

Umergence LLC Regulation Best Interest Disclosure

Umergence LLC (“Umergence”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and is also a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). We raise private equity and debt capital for our clients. Our private placements are offered under Regulation D, Regulation A, or Regulation Crowdfunding.

The company issuing securities is Umergence’s client. Umergence does not hold or carry customer accounts for investors. If you are an investor, you are not a client of Umergence. When someone invests in one of our transactions, Umergence receives a success fee (a percentage of the amount invested). This creates an inherent conflict of interest for Umergence, and the investor should consider this when making his or her investment decision.

Umergence does not typically make recommendations to retail investors regarding investment. All of our activities are done in a broker-dealer capacity. We are not an investment adviser and we do not provide investment advisory services. Our client in an offering is the issuer, not the investor.

Our brokerage services are the primary focus of this guide. Our Form CRS contains additional important information about the types of services we offer, along with general information related to compensation, potential conflicts of interest, disciplinary action, and other reportable legal information. Form CRS is available via website at [Investor.gov/CRS](https://www.investor.gov/crs).

Umergence encourages you to review the information in this guide carefully, along with any applicable agreement(s) and disclosure documentation that you may receive from us or that is contained on our website. Please review this guide carefully, as it summarizes important information concerning the scope and terms of the brokerage services we offer and details the potential conflicts of interest that may arise through our delivery of brokerage services.

Brokerage Services

Umergence provides the opportunity for investors to make self-directed investments in unregistered securities offerings, including private placements offered under Regulation D, Regulation A, and Regulation Crowdfunding. We offer limited investment products and services. A private placement is a non-public offering of securities exempt from full SEC registration requirements. “Institutional Investors” is defined in FINRA Rule 4512(c) and includes (i) a bank, savings and loan association, insurance company or registered investment company; (ii) an investment adviser registered either with the SEC or with a state securities regulatory agency; or (iii) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million. “Accredited Investors” is defined in SEC Rule 501(a) and includes natural persons with a net worth of more than \$1 million (not including the person’s primary residence) or with an annual income at least \$200,000 each year for the last two years (or \$300,000 combined income with the person’s spouse or spousal equivalent) and have the expectation to make the same amount during the current year.

Most private placements have a minimum investment amount which can vary by issuer and placement. Investment minimums may be waived and will be listed in the private placement memorandum (“PPM”) or similar offering documents.

Umergence offers its private placements on a best-efforts basis. This means that we do not guaranty or agree to raise all the money requested by the issuer.

As an investor, we do NOT enter into a fiduciary relationship with you. We do not typically make recommendations to retail investors. The company issuing securities is Umergence’s client. As an investor, you are not a client of Umergence. Once you subscribe for a private placement, we will not monitor your investment for you.

Since you are not a client of Umergence, we are not able to consider reasonably available alternatives to a particular investment opportunity. You may accept or reject any investment, in your sole and absolute discretion. It is also your responsibility to monitor your investments, and we encourage you to do so regularly. We do not provide ongoing monitoring of any securities. If you prefer ongoing monitoring of your investments, you should speak with a financial professional about whether an advisory services relationship is more appropriate for you.

We may, from time to time, provide you with additional information and resources to assist you with managing your investment. This may include without limitation educational resources, financial reports, summaries and/or updates about the issuer. When we offer this information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings, and they do not contain specific investment recommendations about the investment.

Umergence does not offer all types of securities. Instead, we offer limited investment opportunities including private placements, unregistered interests and certain other securities. Other security products or brokerage services may be more suitable for you, given the limited scope of our offerings.

Investment Risks

There are very significant risks involved in investing in Umergence offerings. It is extremely important for you to understand these risks. All investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Private placements, equity crowdfunding, and other unregistered interests are higher-risk investments. Although these investments may have the potential for higher returns, they also have the real potential for greater losses, including the very real risk that you will lose your entire investment. You should only consider investing in higher-risk investments if your “risk tolerance” (meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals) is extremely high. Umergence encourages you to carefully consider your investment objectives and risk tolerance before investing.

Risks and Illiquidity

Private placements and early-stage startup investments are extremely speculative, illiquid, and include significant and unique risks, including the total loss of investment. While Umergence takes reasonable care in determining the investment opportunities that we offer, private placements and early-stage startup investments involve significant risk, and you may lose your entire investment.

There is no guarantee that any investment will meet your investment goals, or that the securities we offer will perform as anticipated. Please consult any available PPM or other offering documents for any security for a discussion of risks associated with the investment.

The PPM or other offering documents contain important information about a particular company's or investment's business, operations, financial condition, and risks. The following risks represent a summary of risk factors, but are not meant to be all inclusive:

- The securities offered by Umergence will not be registered with the SEC, and no one has passed upon either the adequacy of the disclosure contained within their offering documentation or the fairness of the terms of the offering.
- The companies we offer the securities of may have limited operating history, and many may be still in an early phase and just beginning to implement their business plan. There can be no assurance that they will ever operate profitably.
- Some companies may require funds in excess of their existing cash resources to fund operating deficits, develop new products or services, establish and expand their marketing capabilities, and finance general and administrative activities, and such funds may not be available.
- Private Placement Investments and early-stage startup investments are Generally Risky and there is No Guarantee of Success. These investments bear the risk of partial or complete loss of capital. There is no guarantee that an investment will be profitable, and the entire investment may be lost.
- Many companies may not have audited financial statements, nor may they be required to provide investors with any annual audited financial statements or quarterly unaudited financial statements.
- Because a company's founders, directors and executive officers may be among the company's largest shareholders, they can exert significant control over a company's business and affairs and have actual or potential interests that may depart from those of the subscribers of an offering.
- Private placements and early-stage startup investments have limited transferability. As a result, investors may not be able to liquidate their interest in an issuer. Because of a variety of restrictions upon the transferability of the issuance, including restrictions imposed by federal securities laws, an investor may be required to retain their investment indefinitely. As a result, there may never be a market of any kind for the purchase and sale of the interests, and prospective investors must understand that this increases the overall risk of the investment.
- Conditions in the global capital markets and the economy generally materially affect all issuers. Similarly, concerns over inflation, energy costs, geopolitical issues, the availability, and the cost of credit may contribute to increased volatility and diminished expectations for the economy the markets or this investment going forward. These

factors, among others not listed, may contribute to the increased likelihood of failure by the issuer, and loss of the entire investment. Small and new businesses may be particularly susceptible to such factors and conditions.

- The materials provided to the investor may contain forward-looking statements including without limitation words and expressions such as “will be”, “believe”, “anticipate”, “intend”, “plan”, “seek”, “expects”, “estimates”, “projects” and similar words and expressions. Such statements regarding future events and/or the future financial performance of an issuer are subject to certain risks and uncertainties which could cause actual events or the actual future results of the investment and the issuer to differ materially from such forward-looking statements. Certain of these risks include changes in the markets in which the issuer operates, technological advances, changes in applicable regulations and new entries into the market. In light of the significant risks and uncertainties inherent in the forward-looking statements included, the inclusion of such statements should not be regarded as a representation by the issuer or any other person that the objective and plans of the issuer will be achieved, and the investor should understand that there is a significant risk that they will not be achieved.

The risks of each issuer and offering are unique. Accordingly, it is extremely important for the investor to review the PPM or other offering material, understand the unique risks of the particular investment under consideration, and ask additional questions about the business practices and risks associated with any equity crowdfunding and private placement.

Umergence Compensation/Brokerage Fees

Private placements and Regulation Crowdfunding offerings provide a way to invest in private companies, but they involve significant risks, fees and costs. The issuing companies we place capital for pay transaction-based fees when you subscribe to a private placement. These transaction-based fees are generally referred to as a “commission” or a “success fee.” The fees in these types of transactions can be substantial.

Umergence receives sales compensation for each placement based on the amount of money invested. The amount of cash compensation is generally 1-7% of your initial investment, but the exact amount varies by issuer and circumstances of the offering. We may at times receive equity compensation in lieu of, or in addition to, cash compensation and in these cases this amount will generally be 1-6% based on the amount of money invested. With respect to private placements of pooled investment interests, we generally receive between 1-3% of the amount invested, and may additionally receive a percentage of carried interest or other performance fees from the fund manager. Exact terms of fees and expenses vary between each offering.

Conflicts of Interest

A conflict of interest is a situation in which Umergence engages in a transaction or activity where our interest is materially averse to your interest. Potential conflicts of interest may exist when we provide services to you. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of such conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce

written policies and procedures reasonably designed to address potential conflicts of interest associated with any recommendations to you. We take these obligations very seriously.

Typically, our conflicts of interest are the result of compensation structures and other financial arrangements among Umergence, our Registered Representatives, our clients and third parties. Securities rules allow for us, our Registered Representatives, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Registered Representatives receive varies based upon the product or service you purchase, which may create a financial incentive for Umergence to sell products and services to you that generate greater compensation. This could significantly impact your investment returns.

Some of our Registered Representatives have affiliations with companies that we may be engaged in raising capital for. To mitigate these circumstances, we neither compensate these Registered Representatives related to our capital raising activities for the affiliated companies nor do we involve them in the solicitation activities of Umergence related to our placement agency for the affiliated companies. However, the dual affiliation of an individual being a Registered Representative of Umergence while also being a director or officer of a company we are engaged with for a financing presents a potential conflict of interest you should be aware of.

Below are the current affiliations of Registered Representatives you should be aware of:

Registered Representative	Affiliated Company	Affiliated Role
Doug Mehne	Protego Trust Company	Chief Business Officer
David Grzan	PreIPO (and affiliates)	Chief Executive Officer

Umergence is committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest. Below you will find additional information related to potential conflicts of interest. This information is not intended to be an all-inclusive list of potential conflicts, but generally describes those conflicts that may be material to you. In addition to this disclosure, conflicts of interest are disclosed to you in various agreement(s) and disclosure documents and other information we make available to you, including on our website at www.umergence.com.

Compensation We Receive From Clients

Transaction-based conflicts

As an investor, we receive certain fees (commissions and success fees) in connection with your investment. Where these fees apply, the more transactions you enter into, the more compensation received by Umergence and the Registered Representative. This compensation may create an incentive for us to sell offerings to you.

Umergence Registered Representatives are compensated based on the percentage of revenue generated from sales of products and services. This compensation may vary by the product or service. Private placements and early-stage startup investments typically carry higher fees than other types of securities. Therefore, Registered Representatives may be incentivized to sell these products over other brokerage products. We have entered into placement and other such

agreements with certain sponsors of offerings. By introducing an offering sponsor to an investor, who ends up investing in the offering, we may receive fees or other compensation. We maintain policies and procedures designed to ensure that these conflicts are managed appropriately.

We do not open brokerage accounts for investors. For further clarification, as a retail investor that is considering or actually does invest in a transaction offered through Umergence or otherwise marketed by us, you are not our client. Our client is the issuer of the securities. Any services provided by Umergence to retail investors are done so on behalf of our client, the issuer of these securities. Your decision to invest is yours alone, with the help of your professional and legal advisors.

We are an issuer's agent, which means that unless we have a written agreement with you to the contrary, we are not your agent and we do not give advice about specific securities, types of securities or investment strategies involving securities to you. To the extent that a solicitation or call to action is deemed to be a recommendation under U.S. law or regulation, you should be aware that we are inherently conflicted with your interests, and you should seek advice from an investment advisor or a broker who will act as your agent.

We do not provide advice about securities, investment strategies, or investment accounts. If you seek such advice, you should establish a relationship with an investment advisor or broker to serve as your agent. The way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they could affect your investment results.

Compensation Received By Registered Representatives

Umergence is mainly comprised of independent contractors, not salaried employees. They receive a portion of fees paid to us, and commissions for the sales of securities issued. Our registered representatives are generally prohibited from giving advice with respect to specific securities or investment strategies. All of our independent contractors are agency brokers, not advisors. Compensation is tied directly or derives from sales by us, which significantly makes worse the conflicts of interest described herein.

Personal Trading Activities

Umergence registered representatives may invest in the same private placements offered to investors. This may create a conflict of interest in that they may invest without the firm receiving a commission. Sometimes, additional fees are earned based on the total amount raised, or a minimum amount raised. Our written supervisory procedures are designed to assure that the personal securities transactions, activities, and interests of the registered representatives of Umergence will not interfere with making decisions in the best interests of investors or implementing such decisions while, at the same time, allowing Umergence registered representatives to invest for their own accounts. Umergence has procedures to monitor the personal trading activities and securities holdings of each of our registered representatives and includes procedures for limitations on personal securities transactions of associated

persons. These policies are designed to discourage and prohibit personal trading that would disadvantage investors.

Additional Resources

To research Umergence and our financial professionals, you can visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool. You can also request up-to-date disclosure information or to ask any questions you have about this brochure or services offered by Umergence LLC by going to www.umergence.com.