

USP Securities Corporation - Customer Relationship Summary

1. INTRODUCTION

USP Securities Corporation is registered with the Securities and Exchange Commission and applicable state securities authorities as a broker-dealer, and is a member of the Financial Industry Regulatory Authority ("FINRA"). We provide limited services as a placement agent in connection with private placement or limited offerings in the healthcare industry. It is important for you to understand exactly what role we will play in your pooled investment through us and the differences this relationship has with that of most broker-dealer and investment adviser relationships. Please ask us for more information and please note the conversation starter questions listed in this document. ***Free and simple tools are available to research firms and financial professionals at: www.investor.gov/CRS which also provides general educational materials about broker-dealers and investing.***

2. RELATIONSHIPS AND SERVICES

What Investment Services and advice can you provide me?

- The services we provide are limited to securities placement services for our affiliates. We assist our affiliates in conducting offers for sale of units of ownership interest ("Units") in limited liability companies (each, an "LLC") in private placement offerings (each, an "Offering") on a "best efforts" basis to physicians who are interested in investing in a short-stay surgical facility, which they will use as an extension of their surgical practice. We answer inquiries from prospective investors and their representatives about the Offerings and assist with the investment process. Instead of opening individual customer accounts like most broker-dealers, we open one escrow account for each Offering to accumulate pooled proceeds from the Units sold. When an Offering is closed, we disburse the total sale proceeds to the LLC to finance the initial development, ownership and operation of the surgical facility. After disbursement of the sale proceeds, the escrow account is closed and our participation in the Offering is over. Unlike our limited role in these Offerings, most broker-dealers provide ongoing, long-term, services to retail clients.
- Each Offering is made through disclosure documents, including an offering memorandum ("Offering Documents"), that describe minimum/maximum investments, the price of each Unit offered, and whether each investor will be required to personally guarantee a pro rata share of the LLC's monetary obligations if required by a financing lender.
- We require that each investor be a surgeon (physician, podiatrist, oral surgeon, or other medical practitioner) who intends to become a member of the medical staff of the surgical facility when it opens. Each physician investor must also agree to: meet the Physician Member Eligibility Requirements included in the Offering Documents; be bound by the LLC's operating or limited liability company agreement; and, in most cases, be an accredited investor. If a physician investor does not meet any of these requirements, we will not permit that physician to participate in the Offering.
- We cannot offer additional services to assist you in developing and executing your overall individual investment strategy outside of any Offering, as we are not licensed to do so. We are also not required to monitor your investment in any Offering on an ongoing basis, once the escrow account is closed and the proceeds are delivered to the LLC. Other broker-dealers and investment advisers provide a wider range of services that may cost more or less.
- ***The Units offered in the LLCs' Offerings are illiquid investments.*** Other broker-dealers or investment advisers may offer you more investment choices with greater liquidity options that may also cost less.

Conversation Starters: *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?*

3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

3A. What Fees Will I Pay?

- In each Offering the gross proceeds will be paid by the escrow agent to the LLC in which you are investing, which in turn will pay our fees at negotiated rates and costs, whether you make or lose money on your investment in the LLC. These fees and costs will reduce any potential return you make on your investment in the LLC. Please make sure you understand what fees and costs will be deducted from the gross proceeds of the Offering.
- The initial amount you will invest is based on the number of Units you purchase at the price per Unit set out in the Offering Documents for that specific Offering. We do not charge you a commission on your purchase.
- Once the escrow for the Offering is closed and the Offering is complete, the LLC will reimburse us for all our costs and expenses incurred related to the Offering, but will not pay us a fee or commission. The cost and expenses

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incurred generally include, but are not limited to, escrow costs and any federal or state securities filings related to the Offering. Unlike other broker-dealers and other types of investments, we will not charge you any commissions, fees or expenses related to the Offering.

- Because you are not opening any individual investment account with us, we do not charge you fees such as custodian fees, account maintenance fees, and account inactivity fees, unlike other broker-dealers.
- Please see the Offering Documents provided to you in connection with your Offering for more information related to any fees or cost attributed to the LLC.

Conversation Starters: 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?

3B. 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 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 recommendation we provide you. Our recommendation involves a single investment option in order to facilitate your decision to invest in a securities offering by an affiliate of United Surgical Partners International (“USPI”). We are reimbursed for our costs and expenses related to each Offering by a USPI affiliate and have no expectation of profit on any Offering, although certain of our affiliates will make money through the Offerings. The ownership of our broker-dealer firm by USPI, which in turn is owned by Tenet Healthcare, creates a conflict of interest because we are not offering you competing investments. Because our involvement in the Offerings involves a recommendation for you to participate in a securities offering, we are legally obligated to comply with a “best interest” standard of conduct. You should understand and ask us about potential conflicts of interest because they can affect the information we provide to you regarding the Offerings by our affiliates. Here are examples to help you understand what this means:

- Our firm offers physician investors Units in an LLC that is one of our affiliates. Other of our affiliates charge fees to the LLC for services.
- Our financial professionals work not only for us, but are also employees of other USPI-affiliated entities.

For more information about our conflicts of interest, see our Regulation BI Disclosure that is a part of the Offering Documents related to your Offering.

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

3C. How do your financial professionals make money? Our financial professionals are compensated by an affiliated subsidiary of the LLC as employees on a salary basis and are paid no commissions. They may, however, be paid a bonus by that affiliated subsidiary for the successful completion of an Offering, which encourages them to offer physician investors Units in an Offering in which physicians may not initially be interested. For more information regarding potential bonuses to our financial professionals related to a specific Offering, see the Offering Documents related to your Offering.

4. DISCIPLINARY HISTORY

Do you or your financial professionals have legal or disciplinary history? Yes, we have reported a single disciplinary incident that resulted in an acceptance, waiver & consent agreement with FINRA’s predecessor on September 8, 2008 regarding a violation of its rules requiring us to maintain a continuing and current education program. In addition, one of our financial professionals has reported two non-investment related incidents from the 1980s, which are unrelated to his current association with our firm. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals. For additional information about our services, visit <https://brokercheck.finra.org/>.

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

5. ADDITIONAL INFORMATION

You may request a copy of this Form CRS Relationship Summary and any other documents related to this Offering by contacting your investment professional. You may also call 972-763-3817 to request copies or up-to-date information.

Conversation Starters: Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?