

Localstake Marketplace Customer Relationship Summary **Form CRS (September 21, 2021)**

Localstake Marketplace LLC (“**Localstake**,” “**we**,” “**us**” or “**our**”) is a broker dealer registered with the Securities and Exchange Commission (“**SEC**”), and a member of Financial Regulatory Authority (“**FINRA**”) and the Securities Investor Protection Corporation (“**SIPC**”). Localstake Marketplace and its affiliates conduct business under the name “**Localstake**” and operate the crowdfunding investment platform hosted at Localstake.com (the “**Platform**”).

Brokerage and investment advisory services and fees differ, and it is important for an investor to understand the difference. Free and simple tools to research firms and financial professionals are available at www.Investor.gov/CRS , which also provides educational materials about broker-dealers, investment advisers and investing.

What investment services and advice can you provide me?

Localstake offers brokerage services to retail investors. The Platform permits private companies seeking early stage financing (“**Companies**”) to connect with potential investors. Companies conduct fundraising activities on the Platform, including selling equity securities, promissory notes (loans), convertible notes, and revenue sharing agreements for investors to buy. Localstake acts as a placement agent to facilitate those transactions. Companies must enter into a registration agreement with us and successfully complete our due diligence process in order to be eligible to issue securities on the Platform. Investors may be limited in their access to, or participation in, certain offerings on the Platform based upon whether they are an Accredited Investor, whether the offering is available in their jurisdiction, or whether they qualify to invest the minimum investment amount for the offering.

We generally do not solicit or recommend purchases or sales of securities, provide investment advice, or maintain investment discretion over your investments. As part of our standard service, your investment activity will be monitored to ensure that your investment amounts and aggregate investment totals remain in compliance with applicable securities laws. However, no ongoing investment monitoring will be provided after you have invested. You make the ultimate decision regarding the purchase or sale of securities. We also do not trade securities for our own account.

Other than providing the information necessary to establish a relationship with Localstake on the Platform, there are no other requirements in order for investors to use the Platform or maintain access. Each offering will have a minimum investment amount which is set by the Companies, and typically ranges from \$100 to \$1,000 and in some cases may be as high as \$10,000.

For additional information, please refer to <https://www.localstake.com> and the Disclosures documents provided to you in connection with each offering.

Conversation Starters – Ask your financial professional,

- Given my financial situation, should I choose a brokerage service? Why or why not?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

Investors are not charged any direct fees at any time in association with investing on the Platform. All fees charged by Localstake are charged *directly to the Companies* and do not directly affect the amount you invest. Generally, for each offering, *Companies* will be charged: (1) a monthly subscription fee, ranging from \$199 to \$499, for the use of the Platform; (2) \$1,000 to cover our due diligence and offering preparation costs; (3) a placement fee of up to 5.0% of the funds raised, if the offering is successful; and (4) if the offering is successful, either a \$49 monthly subscription fee for the use of our investor relations communication software, or a 1.0% fee on amounts distributed back to investors in connection with revenue sharing agreements or loans issued through the Platform.

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. For additional information, please refer to <https://www.localstake.com> and the Disclosures documents provided to you in connection with each offering.

Conversation Starters – Ask your financial professional,

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?

We *do not* provide recommendations. 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 services we provide you. Here are some examples to help you understand what this means.

When you make an investment in an offering on the Platform, we will typically be paid a placement fee by the company you are investing in, of up to 5.0% of the amount you invest. Additionally, if you make an investment in a company with whom we have an investor relations contract through one of our affiliates, we may receive fees (typically a 1.0% fee on top of each payment, charged to the company) when the company makes payments back to you in connection with your investment. We therefore have an incentive to promote the offerings on the Platform to ensure successful fundraising rounds, and to grow the number of customers that use our investor relations software on the Platform.

For additional information, please refer to <https://www.localstake.com> and the Disclosures documents provided to you in connection with each offering.

Conversation Starters – Ask your financial professional,

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

How do your financial professionals make money?

Our financial professionals are paid a fixed base salary. They are *not* compensated based on the type of products sold, nor do they receive sales commissions.

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

No. Investors should visit www.investor.gov/CRS for a free and simple search tool to research you and your financial professionals.

Conversation Starters – Ask your financial professional,

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

For additional information or to request a copy of Form CRS, please contact our Compliance Team at (317) 805-4743.

Conversation Starters – Ask your financial professional,

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?