

Client Relationship Summary

September 10, 2021

VCS Venture Securities, LLC (“VCS”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. This Client Relationship Summary provides details about our brokerage services, fees, and other important information.

Free and simple tools are available for investors to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS). Here, you can also find educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

VCS Venture Securities, LLC offers brokerage services to retail investors. We are a Full Service Broker/Dealer retailing corporate equity securities - OTC, broker or dealer selling corporate debt securities, underwriter or selling group participant, corporate securities other than mutual funds, mutual fund dealer, broker or dealer selling variable life insurance or annuities, put and call broker or dealer or option writer, private placements of securities, broker or dealer selling REITS. The firm offers recommendations to retail investors.

- Registered Representatives monitor accounts with their clients. Representatives discuss overall account performance with their clients. Clients can ask representatives to discuss and explain any transaction in their accounts. Also, representatives discuss all recommendations to their clients on a per/transaction basis. Clients are NOT required to participate with every recommendation. Clients are permitted to decline any recommendation they do not want in their accounts.
- All accounts held at the firm are Non-Discretionary accounts. The client has the last word in the investment decisions.
- The firm does NOT sell proprietary products or offer proprietary products to its clients. Clients at the firm make the decision which products they will purchase for their accounts.
- The firm does NOT have any account minimums.
- None of the materials provided or services rendered by the Firm should be taken, represented or construed as legal, tax, or accounting advice.

Conversation Starters. Ask your financial professional these questions to learn more:

- **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?**

For additional information, on products that the firm offers, please visit our website: www.newageventurecap.com

What fees will I pay?

Conversation Starter –

- **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?**

Clients are charged an Additional Fixed Commission for every transaction in their account of \$99.00 All accounts also pay an Annual Fee of \$99 per year. For a full list of the fees, please visit the “Fee” section at the firm’s website. Please note, conflicts can occur with your Representative. Registered Reps charge commissions, and the more transactions that clients make, the more commissions will be charged to the customer accounts. Fees assessed to customer accounts will negatively affect the overall profitability to the account.

The firm charges for a multitude of fees related to customer accounts. This can include Account transfers, Returned Checks, IRA’s, Annual Fees, Low

Priced Security Reviews, Wire Transfers. A complete list is located at: www.newageventurecap.com

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, a full fee schedule is located on the firm’s website at: www.newageventurecap.com

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 recommendations we provide you.

Here are some examples to help you understand what this means.

The firm and its Registered Representatives earn by charging its clients commissions. The amount of transactions recommended by your representative can negatively affect the value of your account. More transactions can equal more commissions and/or fees to the Representative and/or Firm. This effect could cause your account to decline in value. Your representative could recommend more transactions that might negatively impact the value of your account. The Firm also earns through its fees. Additional fixed commissions may be shared with its Registered Representatives. The firm may earn on its Investment Banking services through Private Placements or Initial Public Offerings from the Issuer. The firm may also earn a percentage on margin accounts charged to its customers.

Conversation Starter –

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

How do your financial professionals make money?

The firm's Registered Representatives earn by charging commissions to their clients. This may cause a conflict of interest to the clients in that the more transactions the Representatives solicit to their clients, the more the Representatives can earn.

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

-Yes

You can visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our firm and financial professionals.

Conversation Starter –

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

For additional information about VCS Venture Securities, LLC, or to request a copy of this relationship summary please visit www.newageventurecap.com. You may also call (516) 900-NAVC to request up to date information or a copy of this relationship summary.

Conversation Starter –

- **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?**

VCS Venture Securities (the "Firm" or "VCS") is a registered broker dealer with the Financial Industry Regulatory Authority ("FINRA") and we are required under Regulation Best Interest ("Reg BI") to send you this additional Disclosure Letter. We are required to send these disclosures to you prior to making a recommendation to you regarding your potential investments. This letter will provide you with details relating to our Firm and the relationship between you, the Firm, and the Firm's Registered Representatives.

In connection with establishing this account and completing your customer agreement you have been given the opportunity to provide to VCS Venture Securities your financial profile, investment experience, investment objectives, and other information for your account(s). VCS understands that you may have separate investment objectives for different accounts. You have been given the opportunity to provide this information to VCS so that VCS may reasonably rely on this information. When our agent(s) provide you with investment recommendations supervisory and compliance personnel may review your profile to ensure the activity in your account is consistent with your objectives. Supervisory or compliance personnel may contact you from time to time to further verify that all activity in your account is transacted in the manner you choose.

On-Line Access:

Our clearing agent, Axos Clearing LLC ("Axos") offers On-Line Access to your account and it is recommended that you sign up for on-line access. You should check your account balances and account positions on a daily basis and review all trades, especially if you choose to work on margin or if you have options or short positions in your account. For online access please call your broker or dial our main office at 516-900-NAVC.

Account Statements:

It is very important to review your trade confirmations and account statements. Your monthly account statement will provide you with a detailed record of every transaction in your account, as well as your current balance as of the date of the statement. It also provides the current equity value compared to the equity value in the prior month to enable you to review the month to month performance of your account. Should you have any questions pertaining to any transaction, you should call your broker immediately.

Trade Confirmations:

Every time you enter a security transaction, Axos will send you a confirmation of that trade. The confirmation will include the details of your transaction and should be reviewed for accuracy upon receipt. Your trade confirmation will reflect a commission. Commissions are negotiated on a transactional basis and can range from a fixed commission of \$99.00 regardless of amount invested, up to 5% of the dollar value of the transaction. Talk to your broker about the commission you are being charged on every trade. All of these documents should be reviewed immediately upon receipt and regularly thereafter. You should contact our compliance department in the event that any information contained in those documents is incorrect or in the event you wish to contest any activity in your account(s).

Commissions:

VCS has a Minimum Commission described on your trade confirmation as an "Additional Fixed Commission" on every securities transaction executed in your account in the amount of \$99.00 regardless of the dollar amount and frequency of transactions. The "Additional Fixed Commission" is commission-based revenue to the Firm and the Firm may share such revenue with your broker. You may elect to be charged commissions on an agency basis or a riskless principal (otherwise known as markup/markdown) basis, which is in addition to the Additional Fixed Commission. An agency transaction discloses the commission on the trade confirmation as a flat dollar amount in the lower right side of your trade confirmation, i.e. \$100.00 plus the additional fixed commission of \$99.00.

A Riskless Principal Transaction:

In a riskless principal transaction the commission is shown as a markup or markdown and is built into the price of the stock and sets forth the total cost basis of the transaction on the trade confirmation. In order to calculate the commission charged on a riskless principal (markup/markdown) basis, look next to where it says mark-up /mark-down and multiply that amount by the number of shares purchased or sold. For example, if you purchase 1000 shares of stock and the mark-up/ mark-down reads .1 or .10, that equates to $1000 \times .1 = \$100.00$. Please speak with your tax professional and your broker to decide which method is right for you.

Time Horizon:

VCS obtains information from you the client regarding time horizon. In an effort to clarify, our interpretation of time horizon is as follows: The length of time over which an investment is made or held before it is liquidated. Time horizon is not interpreted as a time for need of the investment funds to be returned but rather as an intention on the time in which you wish hold your investment.

Annual Fee:

Each year end there will be an annual fee of \$99.00 charged to your account. This fee is allocated toward expenses including but not limited to customer mailings and administrative expenses. The annual fee may result in additional revenue to the firm.

Products:

VCS offers a multitude of investment products. While your representative may make a recommendation for a certain type of security, please note that you have choices of products other than what is being recommended to you and you should engage your representatives with questions regarding other securities and other investment options which are available to you. You should also be aware that other investment products, fee structures and investment strategies could result in lower costs to you.

Conflicts:

Your representative is compensated for each transaction (i.e. buying or selling securities on your behalf). As such, there is an inherent conflict which is created when your representative makes a recommendation to you. Under Reg BI, your representative will use the Care clause to ensure that recommendations being made to you are in your best interest pursuant to various information provided by you to your representative.

including your financial condition, investment objectives, risk tolerance, tax status, investment experience and other general information provided by you.

Active Account:

You may have indicated speculation or growth as an investment objective for your account. This reflects an aggressive approach which entails active trading. Actively traded accounts in general are speculative in nature and typically attempt to profit from short term swings in the market and/or of individual securities, generally accrue higher costs and results in greater risks to the investor. This trading may not be suitable for all investors. Speculative investing should only be carried out with capital in which you are willing to risk losing a substantial portion, if not all of your investment funds.

Active Accounts have significantly higher turnover ratios and commission-to-equity ratios than accounts in which the customer merely buys and holds the position. Turnover ratios measure how often - on average - the securities in a customer's account are traded in a year. The securities purchased and the account's average equity are analyzed and the turnover ratio (TR) is the "litmus test" to determine active accounts. Annualized turnover ratio of 6 or greater is likely to be considered excessive for accounts with conservative investment objectives. You acknowledge and agree that your speculative natured account may be trading with a TR of 6 or substantially greater and that you do not consider this to be excessive in light of your investment strategies and objectives. The commission-to-equity ratio is obtained by dividing the total commission charges (including markups) by the average equity in the customer's account.

An investment objective or risk tolerance of speculation involves a high degree of risk and may result in your account to be actively traded. The performance of your account may be significantly higher or lower than the performance of the stock market or the various indices that may be tied to stock market performance, including the Dow Jones Industrials, the Standard & Poor's Index or any other index of the value or performance of the stock market. This is considered the "well managed account theory". Because of the nature of your account the returns on your investments may not be consistent with the stock market indexes and the performance of your account may be substantially more or less than what may be achieved under a well-managed account theory.

Active accounts receive statements every month, and confirmations are mailed after every trade. The specific trade/transaction information is disclosed on trade confirmations and monthly account statements, including transaction date, share amount, markup/mark down, commission, margin rates and interest charged as well as execution price. Active or speculative accounts can involve concentrated positions, meaning that there is a significant portion of the assets in the account in a few securities. This can increase the volatility in the account's value.

Private Placements

The Firm offers Private Placements of securities from time to time. Private Placements are typically illiquid products and are suitable only for accredited investors. The Firm is paid a fee by the issuer to sell various Private Placements of securities to investors and this creates the potential for a conflict of interest in that the Firm and its Representatives are compensated to offer these securities purchased by you. Notwithstanding this, the Firm reviews your particular situation and would only present these securities to you if through its investigation of factors, including information you have provided to the firm including your financial profile, the firm determines that these securities are suitable for you and are in your best interests to achieve your stated investing goals.

Affiliated Funds

The Firm offers opportunity funds from time to time which seek to invest in pre-Initial Public Offerings ("pre-IPO") securities of late stage companies. These funds are managed by an affiliated entity of the Firm. The Firm is paid a fee by the fund manager to sell these products and these have fees associated with the product itself. These funds are offered by prospectus to accredited investors only and it is imperative that you read the prospectus in its entirety prior to making a purchase of these funds. Notwithstanding this, the Firm reviews your particular situation and would only present these securities to you if through its investigation of factors, including information you have provided to the firm including your financial profile, the firm determines that these securities are suitable for you and are in your best interests to achieve your stated investment goals.

If you do not receive statements and confirmations, or if you have any comments or concerns about account objectives, risk tolerance or the level of activity, please feel free to contact us.

VCS charges a commission, or a markup or markdown on each transaction. The total trading cost will add to your losses or reduce your gains. As a result, there is the possibility that you may incur trading losses and trading costs while the firm and our representative earn commissions, markups and markdowns. The representative's recommendations are not performance guarantees and having a high turnover account is your choice and you can reduce the number of transactions or stop trading at any time.

VCS is committed to customer service and a culture of compliance. We seek to ensure that at all times our representatives and affiliates act in accordance with all securities laws and regulations and in accordance with your investment objectives. We are sending this letter to maintain our level of communication and our commitment to our clients while ensuring the accuracy of your account information and objectives. We look forward to working with you to help you achieve your financial goals.

Again, if you have any questions or concerns whatsoever, please do not hesitate to call our compliance department at: 212-404-7696.

Sincerely,

VCS Venture Securities - Member FINRA/SIPC