

Regulation Best Interest Disclosure Supplement

About Us

IB Capital, LLC (“IBC”, “Firm”, “Us”, “We”, “Our”) 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). We offer a variety of investment options to retail customers including directly and through affiliates in managing, underwriting and distributing “Blank Check” a.k.a. Special Purpose Acquisition Companies (“SPAC”) Offerings, while raising capital for issuers in a variety of sectors.

About this Document

This document is meant to provide additional information and disclosures regarding our Firm pursuant to Regulation Best Interest. For more information regarding our affiliated broker-dealer, I-Bankers Securities, Inc., visit www.i-bankers.net.

Capacity in which your Financial Professional is Acting

Your financial professional is a registered representative of our broker-dealer but may also be now or in the future a supervised person of a Registered Investment Adviser. You can check your financial professional at www.brokercheck.finra.org which will allow you to search for your financial professional by name. Their respective profile will show you if they are a broker, investment adviser, or both and you can also find additional information about our Firm.

In most cases, when making a recommendation to you regarding investments in your brokerage account or directly with an investment sponsor (known as “direct business”) your financial professional is acting in his/her capacity as a registered representative of our Firm (a broker-dealer). However, there are exceptions and whenever your financial professional acts in a capacity inconsistent with this guidance, you will receive updated notice in writing as to the capacity in which they are acting when making a recommendation.

Material Limitations

You should understand there are material limitations to the recommendations your financial professional provides. The Firm approves and offers only certain account types, products, and securities. There may be additional account types, products, and securities that are not offered by the Firm, which may benefit you and your portfolio.

Additionally, the financial professionals associated with our Firm are licensed to offer certain account types, products, and securities. In some cases, even when available through our Firm or an affiliate, your financial professional might not be able to recommend a particular account type, product, and/or security which may benefit you and your portfolio. You can check to see the licenses your financial professional holds and any limitations on that license, by visiting www.brokercheck.finra.org.

Requirements for You to Open or Maintain an Account with Us

Generally, the Firm does not require a minimum amount to open a brokerage account. However, some products will also require a minimum investment, which can usually be found on its investment prospectus, private placement memorandum, or similar offering materials.

Our Firm’s Investment Approach

The Firm uses its industry knowledge and experience to provide brokerage services to retail clients. The Firm seeks to understand our clients’ financial goals, needs, and risk tolerances and recommend investments and strategies consistent with their unique financial needs. However, the products and services offered by the Firm do vary and the investment philosophy, approach, risk, and objective of these investments will too. You should review the prospects, private placement memorandum, or similar offering documents thoroughly before making an investment and contact your financial professional should you have additional questions.

Material Fees, Costs, and Associated Conflicts

The Firm and its associated professionals receive compensation directly from the investments a customer makes. This compensation takes the form of an upfront commission and/or ongoing compensation, known as trailing compensation. It is important to note that the amount of compensation can vary and change over time. In order to receive specific and the most up-to-date information, customers should review the respective prospectus, private placement memorandum, offering document, and/or other transaction or disclosure statement to find more and up-to-date information regarding selling compensation. Customers should also discuss with their financial professional if they have any questions regarding compensation and/or the associated conflicts of interest.

Sales Compensation

The Firm receives selling compensation when it buys or sells a security. This selling compensation is also referred to as a commission, markup/markdown, placement fee, or sales charge/load. Typically, the Firm receives selling compensation and shares a certain percentage of the selling compensation with your financial professional.

Because the amount of selling compensation charged can vary between different securities, products, and services this could create an incentive to sell certain investments over others. It could also create an incentive to conduct a higher number of transactions.

- **Equities/Exchange Traded Funds (ETF)/Exchange Traded Notes (ETN)/Closed End Funds (CEF):** The Firm usually charges a commission on these types of securities, which typically will not exceed 5% of the transaction amount, but the amount charged is often much lower. Situations which may warrant a higher commission, include securities which are difficult or complex to trade or which otherwise require additional time and expertise to ensure we meet customer expectations. You should discuss commissions with your financial professional and review your trade confirmations for additional information and disclosures.
- **Fixed Income (Bonds):** Typically, fixed income securities, such as corporate bonds are charged a markup or markdown. This means when a customer is seeking to purchase one of these securities it is first purchased in the marketplace by the Firm and placed in a Firm account. The Firm then sells that security to the customer for a higher price and moves the security from the Firm's account into the customer's account. Similarly, when selling one of these securities, the Firm purchases the security from the customer and moves it into a Firm account, the Firm will then sell the security in the marketplace at a higher price. The maximum amount charged in the Form of a markup or markdown will not exceed 5%, but is often lower. Situations which may warrant a higher markup or markdown include certain circumstances that may make the security harder to buy or sell, such as a thinly traded or low-priced security.
- **Mutual Funds:** The Firm typically receives a maximum of 5.75% sales load on mutual funds, but this amount can be reduced based on a number of factors, including the amount invested and the share class. The sales load reduces the value of your investment. The Firm can also receive trailing compensation on these investments which can vary based on the share class selected. For more information regarding share classes, see below.
- **Alternative Investments:** The Firm typically receives a maximum upfront commission of 10% for the sale of alternatives investments such as real estate investment trusts (REITs) and private placements.
- **Unit Investment Trusts (UIT):** The maximum sales charge for a UIT will typically not exceed 3.95%.

Understanding Share Classes: The amount of upfront selling compensation versus trailing compensation charged on certain products, such as mutual funds and variable annuities will vary, depending on the share class selected. As an example, for mutual funds, typically, Class A shares will result in a higher upfront sales charge and lower trailing compensation, while the opposite is true for a Class C. Share classes can also affect the overall fee structure including how much and when you are charged. Which option is best for you can depend on a variety of factors, including how long you intend to hold the investment. You should thoroughly review each before making an investment decision. ***In order to see a complete list of the share classes available for a particular investment and their respective costs, you should review the investment prospectus, offering document, and/or similar materials and disclosures.***

Product Costs and Fees

Financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, SPACs, and alternative investments. Many investment products charge their own fees and costs that are separate from and in addition to the selling compensation that the Firm and financial professionals receive. You can learn more about these fees and costs charged by an investment product by reviewing the investment's prospectus, private placement memorandum, or similar offering materials.

Account Fees

In addition to the sales compensation and product specific costs described above, customers can also be charged direct fees and charges for miscellaneous account services such as wire transfers, custodial fees, ticket charges, account transfers (ACAT), order error corrections, and others. These fees are typically a fixed amount and charged by the clearing firm where your assets are custodied. Some of these fees may be shared with the Firm. For a complete list of these charges and fees you should review your account agreement and/or fee schedule and discuss these charges with your financial professional.

Registered Representative Specific Compensation

Registered representatives' compensation package typically includes a percentage of the selling or other compensation described herein, but may also receive other cash or non-cash compensation and benefits that may or may not be tied to their performance. Compensation may include warrants or other equity incentives provided in certain deals. Non-cash compensation may include reimbursement of certain expenses. The percentage of the selling compensation the registered representative receives is negotiated with the Firm and based on a number of factors. Financial professionals can also receive special recruitment incentives such as forgivable loans and bonuses. These loans may be contingent on generating a certain level of revenue, which creates an incentive for the registered representative to recommend more costly products or recommend a greater number of transactions in order to satisfy these obligations.

Additional Compensation from Third Parties and Related Conflicts

In addition to the commissions and sales compensation described above, the Firm and your financial professional may also receive additional compensation from third-parties. This additional compensation could create incentive for the Firm to recommend certain investments over others in order to collect additional compensation. It's important to note, however, that the amount of compensation can change over time and may also vary between security types and product/investment sponsors. In order to receive specific and the most up-to-date information, customers should review the respective prospectus, private placement memorandum, offering documents, and/or other transaction and disclosure statements.

- **Acting in Additional Capacities:** Either directly or indirectly through one of our affiliates, we may periodically act in additional advisory, consulting, investment banking, management, underwriting or other capacities with investments which we also recommend to clients. This means we may receive additional compensation beyond the traditional selling compensation described above which could incentivize the Firm and its financial professionals to recommend those investments which result in additional compensation or concessions.
- **SPACs:** The total compensation we receive for selling SPACs can vary and depends on our other underwriting, investment banking, or management functions we may perform under the sponsor. Typically, we receive directly or indirectly underwriting commissions, bonus pools, and/or management compensation, directly or through our affiliate. Usually a portion of this compensation is payable upfront while a portion is deferred until after a successful acquisition. Some of this compensation may involve warrants or other equity incentives. You should review the prospectus for more detailed information on the costs and fees we receive from these investments.
- **Other Trailing Compensation:** The Firm also receives trailing compensation, including 12b-1 fees, which are paid from certain investment sponsors for mutual funds, annuities, and alternative investments. The amount can vary based on the product and amount invested. For mutual funds, the maximum amount is typically 1%, while annuities and alternative investments can be as high as 2%.
- **Product Onboarding:** The Firm receives onboarding fees or reimbursement for certain expenses associated with product onboarding, including due diligence. These payments can be fixed or a percentage of the total value of an offering.
- **Non-Cash Compensation and Marketing:** The Firm and its employees periodically receive compensation that is not transaction based from investment sponsors. This includes entertainments such as tickets to a sports game, costs associated with dinner, small gifts valued at less than \$100, or marketing fees for workshops, events, and advertising.
- **Cash Sweeps:** The Firm may receive some compensation when a cash balance is moved to a particular fund/account by the clearing firm where your assets are custodied. This compensation is usually not shared with your financial professional and varies based on a number of factors. Because many of these factors float or vary with the market, you should refer to your account agreement or similar document for additional information regarding cash sweeps and the compensation generated as a result. The amount of compensation received by the Firm may also vary, but does not usually exceed .5%.
- **Securities Lending:** The Firm along with the customer, may receive a fee for securities lent to the clearing firm as part of a securities lending agreement. The amount of compensation received by the Firm may also vary, but does not usually exceed .5%.
- **Margin:** When a customer received margin, the Firm will receive a percentage of the interest charged. However, this amount can vary widely depending on a number of factors including market rates, which float. Therefore, you should review your margin agreement for additional information.
- **Conference Sponsorships:** In the future, the Firm may host conferences, meetings, and events. Some investment/product issuers/sponsors may pay us for sponsorship of conferences, meetings, and industry events which we host. The amount of compensation can vary widely depending on the event and the level of sponsorship offered. Typical sponsorships allow product and investment sponsors to provide information about their products and services and compensation for this sponsorship is not contingent or connected with a transaction, however, these sponsorships may create an incentive to recommend certain products and services to customers.

Additional Conflicts of Interests

Gifts and Entertainment A conflict of interest may arise when an employee receives or offers a gift, entertainment, or anything of value that creates an incentive for an employee, third party service provider, or a client to act in a certain way.

Shared Revenues and Payments from Third Parties We receive shared revenue, fees, and/or payments from product sponsors and our clearing firm which could create an incentive to offer or recommend certain activities and investments.

Acting in Principal Capacities We can earn a profit from buying and selling investments from our own accounts so we may have an incentive to encourage you to trade with us.

Special Purpose Acquisition Companies (SPACs) SPACs have unique conflicts of interest and incentives for SPAC managers, underwriters, and broker-dealers. The conflict of interest may vary depending on our relationship (or affiliate's relationship) with a SPAC sponsor. This includes an incentive to ensure the completion of an acquisition instead of returning capital to investors despite the merits of the acquisition target. Specifically, SPAC Managers have an incentive to buy a company without consideration of its true value as failure to complete an acquisition results in a loss of their distribution from the escrow account and they are typically also prohibited from selling their shares in the secondary market prior to a successful acquisition. Similarly, a conflict of interest may exist with respect to proxy solicitation, when SPAC underwriters engage in proxy solicitation and recommend a customer vote "yes" on a proposed acquisition, as the advisory/underwriting fee is contingent upon successful acquisition of the target. Investing in SPACs involve risks and additional conflicts may exist. Customers should review the prospectus thoroughly before making an investment decision.

Outside Business Activities When approved, registered representatives may engage in certain outside business activities. This may include, but is not limited to: real estate, accounting, insurance, legal, and other professions. As a result, financial professionals may be incentivized to recommend certain products or services outside the scope of their relationship with the firm and they may benefit financial from these recommendations. In addition, employees may engage in personal trading or outside business activities (including board memberships/directorships) which could conflict with a client or with the firm.

Political and Charitable Contributions The Firm and/or its employees charitable and/or political donations could create the perception that the company or employee is seeking a quid pro quo.

Confidentiality The Firm and its employees are periodically exposed to confidential information which may benefit us or a client.

Multiple Roles The firm or its affiliates may perform multiple roles with respect to a client or transaction (e.g., advisor, broker, riskless principal counterparty). These roles mean we might be biased regarding the services we recommend as they relate to these roles.

Understanding Risk

Our Firm does not provide tax, legal or accounting advice. Accordingly, we encourage each customer to consult their own personal tax, legal and/or accounting advisers in order to understand the potential consequences associated with a particular investment or investment strategy.

Investing in securities involves risk of loss that customers should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will be profitable for a customer's investment portfolio. Past performance is not indicative of future results. A customer should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. We cannot assure that the investment objectives of any client will be realized. The following is a non-exhaustive list of risks associated with investing. For additional product-specific risks, customers should review their prospectus, offering document, or similar materials and consider them carefully prior to making an investment decision.

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial/Credit Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.