

REEF SECURITIES DISCLOSURE REG BI - CRS RELATIONSHIP SUMMARY

1. INTRODUCTION

Reef Securities (RSI) is registered with the Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. RSI is a Member of FINRA and SIPC. Brokerage services and fees differ; it is important for you to understand the differences. This disclosure is intended to comply with our obligations under Regulation Best Interest (Rule 15c-1 under the Securities and Exchange Act of 1934), and, in certain cases, with other regulatory disclosure requirements. Our obligations under Regulation Best Interest do not extend beyond a recommendation, nor do they create an ongoing duty to you, or impose on us any duty to monitor your account or to monitor specific investments. Free and simple tools are available to research firms and financial professionals at: www.investor.gov/CRS which also provides educational materials about broker-dealers and investing.

2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

- RSI is focused solely on raising retail equity for investments managed by REI Energy in Oil and Gas and its affiliates, and commercial real estate partnerships owned and managed by MetroMarke, LLC and its affiliates.
- We have requirements for opening an account which include status as an accredited Investor and, are able to handle an illiquid investment and time from five (5) to seven (7) years before return of investment.
- Private Placements are generally illiquid long-term investments (7+ years) and, typically, there is no secondary market. Converting a Private Placement to cash prior to liquidation is very difficult and may not be possible. It may be difficult to determine the current value redemption, the investment may be worth more or less than the original amount invested. Most of these offerings are sold by prospectus or offering memorandum which contains more complete information including risks, costs, and expenses. Investors should read these carefully before investing.
- **You may find further information at: www.reefsecurities.com**

Questions to ask:

- *Given my financial situation, should I choose a Private Placement? Why or why not?*
- *How will you choose investments recommended for 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 Commissions or Fees Will I Pay?

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will not reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

- The Commissions you pay are based on a specific transaction and not on the value of your account.
- You may be charged additional fees by the Issuer of the Private Placement Program.
- A financial professional's ability to offer individual products and services depends on licensing. A financial professional holding a Series 22 license is limited to providing Private Placements.
- When you invest in a Private Placement the product sponsor pays RSI a commission which we will share with your financial professional.
- **You may find further information in the Private Placement Memorandum.**

Questions to ask:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go toward fees and costs. How much will be invested for me?

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3b. What are my legal obligations 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 to you. Here are some examples to help you better understand.

- The manager of REI Energy, LLC and REI MPG has a family association with the sole shareholder of RSI. The sole shareholder of RSI receives compensation from an affiliate of REI MPG for consulting duties.
- REI Operating or its affiliates may pay to RSI a monthly exclusivity fee for not engaging in the offer, sale or other activity for any issuer or entity other than REI Operating or its affiliates. Any such fees paid to RSI shall not be based, in whole or in part, and will not be paid from the amount of Units sold.
- Not all of the conflicts we describe here will apply each time a recommendation is made or a service is provided.

Questions to ask:

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

3c. How are your financial professionals make money?

- RSI receives a sales commission, payable from the Management Fee, up to 10.5% of the limited and additional general partners' subscriptions. Sales Representatives receives a commission percentage between 4% and 8%.

4. DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes, please visit <https://brokercheck.finra.org/> or our website at www.reefsecurities.com and refer the **Private Placement Memorandum**.

Questions to ask:

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

5. ADDITIONAL INFORMATION

- You may find additional information about our brokerage services on our website at www.reefsecurities.com
- You may request a copy of the Form CRS Relationship Summary by contacting your investment professional or downloading from our website. You may also call **214-379-8555** for a copy or to request up-to-date information.
- Private Placement investments are not insured by SiPC and FDIC Insurance.

Questions to ask:

Who is the primary contact person for my account? Is he/she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who should I contact?

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214-379-8555 or at Paul@reefsi.com