

Introduction

We are Periculum Capital Markets (“Periculum”), a FINRA-registered broker-dealer. Brokerage services and fees differ, and it is important for you to understand the differences.

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 advisers, and investing. Our firm and financial professionals’ registration information are also publicly available on the [Investor.gov](https://www.investor.gov) website.

Relationships & Services

Q: What investment services and advice can you provide me?

A: We offer investment banking advisory services to companies, which include the provision of fairness opinions, raising capital through private placements of securities (the only service available to individual investors), corporate advisory, and underwriting securities on a best efforts basis. Our services are consultative in nature and do not involve us taking any discretion on the purchase or sale of securities. With respect to private placement activity, we are generally engaged by a private or public company to raise capital from institutional and high net worth investors.

Q: Given my financial situation, should I choose an investment advisory service? Why or why not?

A: Periculum does not provide investment advisory services to individuals. Any investment we offer to individuals is considered risky, illiquid, and only available to accredited or qualified investors. Private placements of securities, in addition to being risky and illiquid, lack transparency, lack a public market, and have complex tax structures. In addition to a careful review of the offering documents, you are advised to consult with your financial, legal, and tax advisors prior to investment.

Q: How will you choose investments to recommend to me?

A: We are engaged by private and public companies to raise operating and growth capital among other corporate advisory services. We will only approach investors for whom we have a pre-existing substantive relationship who desire risky, illiquid investments with the goal of obtaining a return commensurate with the amount of risk involved.

Q: What is your relevant experience, including your licenses, education, and other qualifications?

A: Our financial professionals have been in the investment banking and financial services industry for several years and maintain the Series 7, 79, 82, and 63 qualification exams as well as advanced degrees. Certain supervisory professionals also maintain applicable FINRA supervisory licenses such as the Series 24, 27, or 28 exam qualification. You can find information on any professional designations of your financial professional by accessing [FINRA.org](https://www.finra.org) and utilizing the BrokerCheck functionality.

Q: What do these qualifications mean?

A: These qualifications assure that our professionals have met specific regulatory exam requirements required to conduct investment banking and private placement activities (e.g., Series 7).

Fees, Costs, Conflicts & Standard of Conduct

Q: What fees will I pay?

A: Our fees for private placements are disclosed in the offering documents provided to each prospective investor with a subscription form. Subscriptions in private placements offered by Periculum require investors to be accredited, which generally means an annual income of \$200,000 individually or a joint income of \$300,000 or a liquid net worth of \$1,000,000. Our fees for private placements are expressed as a percentage of the capital raised, and as it relates to an individual investor, a percentage of the total amount you are willing to invest. A description of the fees is provided in the offering documents provided before any subscriptions are accepted.

Q: 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?

A: As an example, if you subscribe to a private placement and the total initial fees are 3% including our fee, then assuming an initial subscription of \$10,000, there will be \$9,700 available for use by the offeror. Please bear in mind as an investor there will be other ongoing fees assessed against your investment, such as legal costs, accounting, tax, and other fees as disclosed in the offering documents. Generally, these ongoing fees are annual fees and draw down the balance in your capital account, having the net effect of reducing your rate of return on the investment.

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 by carefully reading the offering memorandum and related subscription documents.

Q: What are your legal obligations to me when acting as my broker-dealer? How else does your firm make money and what conflicts of interest do you have?

A: *When we act as the placement agent, 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 of interest. You should understand and ask us about these conflicts, because they can affect the investment advice we provide. Here is an example to help you understand what this means.*

- Periculum is typically engaged by the company looking to raise capital or perform some other corporate advisory service. Being engaged by the company represents a conflict of interest in that we have an economic incentive to raise capital for the company. If you are considering a private placement transaction, we strongly advise you to read the offering documents carefully and consult with your financial, legal, and tax advisors prior to subscribing.

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

A: Conflicts of interest can incentivize us to put our interests ahead of yours. We manage these conflicts through disclosures in the offering and subscription documents. In addition, we employ supervisory procedures to ensure our financial professionals are acting in your best interest.

Q: How do your financial professionals make money?

A: Our financial professionals are paid a percentage of the capital we raise for the company engaging us. In this regard, we have a conflict of interest in that we have an economic incentive to sell interests in the private placement, which could be viewed as contrary to your interests.

Disciplinary History

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

A: No. You can visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Additional Information

Q: Who is my primary contact person?

A: Your Periculum financial professional will be your primary point of contact. However, administrative requests may be handled by an administrative assistant or client service professional.

Q: Is he or she a representative of an investment adviser or a broker-dealer?

A: Yes, our investment professionals that solicit, structure, and oversee transactions are registered with Periculum, a FINRA Member broker-dealer. None of our professionals are licensed as investment adviser representatives, as we do not conduct a retail investment advisory business.

Q: Who can I talk to if I have concerns about how this person is treating me?

A: In the event you have issues to be addressed, you may contact Mr. Sean Frazer at 317-759-6365 or by email to sfrazer@periculumcapital.com.

You can find additional information about our investment services at Investor.gov/CRS. You may also request a printed copy of this Relationship Summary by contacting us at 317-636-1800 or via email to Sean Frazer at sfrazer@periculumcapital.com.