

SKB SECURITIES, LLC

Form CRS Customer Relationship Summary May 31, 2022

INTRODUCTION

SKB SECURITIES, LLC (SKB Securities) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). SKB Securities is not a Registered Investment Advisor. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker dealers, investment advisors, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

SKB Securities is approved by FINRA to act as the placement agent for private placement investment offerings of membership interests in limited liability companies (SKB Real Estate LLCs) that are formed by its parent, ScanlanKemperBard Companies, LLC (SKB), to invest in newly acquired commercial real estate. These offerings are made solely to accredited investors and are exempt from registration with the SEC under Regulation D. An Information Memorandum will be distributed in connection with an offering which discloses information with respect to the investment, the commercial real estate to be acquired, targeted cash flows, the fees earned by SKB and SKB Securities, and the risks of the investment. This must be read by an investor prior to investing, and all prospective investors are encouraged to ask their registered representative, as well as any of their advisors, any questions they may have regarding the investment and the underlying commercial real estate. All funds received in connection with an offering are held in an escrow account until the offering is closed and the funds are released to the SKB Real Estate LLC as the issuer of the security. SKB Securities does not hold customer funds or securities for any purpose.

SKB Securities is not a full-service broker dealer, and the services of SKB Securities are limited to the sale of the securities in the SKB Real Estate LLCs. Accordingly, the only reason for using the services of SKB Securities is to invest in investments in SKB Real Estate LLCs, as that is the only means by which these investments can be made. **SKB Securities does not provide recommendations; nor does it provide investment advice.** There may be certain conflicts of interest and risks that are specific to each investment and you should carefully review the Information Memorandum prior to investing to learn about such conflicts and risks and consult your advisor should you have one. As a potential client with our firm, you may wish to ask your representative questions like:

- *“Given my financial situation, should I choose a brokerage? Why or why not?”*
- *“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

WHAT FEES WILL I PAY?

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. In some offerings, SKB Securities charges a three percent (3%) placement fee of the investment. If a placement fee is to be charged, it will be disclosed in the Information Memorandum that is distributed in connection with the offering. Occasionally, a portion of this placement fee is shared with an SKB registered representative or another broker dealer. As you are aware, this placement fee is earned by SKB Securities and is paid when the investment is made, and these placement fees are not dependent on investment performance. The placement fee is three percent (3%) of the offering, which results in 97% of the investment being invested in the SKB Real Estate LLC. For example, if you invest \$100,000, \$97,000 of this investment will be invested on the SKB Real Estate LLC. These placement fees do affect the targeted returns and actual returns on your investments, and the targeted IRRs and targeted return multiples take placement fees into account when calculating them.

SKB, in its capacity as the Sponsor of the SKB Real Estate LLC, and as Asset Manager and Property Manager of the underlying commercial real estate may also receive fees in connection with those roles. Any such fees are disclosed in the Information Memorandum distributed in connection with the offering. These fees are not shared with SKB Securities. These fees are discussed further in the following section below. As a potential client with our firm, you may wish to ask your representative questions like:

- *“Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

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 services we provide you. Here are some examples to help you understand what this means. SKB Securities has no other business other than offering interests in SKB Real Estate LLCs, and SKB Securities earns no fees other than those discussed above. These fees do not affect whether SKB Securities conducts an offering for an SKB Real Estate LLC. SKB Securities offers these investments to all investors with the goal of selling the entire offering for each SKB Real Estate LLC. SKB

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Securities accepts subscriptions from investors in the order in which they are received, and does not choose among investors or investments when conducting an offering.

SKB, in its capacity as the Sponsor of the SKB Real Estate LLC, and as Asset Manager and Property Manager of the underlying commercial real estate may also receive asset management fees, property management fees, construction management and development fees and leasing fees in connection with those roles. Any such fees are disclosed in the Information Memorandum distributed in connection with the offering. These fees are not shared with SKB Securities. SKB may earn a share of the profits of an investment in the event that certain return hurdles are met (a Profits Interest). This potential Profits Interest and the related hurdles are described extensively in the Information Memorandum distributed in connection with the offering. Occasionally, a registered representative may receive a contingent commission comprising a small share in SKB's contingent Profits Interest, and this commission is paid to SKB Securities, which in turn pays the entire commission to the registered representative who earned it. Other than the Profits Interest, these fees often are unrelated to the performance of the investment, although some property management fees do relate to the gross rent collected by the underlying real property.

The placement fee paid to SKB Securities and the fees paid to SKB gives SKB Securities and SKB an incentive to offer these investments, and the Fees paid to SKB potentially affect the timing on when SKB desires to sell the underlying real estate. All conflicts of interest relate solely to the specific investment in an SKB Real Estate LLC and are disclosed in the Information Memorandum distributed in the offering, and you should carefully review the Information Memorandum prior to investing to learn about such fees and potential conflicts. You also should consult your advisor should you have one, and as a potential client with our firm, you may wish to ask your representative questions like:

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

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our registered representatives are only permitted to sell interests in SKB Real Estate LLCs offering by SKB Securities. Our Registered Representative who are not salaried employees of SKB are paid a commission of between .025% and 2.0% of the total amount of funds they raise for an offering. The commissions are paid even if SKB Securities does not charge a placement fee for the offering. As notes above, a registered representative may receive a contingent commission comprising a small share in SKB's contingent Profits Interest, and this commission is paid to SKB Securities, which in turn pays the entire commission to the registered representative who earned it. Given the contingent nature of this share of the contingent Profits Interest, the amount, if any, that will be earned by the registered representative is unknown at the time the offering. As a result, although the registered representative has an incentive provided by the commission to sell an investment in an SKB Real Estate LLC, there is no incentive given to the registered representative to sell an investment in one SKB Real Estate LLC over another as known sales commissions will not vary.

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

Firm-No; Financial Professionals-Yes. Should you wish to know more, please contact the firm using the contact information below. The SEC provides public disclosure information about its past and present member firms, if applicable; and past and present registered persons if applicable; at the link below. The site also provides information about registered persons' examination qualifications etc. <https://investor.gov/crs>. A good question to ask your representative:

- *"As a financial professional, do you have any disciplinary history? If so, for what type of conduct?"*

ADDITIONAL INFORMATION

Should you have any questions or require additional information regarding the foregoing, have any other questions or require any other information, or have any concerns or complaints, your primary contact is:

Natalie Ramos, Investor Relations Manager
222 SW Columbia Street, Suite 700, Portland, Oregon 97201
(503) 552-3528; nramos@skbcos.com

- *"Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"*