

TITAN PARTNERS SECURITIES LLC

Regulation Best Interest Disclosure

Introduction

TITAN PARTNERS SECURITIES LLC (“**TITAN**”, “**we**” or “**us**”) is registered with the U.S. Securities and Exchange Commission (the “**SEC**”) and is a member of the Financial Industry Regulatory Authority Inc. (“**FINRA**”), and the Securities Investor Protection Corporation (“**SIPC**”). This guide summarizes important information concerning the scope and terms of the brokerage services we offer and describes certain material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreements and disclosure documents you may have received from us. When we make recommendations to you, it is required that we act in your best interest, and several standards and procedures have been put in place to ensure that we do so:

- (i) Regulation Best Interest (“**Reg BI**”): Under Reg BI, a broker-dealer or investment advisor that makes a recommendation to a retail investor must be acting in the investor’s best interest at the time of the recommendation. For purposes of Reg BI, a retail investor is defined as a natural person, or their legal representative, who: (1) receives a recommendation of any securities transaction or investment strategy involving securities from a broker, dealer or an associated person of a broker or dealer and (2) uses the recommendation primarily for personal, family or household purposes; and
- (ii) Customer Relationship Summary (“**Form CRS**”): Under the federal securities laws (Securities Exchange Act Rule 17a-14), broker-dealers and investment advisors are required to provide you with a Form CRS to help you to make decisions about choosing to work with them. Please refer to our Form CRS (https://files.brokercheck.finra.org/crs_333575.pdf?utm_source=titanpartnersgrp.com&utm_medium=site) for important information about the types of services we offer as a brokerage firm, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information. Also, please review and consider the information in each section below.

Our Services

We primarily provide brokerage services to institutional investors, and to a lesser extent to high-net worth retail investors to whom we direct this disclosure document and the Form CRS. Our main service is the selling of proprietary sponsored publicly-offered and privately-placed securities for companies that are seeking to raise capital. When we solicit interest from investors about the securities that we offer and sell, those solicitations are considered to be recommendations. While we may offer investment recommendations, the final decision to make an investment rests solely with you. Our recommendations are generally limited to proprietary products, *i.e.*, those that we underwrite or otherwise sponsor. In addition, while we will arrange to execute the purchase and sale of securities

held in your account at your request, we will not recommend (impliedly or otherwise) that you hold or sell any securities in your account.

We are an “introducing” broker-dealer. Our customers’ accounts are held by Wedbush Securities, Inc. (“**Wedbush**”), a broker-dealer registered with the SEC and a member of FINRA and SIPC. Wedbush provides clearance, execution, settlement and custodial services for your account and assets. When you place an order with us, or instruct us to move money or assets into or out of your account, we convey your instructions to Wedbush, and we assist you in making sure the instructions are processed correctly. Wedbush executes and settles your securities transactions, issues account statements and transaction confirmation notices. We provide our services through cash brokerage accounts and delivery versus payment/receipt versus payment accounts (“**DVP/RVP Accounts**”), you may have with another broker-dealer or bank. We do not offer margin brokerage accounts. In a cash brokerage account or a DVP/RVP Account, you must pay for the securities in your account at the time of sale and/or delivery.

Your brokerage account is self-directed. This means that you or someone you designate will be solely responsible for deciding whether and how to invest in the products that we offer, and whether and how to utilize our services. You are responsible for independently ensuring that the investments in your account remain appropriate for you given your situation, needs and objectives, especially as your situation, needs and objectives may change over time.

We offer our services through financial professionals, and those financial professionals may hold corporate titles such as Vice President, Assistant Vice President, Senior Vice President or Managing Director. These titles are given based upon years of experience in the financial services industry and with Titan, and may be based on the financial professional’s responsibilities within our firm. However, neither these nor other titles of our finance professionals necessarily reflect that they are due special compensation or that they have been given any special sales incentives. Our financial professionals’ main responsibility is to service client accounts and to provide recommendations on securities transactions that are in the client’s best interest in light of the client’s investment objectives, risk tolerance, time horizon and other pertinent financial characteristics. Because the relationship between you and your financial professional is unique, we encourage you to search the name of your financial professional at FINRA Broker Check (<https://brokercheck.finra.org/>) and access all material disclosures relevant to your financial professional. In addition, please note that your financial professional may make investments in private placements that have also been offered to retail investors, including you, at a reduced fee or with fees waived altogether. This creates a conflict of interest.

Our Roles and Recommendations

If you qualify as an eligible investor, we may recommend investments in publicly-issued or privately-placed securities that we would sell to you as an underwriter or on an agency basis. When we serve as an underwriter, we purchase securities directly from the public issuer at a discount from the public offering price. When we do this, we are engaging in a principal transaction since we then sell those securities we just purchased directly from the issuing companies to our customers at the (higher) public offering price. This creates a conflict of interest because it provides an incentive for

us to sell these securities to you when other securities we do not own may be available to you to purchase through other brokers on an agency basis. In addition, depending on the product we are recommending or the service we are providing, there may be other conflicts of interest you should consider in determining whether to accept any recommendation that we make. Those conflicts are outlined in this document and in our Form CRS (Customer Relationship Summary). You should also consider any conflicts that are disclosed in any account agreement, product prospectus and/or related offering documents provided to you by us. You may also search for public offering documents and company reports at the SEC's Edgar database (<http://www.sec.gov/edgar.shtml>). Should you have any questions, please contact your financial professional or ask us for more information.

When you open a brokerage account with Titan, you are entering a relationship with us. This means that we may recommend securities and transactions, and you will be able to execute transactions in your account. While we may provide you with recommendations with respect to certain securities, we have an obligation to ensure that each such recommendation is in your best interest; therefore, in providing advice or making any specific recommendation, we may not put the financial interest of Titan or any of our financial professionals ahead of your financial interest. You may accept or reject any recommendation from us or from your finance professional. While we use reasonable care and skill at the time we make any recommendation to you, we do not provide ongoing monitoring of your account or your investments; therefore, it is your responsibility to monitor the investments in your brokerage account, and Titan encourages you to do so on a regular basis.

Our financial professionals may recommend only products that we offer and for which the financial professional is properly licensed. For instance, if we do not offer, or your financial professional is not licensed to recommend certain types of investments for which additional licensing is required (such as municipal bonds), he or she cannot recommend these products, even if purchasing them would be in your best interest. Accordingly, you should discuss with your finance professional whether she or he is licensed to provide recommendations appropriate to all your financial needs.

When we make a recommendation through your financial professional, she or he will do so only if she or he reasonably believes it is in your best interest to enter into such transaction. Your financial professional will determine his/her reasonable belief that a transaction is in your best interest by considering, among other factors, the following:

- Your investment objectives
- Your risk tolerance
- Your financial profile
- If the investment product is related to your overall investment goals/objectives
- If the recommendation is consistent with your stated investment strategy
- Fees charged by the product or transaction (*i.e.*, the costs)
- The presence of possible conflicts of interest

Because we base our recommendations, in part, on information that you have provided to us which we call your “financial profile”, it is important that you review your financial profile information frequently and notify us promptly if and when any element of it changes.

You should be aware that while we conduct reasonable due diligence before, and take reasonable care when, making recommendations to you, investing in securities involves risk, as their performance may fluctuate and you may lose money. As such, we cannot guarantee that you will meet your investment goals, or that our recommended investment strategies will perform as anticipated. Please consult any available offering documents of any security we recommend to you for a discussion of risks associated with the product and the associated fees. We can provide those documents to you or help you to find them and clarify any questions you may have once you have reviewed them.

Understanding Risk

You should be aware that investing in securities involves risks and you may lose money, up to and including the entire amount any investment you make with us. Generally, risk and potential return are related. The greater the potential that an investment will provide a substantial return, the greater the risk that the investment may lose money. Similarly, investments that carry lower risk generally also offer lower potential returns. In addition, disruptive events such as war, acts of terrorism, the spread of diseases or other public health problems, and economic contractions can create market volatility and can magnify the risks of investing. Detailed information about a specific investment's risk is provided in documents that we make available to you, including prospectuses, term sheets, offering materials and other disclosure documents provided directly to you or through our website.

Diversification can help reduce some investment risk, but cannot guarantee profit or fully protect you in a down market. Investments in the products that we currently offer are speculative, involve substantial risk and are designed for only those institutional and sophisticated high net worth retail investors who can bear the economic risks and potential losses from these investments. There is no assurance that such investments will help you to achieve your investment goals or objectives. You may lose money, and investment performance may be volatile. You should review material risks prior to making an investment.

Conflicts of Interest

A "Conflict of Interest" arises when an economic benefit exists that could cause us or your financial professional to put our interests and/or the interest of the financial professional ahead of your interests; therefore, a conflict of interest exists when we provide brokerage services to you. The mere presence of a conflict of interest does not imply that harm to your interests will, or is even likely to, occur; however, we are required to notify you of the presence of a conflict of interest. In addition, as required under Reg BI, Titan has policies and procedures in place to mitigate the potential effects of these conflicts.

When Titan acts as an underwriter (for publicly-offered securities) or a placement agent (for privately-placed securities), and we recommend the related securities that we underwrite or place, a conflict exists because our compensation is typically a percentage of the offering price. At the same time, when we underwrite and are responsible for selling shares in an Initial Public Offering (an "IPO") we will want to price the shares at a level that is attractive to the investors who may be

interested in the security. Sometimes IPO shares are underpriced (initially issued at a price below the price which the issuer and underwriters believe the market can bear) creating a discount for the initial investors, because doing so often increases the demand for the IPO and helps the underwriters to sell all of the available shares. Such underpricing may also affect how much, if at all, the stock's price rises on its first trading day. If there is a large increase, or "bump," from the offering price during the initial trading, the underwriters' investors may be satisfied because the value of their investment will have increased. Because of this practice, an IPO's offering price may bear little relationship to the trading price of the securities, and it is not uncommon for the closing price of the shares shortly after the IPO to be well above or below the offering price. Therefore, our interest in generating demand for an IPO could be in conflict with your interest in owning IPO shares the market price of which is not volatile.

Underwriters and placement agents have discretion in allocating public offering and private placement shares and will tend to favor allocation to institutional investors. Underwriters and placement agents believe that institutional investors are better able to buy large blocks of shares, assume the attendant financial risks, hold the investment for the long term, and provide the underwriters and placement agents with ancillary business in exchange for favorable allocations. These factors disadvantage retail investors, even sophisticated high net worth retail investors, particularly in "hot" IPOs where the demand for shares far exceeds supply. Titan also has an additional conflict when it underwrites or places securities because Titan receives fees or sales credit when our finance professionals sell the securities we underwrite.

Our finance professionals are compensated in a variety of ways, including salary, bonus and compensation based on a percentage of revenue generated from their sale of products and services to clients.

Limited Offerings

Currently, as stated above, the securities that we offer for sale are the securities that we place for public or private issuers; we carry little to no inventory and rarely source securities in the secondary market for retail investors. Therefore, our recommendations will be limited compared to other broker-dealers that have access to a broader range of investment options than we do. This also creates a conflict of interest, as our recommendations will tend to reflect the securities to which we have direct access. These securities may be less suited to your investment needs than other investments that we do not offer.

Fees and Compensation Practices

Brokerage accounts have certain fees and costs associated with them. In a brokerage account, you would ordinarily pay transaction-related fees and markups and markdowns (collectively, "**Commissions**") regarding transactions in specific securities. The main fees that you will incur for our brokerage services are underwriting concessions and/or placement fees, which are assessed on a per trade basis. This means that the more you purchase through us, the more we will charge you. We will receive (i) an underwriting concession (the spread between the price we pay the issuer of the securities we directly purchase from them and the public offering price at which we sell such securities

to you) when we serve as an underwriter of publicly-offered securities, (ii) a placement fee (usually paid by the issuer out of the sales we make) when we serve as a placement agent for privately-placed securities, and (iii) a Commission on other securities you purchase from or through us, and if you sell such (or any) securities through us, we will receive a Commission on each such sale.

The amount of fees you will be charged vary depending on various factors, including the type of the related security and the size of the transaction; you may also be subject to a minimum transaction charge. With respect to conflicts of interest, retail investors are charged more when they trade more, and we therefore have an incentive to encourage you to trade often. We receive fees when we execute these securities transactions, and the exact fees are disclosed to you in the transaction confirmations that you receive when you buy or sell securities through us. A portion of the fees you pay to us will be paid by us to your finance professional.

In addition to our primary fees and costs disclosed above that you will pay, there are additional execution and clearing fees and costs (each potentially subject to a minimum transaction charge) that you will be charged by Wedbush in its role as our clearing firm. In addition to execution and clearing fees and costs, Wedbush may charge account maintenance fees, transfer and electronic fund transfer fees, postage, deferred sales charges, and other fees and taxes on brokerage accounts and securities transactions as described in account agreements and other materials that will be provided to you with our recommendations.

It is important to remember that 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. Fees that you pay are based on each specific transaction and not on the value of your account. To determine the exact fee that will be charged to you for any specific transaction or service, please consult your financial professional.