

Last updated 6/2020

## CLIENT RELATIONSHIP SUMMARY

### Introduction

Founded in 2016, 16 Points LLC (“16 Points”) is a FINRA and SEC registered broker dealer that acts as a selling agent for private placements, provides consulting services, and makes referrals to other broker dealers, with a focus on placements to investors in private companies and alternative assets. 16 Points does not offer investment advisory services.

It is important for retail investors to understand the differences between broker dealer and investment advisor services and fees. Free and simple tools are available to research firms, financial professionals, and others on the SEC’s investment education website ([www.investor.gov/sec](http://www.investor.gov/sec)), which provides educational materials about broker dealers, investment advisors, and investors.

### Services

The only service that 16 Points provides to retail investors is that of introduction to our investment banking clients (“Issuers”), who may issue privately placed securities from time to time, and activities related to such introductions. We only provide this service to retail investors who meet certain income or net worth requirements, such as accredited investors, or as otherwise required by law.

While a traditional broker executes specific transactions on your behalf, 16 Points is a placement agent for its Issuers. 16 Points may present possible investment opportunities consistent, to the best of our knowledge, with your investor profile and your best interest. We may present these opportunities and supporting documentation provided by the Issuer but do not make any endorsements or representations as to the accuracy or validity of the documentation.

16 Points does not open or maintain customer accounts, hold customer assets, or offer investment strategies. We do not have discretion over your investments. We do not monitor any of your accounts or investments. 16 Points does not provide investment advice. 16 Points does not provide tax advice. Please consult your tax advisor if necessary.

### Fees and Costs

Unlike a traditional brokerage firm, which generally earns a commission directly from you every time you execute a trade, 16 Points as a placement agent may receive consulting fees or transaction-based compensation from its Issuers.

In some cases, 16 Points may receive consulting fees on a periodic basis from an Issuer regardless of whether you or other investors make an investment. For example, 16 Points may receive a fixed monthly payment for marketing consulting work on behalf of an issuer.

In some cases, 16 Points may receive a one-time success payment from an Issuer determined as a percentage of the amount you pay for the securities that you purchase from the Issuer. This payment may be either in cash or in securities of the Issuer. For example, if 16 Points helps a venture capital corporate issuer raise \$10 million in a private placement, it may earn a single commission payment from the issuer upon successful close.

In some cases, where the Issuer earns fees related to the amount or the performance of your investment, 16 Points may receive transaction-based compensation from the Issuer determined as a percentage of these

fees. 16 Points may receive this type of compensation for a limited period of time or for as long as the Issuer earns fees on your investment. For example, if 16 Points introduces investors to an investment manager client who invest \$100 million with the investment manager, that manager may pay 16 Points a percentage of the management and incentive fees it receives in respect of that \$100 million investment.

### **Standard of Conduct**

16 Points is obligated to act in your best interest any time we recommend an investment to you, and put your interests ahead of our own. We satisfy this obligation through a combination of steps including i) providing you with this written disclosure of the material facts relating to the scope and terms of our relationship to you and our conflicts of interest, ii) exercising reasonable diligence, care, and skill to understand recommended transactions and have a reasonable basis to believe any recommendations are consistent with your best interest individually and collectively, iii) maintaining and enforcing written policies and procedures reasonably designed to identify and eliminate or mitigate conflicts and material limitations of investments, and iv) maintaining and enforcing written policies and procedures reasonably designed to achieve compliance with our obligations.

### **Conflicts of Interest**

16 Points may receive transaction-based compensation in respect of your investment, it may be compensated differently by its different Issuers, and it and its registered representatives may own securities issued by its Issuers. All of these possibilities may be viewed as potential conflicts. 16 Points is nonetheless obligated to satisfy its standard of conduct to you, and therefore act consistently, to the best of our knowledge, with your investor profile and your best interest despite any potential conflicts.

### **Disciplinary History**

There are no disciplinary disclosures for 16 Points, and there are no disciplinary disclosures for any of our registered representatives. Investors can conduct further research in this area on the FINRA BrokerCheck website ([brokercheck.finra.org](http://brokercheck.finra.org)).

### **Additional Information**

For additional information regarding 16 Points please refer to our website ([www.16-points.com](http://www.16-points.com)), the FINRA BrokerCheck website ([brokercheck.finra.org](http://brokercheck.finra.org)), or call us at +1-646-820-7750.