



ARENA
FINANCIAL SERVICES LLC

Form Customer Relationship Summary (Form CRS)

January 2025

Item 1. Introduction

Arena Financial Services, LLC ("**Arena Financial**", "we", "our", or "us") is registered with the U.S. Securities and Exchange Commission (the "**SEC**") as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investor Protection Corporation ("**SIPC**").

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 research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

Our product offering for retail investors is limited to offering sophisticated high-net worth retail investors, on a private placement basis, the opportunity to become investors (e.g., limited partners) in one or more affiliated private funds (each, an "**Arena Private Fund**" and collectively, the "**Arena Private Funds**") managed by our affiliated investment adviser, Arena Investors, LP ("**Arena Investors**") and in which another affiliate serves as the general partner (each, an "**Arena Private Placement Investment**" and collectively, "**Arena Private Placement Investments**"). Our securities recommendations to you will be limited to Arena Private Placement Investments.

We do not have an obligation to update our recommendations. You make the ultimate decision as to whether you will make an investment. We do not offer account monitoring. For information about Arena Private Placement Investments refer to the offering documents for the subject Arena Private Fund which we can provide to you. Refer also to Arena Investors' ADV Brochure Item 4 *Advisory Business*; Item 5 *Fees and Compensation*; Item 6 *Performance-Based Compensation and Side by Side Management*; and Item 11 *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*. [<https://adviserinfo.sec.gov/firm/summary/269854>] Minimum investment amounts are specific to each Arena Private Fund but generally require a minimum investment amount unless modified or waived in accordance with the specific offering documents. Arena Private Placement Investments are speculative and illiquid, involve substantial risk, and are designed for only those sophisticated retail investors who can bear the economic risk and loss of all or a portion of these investments. There is no assurance that such investment will achieve your investment goals or objectives. You may lose money and investment performance may be volatile. Material risks should be reviewed prior to making an investment and are discussed in each Arena Private Fund's offering documents, copies of which we can provide to you. In addition, please see Item 8 *Methods of Analysis, Investment Strategies and Risk of Loss* of Arena Investors' ADV Brochure. [<https://adviserinfo.sec.gov/firm/summary/269854>] We require that investors are "qualified purchasers", which means they have at least \$5 million in investments. You should independently evaluate any investment opportunity offered to you and consider consulting tax, legal and/or financial professionals of your choosing.

CONVERSATION STARTER: *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?*

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

What fees will I pay?

Currently, an investor will not pay Arena Financial a direct fee when you make an Arena Private Placement Investment, however you will pay indirect fees and other direct fees and costs when you make such an investment. In addition, as discussed under (c) on the next page, our employee compensation structure is designed to pay commissions to our financial professionals after reaching a certain threshold of investor's assets they introduced to the Arena Private Funds. At such time, we will be paid such commissions by the applicable Arena Private Fund. These create conflicts of interest. We are paid a monthly "**Distribution Fee**" by Arena Investors as compensation for the placement agent and investor relations services we provide to investors. As an investor in an Arena Private Fund you will be assessed: (i) an annual "**Management Fee**" typically payable to Arena Investors monthly or quarterly in advance, which will be up to 2.0% per annum of your capital account balance; (ii) a performance fee or incentive allocation (collectively, "**Performance Fees**" and each, a "**Performance Fee**" or "**Carry**") payable to the General Partner of each Arena Private Fund of up to 20% of the net capital appreciation of your capital account balance at the end of the relevant fiscal period and generally subject to a "**high-water mark**"; and (iii) an "**Asset Servicing Expense Fee**" by Arena Investors or an affiliate ranging from 40 bps (0.40%) to 150 bps (1.50%) per annum on the fair value of the illiquid portion of portfolios managed by Arena Investors. In certain cases, Arena Investors may waive or reduce Management Fees and the percentage of the Carry for certain investors. You may incur additional costs from your investigation of an investment opportunity and separate brokerage and other charges to the broker-dealer executing orders received from Arena Investors on behalf of an Arena Private Fund.

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 information about fees and associated costs you may incur, refer to the appropriate Arena Private Fund's offering documents which we



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can provide to you, subject to your meeting the eligible investor criteria. Refer also to Arena Investors' ADV Brochure Item 5 *Fees and Compensation*; Item 6 *Performance Based Fees and Side by Side Management*; and Item 12 *Brokerage Practices*. [<https://adviserinfo.sec.gov/firm/summary/269854>]

CONVERSATION STARTER: *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?

When we provide you with a recommendation, we must act in your best interest and not put our interests 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 services we provide you. Here are some examples to help you understand what this means:

(a) **Proprietary Products:** All Arena Private Placement Investment opportunities are proprietary products in which our affiliates serve as the general partners and investment adviser of each Arena Private Fund. Insiders of Arena Financial and our affiliates may invest in Arena Private Funds and may be in possession of information not available to Arena Private fund investors. These affiliate relationships create conflicts of interest as they create financial incentives for us to recommend an Arena Private Placement Investment as they create revenue streams for us and our affiliates. Other private fund investments we do not offer may also be suitable and/or less expensive investment options for you.

(b) **Revenue Sharing and Expense Reimbursement:** While we do not directly charge you a fee or commission on your purchase of an Arena Private Placement Investment, we are paid a monthly Distribution Fee by Arena Investors, the size of which is based, in part, on the anticipated size of Arena Private Fund investor subscriptions and our overhead costs. Most investors are also charged a Management Fee, Performance Fee and an Asset Servicing Expense Fee by Arena Investors and/or the general partner of each Arena Private Fund. We are incentivized to offer larger fund investments as our compensation and that of our affiliates increases with the size of your investments. We directly and indirectly benefit from your investments which generate revenue streams for our affiliates which are used to pay our fees and expenses.

(c) **Commission Charges.** In the future, certain of our financial professionals may be compensated on a commission rather than a salary and discretionary bonus basis. As a result, they may be incentivized to recommend that you make larger investments or additional investments as their commissions will increase as your total investments increase. Larger investments will also benefit our affiliates by generating increased Management Fees, Performance Fees and Asset Servicing Expense Fees.

CONVERSATION STARTER: *Ask your financial professional:*

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

For additional information about our conflicts of interest, refer to the offering documents for the Arena Private Funds in which you may invest, copies of which we can provide to you. Refer also to Arena Investors' ADV Brochure Item 11 *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*. [<https://adviserinfo.sec.gov/firm/summary/269854>]

How do your financial professionals make money?

Generally, our financial professionals receive a combination of a salary and discretionary bonus award which is based on factors such as individual performance, and our overall performance. There are times when our financial professionals may invest in a private placement that has also been offered to retail investors at a reduced fee or with fees waived altogether. In the future, certain of our financial professionals may be paid on a commission basis rather than a salary and discretionary bonus basis. Commissions create a conflict of interest as our financial professionals may be incentivized to recommend that you make larger or additional investments as this will generate increased commission payments for them.

Item 4. Disciplinary History

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

No. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

CONVERSATION STARTER: *Ask your financial professional:*

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

Item 5. Additional Information

You can find additional and up-to-date information about our brokerage services and request a copy of this Form CRS by contacting us at (212) 612-3205. You can also find additional information about Arena Financial on FINRA's [BrokerCheck](#) by clicking on the Firm tab and then searching CRD # 281709.

CONVERSATION STARTER: *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?*