

**Client Relationship Summary**  
**Harken Capital Securities LLC**  
**August 25, 2021**

**Harken Capital Securities LLC** is registered with the Securities and Exchange Commission and FINRA as a broker-dealer, is a member of SIPC, is registered in 13 states, and may operate in additional states where certain exemptions apply. Harken Capital Securities LLC is not a registered adviser.

This document is a summary of the services and fees we offer to retail investors which are natural persons who seek or receive securities services primarily for personal, family, or household purposes.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing and [brokercheck.finra.org](http://brokercheck.finra.org) which provides pertinent facts including disciplinary history about member firms and individual registered representatives.

### **What investment services and advice can you provide me?**

Harken Capital Securities LLC investment services are limited to:

- Exempt private placement offerings of private equity funds primarily to qualified purchasers and other institutional investors, and occasionally accredited investors.
- Brokering secondary transactions between institutional and qualified purchasers, and occasionally with accredited investors.

There are various minimum investment requirements for a given private placement offering, typically between \$1 million-\$5 million dollars, although smaller amounts are sometimes accepted by the private equity funds we provide services to. Please refer to the Private Placement Memorandum for limitations specific to each investment.

We are not obligated to and do *not* monitor your investments.

***Key Questions to Ask Your Financial Professional***

- ✓ **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 an investor in a private offering, you are subject to the costs and fees of any offering. For private placement transactions in private equity funds, Harken Financial Services LLC is paid a sales commission by the issuer. Because it is paid a commission, the firm has an incentive to encourage an investor to invest in its offerings. This commission is not paid directly by you. Rather, it is paid by the owners of the private equity fund you invest in. It is NOT paid with the proceeds of the offering. This commission causes a conflict between your interests and ours. Fees and costs are discussed within the Private Placement Memorandum for each investment, which you should read carefully.

When we broker secondary transactions, the buyers or sellers pay us an agreed upon percentage of the transaction value. Regardless of who pays this commission, it is part of the gross purchase price for the assets and causes a conflict between your interests and ours.

***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.***

**Key Questions to Ask Your Financial Professional**

- ✓ Help me understand how these fees and costs might affect my investments. As an example, if I give you \$1,000,000 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 or introducing me to a private fund? How else does your firm make money and what conflicts of interest do you have?**

**When we provide you with a recommendation or introduce you to a private fund, 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.

- Because we are paid a sales commission when you invest in an offering, Harken Capital Securities LLC and its representatives have a conflict of interest with you.
- Our brokerage services are limited to private placement offerings and brokering secondary transactions. Other broker dealers could provide a wider range of investment choices, some of which may have lower costs.
- Registered Representatives may invest in the private placement offerings we introduce to investors. We invest as individuals, not as Harken, and on the same terms as you. Offerings that provide additional compensation based on the total amount raised may incentivize representatives to invest in order to reach an investment threshold, though this has never occurred in the past. We view our investments as reducing conflicts of interest and further aligning us with you, however, one could view this as a potential conflict of interest. We mitigate these potential conflicts by disclosing these activities to you.

**Key Question to Ask Your Financial Professional**

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

**How do our financial professionals make money?**

Our company receives commissions from the sale of privately placed securities. The firm pays the registered financial professional part of those commissions. The compensation structure for every offering may be different.

When we broker a secondary transaction, we are paid a negotiated percentage of the transaction value. The registered financial professional will receive a portion of those fees as a commission. The compensation structure for every secondary transaction may be different.

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

No, neither our firm nor any of our financial professionals currently have any legal or disciplinary history. Visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Key Questions to Ask Your Financial Professional**

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

You can find additional information about our brokerage services and request a copy of the relationship summary by email at [fred@harkencapital.com](mailto:fred@harkencapital.com) or by phone at (617) 342-7333.

**Key Questions to Ask Your Financial Professional**

- ✓ 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?