on the investment banking side of USA is more likely to become successful, and USA will receive a fee on both sides of the firm’s business.

Item 4: Disciplinary History

“Does USA or its financial professionals have any legal or disciplinary history?”

Neither USA or its financial professionals have any legal or disciplinary history.

Visit www.investor.gov/crs or brokercheck@finra.org for a free and simple search tool to research USA or its financial professionals.

Conversation Starter: “As a financial professional, do you have any disciplinary history? For what type of conduct?”

Item 5: Additional Information

Additional information about USA’s investment advisory and brokerage services is available at “sec.gov/check-your-investment-professional” and at www.usadvisors.com at no cost.

You may also obtain up-to-date information and the most current copy of relationship summary and other documents by calling Harriet Britt, Chief Compliance Officer at 415-501-8090 or by emailing her harriet.britt@usadvisors.com.