CONFIDENTIAL

SUPPLEMENT NO. 1

TO

PRIVATE PLACEMENT MEMORANDUM

PHOENIX CAPITAL GROUP HOLDINGS, LLC

October 17, 2024

This Supplement No. 1 (as may be further supplemented and including any exhibits hereto, this "Supplement") to the Private Placement Memorandum of Phoenix Capital Group Holdings, LLC, dated as of August 20, 2024 (as may be further supplemented and including any exhibits thereto, the "Private Placement Memorandum"), was prepared solely for use in connection with the offering. Recipients of this Supplement may not distribute it or disclose the contents of it to anyone without the prior written consent of Phoenix Capital Group Holdings, LLC, other than to persons who advise potential investors in connection with the offering, or otherwise use the same for any purpose other than evaluation by such prospective investor of the offering. The recipient, by accepting delivery of this Supplement, agrees to return this Supplement and all documents furnished herewith to Phoenix Capital Group Holdings, LLC or its representatives upon request if the recipient does not purchase any of the securities offered hereby or if the offering is withdrawn or terminated.

This Supplement supplements the Private Placement Memorandum and is deemed to be a part thereof. Except as supplemented by this Supplement, the Private Placement Memorandum is not being amended, restated, supplemented, or updated in any way.

The information in this Supplement is current only as of the above date and may change after that date.

SUPPLEMENT

TO

PRIVATE PLACEMENT MEMORANDUM

PHOENIX | CAPITAL GROUP

PHOENIX CAPITAL GROUP HOLDINGS, LLC

9.0% One-Year Unsecured Bonds (Series U Bonds)
9.0% One-Year Unsecured Bonds (Series U-1 Bonds)
10.0% Three-Year Unsecured Bonds (Series V Bonds)
10.0% Three-Year Unsecured Bonds (Series V-1 Bonds)
11.0% Five-Year Unsecured Bonds (Series W Bonds)
11.0% Five-Year Unsecured Bonds (Series W-1 Bonds)
12.0% Seven-Year Unsecured Bonds (Series X Bonds)
12.0% Seven-Year Unsecured Bonds (Series X-1 Bonds)
13.0% Eleven-Year Unsecured Bonds (Series Z Bonds)
13.0% Eleven-Year Unsecured Bonds (Series Z-1 Bonds)

$25,000 Minimum Purchase Amount (25 Bonds)

9.5% One-Year Unsecured Bonds (Series AA Bonds)
9.5% One-Year Unsecured Bonds (Series AA-1 Bonds)
10.5% Three-Year Unsecured Bonds (Series BB Bonds)
10.5% Three-Year Unsecured Bonds (Series BB-1 Bonds)
11.5% Five-Year Unsecured Bonds (Series CC Bonds)
11.5% Five-Year Unsecured Bonds (Series CC-1 Bonds)
12.5% Seven-Year Unsecured Bonds (Series DD Bonds)
12.5% Seven-Year Unsecured Bonds (Series DD-1 Bonds)
13.5% Eleven-Year Unsecured Bonds (Series EE Bonds)
13.5% Eleven-Year Unsecured Bonds (Series EE-1 Bonds)

$500,000 Minimum Purchase Amount (500 Bonds)

10.0% One-Year Unsecured Bonds (Series FF Bonds)
10.0% One-Year Unsecured Bonds (Series FF-1 Bonds)
11.0% Three-Year Unsecured Bonds (Series GG Bonds)
11.0% Three-Year Unsecured Bonds (Series GG-1 Bonds)
12.0% Five-Year Unsecured Bonds (Series HH Bonds)
12.0% Five-Year Unsecured Bonds (Series HH-1 Bonds)
13.0% Seven-Year Unsecured Bonds (Series II Bonds)
13.0% Seven-Year Unsecured Bonds (Series II-1 Bonds)
14.0% Eleven-Year Unsecured Bonds (Series JJ Bonds)
14.0% Eleven-Year Unsecured Bonds (Series JJ-1 Bonds)

$1,000,000 Minimum Purchase Amount (1,000 Bonds)

$750,000,000 Aggregate Maximum Offering Amount (750,000 Bonds)

AMENDMENTS TO THE PRIVATE PLACEMENT MEMORANDUM

1. "*Summary of Offering—Mandatory Redemption*" is hereby replaced in its entirety with the following:

Mandatory Redemption; Repurchase at the Option of the Holders ..... A Bondholder may require us, at any time and from time to time prior to maturity, to redeem its Bonds at a price equal to 95% of the aggregate principal amount of such Bonds plus accrued and unpaid interest to, but excluding, the date of redemption, subject to certain exceptions and to an annual cap on all such redemptions of 10% of the aggregate principal amount of all Bonds issued and then outstanding. We may not, however, be able to pay you the required price for Bonds you present to us the time of a mandatory redemption because:

- we may not have enough funds at that time; or
- the terms of our indebtedness may prevent us from making such payment.

See "*Risk Factors—Risks Related to the Bonds and to this Offering—Bondholders will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.*"

We will not otherwise be required to make any mandatory redemption or sinking fund payments with respect to the Bonds. We will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise. See "*Risk Factors—Risks Related to the Bonds and to this Offering*" and "*Description of Bonds—Mandatory Redemption; Repurchase at the Option of the Holders*."

2. "*Risk Factors—Risks Related to the Bonds and to this Offering—Bondholders do not have the right to require us to redeem their Bonds*" is hereby replaced in its entirety with the following:

Bondholders will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.

A Bondholder may require us, at any time and from time to time prior to maturity, to redeem its Bonds at a price equal to 95% of the aggregate principal amount of such Bonds plus accrued and unpaid interest to, but excluding, the date of redemption, subject to certain exceptions and to an annual cap on all such redemptions of 10% of the aggregate principal amount of all Bonds issued and then outstanding.

The source of funds for any purchase of the Bonds would be our available cash or cash generated from our operations or other sources, including borrowings, sales of assets, or sales of equity. We may not be able to repurchase the Bonds upon a redemption request because we may not have sufficient financial resources to purchase all of the Bonds requested for redemption. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Bonds may be limited or prohibited by contract or by law. In order to retain funds sufficient to satisfy redemption requests we may have to avoid taking certain actions that would otherwise be beneficial to us.

We will not otherwise be required to redeem the Bonds at the request of any Bondholder, whether upon a change of control, in connection with an asset sale or casualty event, at the holder's option, or otherwise. As a result, holders should expect to hold their Bonds until maturity. Although we will pay a fixed rate of interest on the Bonds, holders may have to forego opportunities to apply the amounts invested in the Bonds in other ways, including in a more lucrative investment.

3. "*Description of Bonds—Mandatory Redemption; Repurchase at the Option of the Holders*" is hereby replaced in its entirety with the following:

Mandatory Redemption; Repurchase at the Option of the Holders

Subject to the provisions described below under "*—Subordination*," each holder of a Bond may request, in whole at any time and in part from time to time, by written notice to the Company, that the Company redeem such holder's Bonds at a redemption price equal to 95.0% of the principal amount of such Bonds, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; *provided* that the Company will not be required to redeem any Bonds at any time when the Company or any of its subsidiaries or affiliates is prohibited by law or contract from doing so; *provided further* that the Company will not be required to redeem Bonds in an amount that exceeds, in any calendar year, 10.0% of the aggregate principal amount of the Bonds issued and outstanding as of the first day of the calendar quarter in which such request is made. Such notice will set forth the maturity date, interest payment method, and interest rate on the Bonds to be redeemed, the principal amount of Bonds to be redeemed, and relevant payment information for receipt of funds.

If required by the foregoing or otherwise permitted by the Company, in its sole discretion, the Company will redeem such Bonds on a date to be determined by the Company that is no earlier than one and no later than 120 days from the date the Company receives written notice from the holder. Redemptions pursuant to the foregoing provisions will be processed in the order that requests for redemption are received by the Company.

If the Company is prohibited by law or contract from redeeming Bonds, or the 10.0% cap limits a holder's ability to have its Bonds redeemed, the holder may have to hold its Bonds to maturity. The Company's ability to redeem Bonds may also be limited by the Company's then-existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required purchases.

The Company will not otherwise be required to make any mandatory redemption or sinking fund payments with respect to the Bonds. The Company will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise. See "*Risk Factors—Risks Related to the Bonds and to this Offering—Bondholders will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.*"

Exhibit A

Second Supplemental Indenture

[Attached]

Execution Version

PHOENIX CAPITAL GROUP HOLDINGS, LLC,
AS ISSUER

AND

UMB BANK, N.A.,
AS TRUSTEE

UNSECURED SUBORDINATED DEBT SECURITIES

SECOND SUPPLEMENTAL INDENTURE

Dated as of October 17, 2024

to

INDENTURE

Dated as of August 25, 2023

TABLE OF CONTENTS

This SECOND SUPPLEMENTAL INDENTURE (this "***Supplemental Indenture***"), dated as of October 17, 2024, between Phoenix Capital Group Holdings, LLC, a Delaware limited liability company (the "***Company***"), and UMB Bank, N.A., as trustee (the "***Trustee***").

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture, dated as of August 25, 2023 (as amended or supplemented to the date hereof, the "***Base Indenture***"), between the Company and the Trustee, providing for the issuance by the Company from time to time of one or more series of Bonds (as defined in the Base Indenture);

WHEREAS, the Company has heretofore executed and delivered to the Trustee that certain First Supplemental Indenture, dated August 20, 2024 (the "***First Supplemental Indenture***" and, together with the Base Indenture and this Supplemental Indenture, the "***Indenture***"), providing for the issuance by the Company from time to time of the First Supplemental Indenture Bonds (as defined in the First Supplemental Indenture);

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the amendments to the Indenture set forth herein;

WHEREAS, the Company desires and has requested the Trustee to join with it in the execution and delivery of this Supplemental Indenture in order to amend the Indenture to the extent set forth herein; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid indenture and agreement of the Company according to its terms have been done.

NOW, THEREFORE:

In consideration of the premises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Bondholders as follows.

ARTICLE 1

DEFINITIONS AND RELATIONSHIP WITH INDENTURE

Section 1.01 *Definitions*.

Certain terms used principally in certain Articles hereof are defined in those Articles. Capitalized terms used but not defined in this Supplemental Indenture shall have the meaning ascribed to them in the Base Indenture or the First Supplemental Indenture, as applicable.

Section 1.01 *Relationship with Base Indenture and First Supplemental Indenture*.

The terms and provisions contained in the Base Indenture and First Supplemental Indenture shall constitute, and are hereby expressly made, a part of this Supplemental Indenture, and the Company and the Trustee, by their execution and delivery of this Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of the Base Indenture and First Supplemental Indenture conflicts with the express provisions of this Supplemental Indenture, the provisions of this Supplemental Indenture shall govern and be controlling. Except as specifically modified by this Supplemental Indenture, the Base Indenture, the First Supplemental Indenture, and the Bonds are in all respects ratified and confirmed and will remain in full force and effect in accordance with their terms.

ARTICLE 2

AMENDMENT OF INDENTURE

Section 2.01 *Amendment of Section 1.01 of the Indenture*.

Section 1.01 of the Base Indenture is hereby amended to remove the defined terms "Repurchase Date" and "Repurchase Price," and any references thereto in the Indenture or the Bonds are interpreted accordingly.

Section 2.02 *Amendment of Article III of the Indenture*.

Article III of the Base Indenture is hereby amended to add the following as Section 3.04 immediately following Section 3.03, and any references thereto in the Indenture or the Bonds are interpreted accordingly:

Section 3.04. Mandatory Redemption; Repurchase at the Option of the Bondholders.

(a) Subject to the provisions of Article XIII, each Bondholder may request, in whole at any time and in part from time to time, by written notice to the Company, that the Company redeem such Bondholders' Bonds at a redemption price equal to 95.0% of the principal amount of such Bonds, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; *provided* that the Company will not be required to redeem any Bonds at any time when the Company or any of its subsidiaries or Affiliates is prohibited by law or contract from doing so; *provided further* that the Company will not be required to redeem Bonds in an amount that exceeds, in any calendar year, 10.0% of the aggregate principal amount of the Bonds issued and outstanding as of the first day of the calendar quarter in which such request is made.

(b) Such notice will set forth the maturity date, interest payment method, and interest rate on the Bonds to be redeemed, the principal amount of Bonds to be redeemed, and relevant payment information for receipt of funds.

(c) If required by the foregoing or otherwise permitted by the Company, in its sole discretion, the Company will redeem such Bonds on a date to be determined by the Company that is no earlier than one and no later than 120 days from the date the Company receives written notice from the Bondholder.

(d) Redemptions pursuant to the foregoing provisions will be processed in the order that requests for redemption are received by the Company.

(e) The Company is not otherwise required to make mandatory redemption or sinking fund payments with respect to the Bonds. The Company will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise.

ARTICLE 3

MISCELLANEOUS

Section 3.01 *Governing Law*.

THE INTERNAL LAW OF THE STATE OF DELAWARE WILL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE

APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 3.02 *Successors*.

All agreements of the Company in this Supplemental Indenture will bind its successors. All agreements of the Trustee in this Supplemental Indenture will bind its successors.

Section 3.03 *Severability*.

In case any provision in this Supplemental Indenture is invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 3.04 *Counterpart Originals*.

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy will be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or .pdf transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or .pdf shall be deemed to be their original signatures for all purposes. This Supplemental Indenture shall be valid, binding and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including relevant provisions of the Uniform Commercial Code/UCC (collectively, "***Signature Law***"); (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

Section 3.05 *Table of Contents, Headings, Etc*.

The Table of Contents and headings of the Articles and Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX CAPITAL GROUP HOLDINGS, LLC
as Issuer

By: /s/ Lindsey Wilson
Name: Lindsey Wilson
Its: Manager

UMB BANK, N.A.
as Trustee

By: /s/ Lara L. Stevens
Name: Lara L. Stevens
Title: Vice President

SUPPLEMENT NO. 1

TO

PRIVATE PLACEMENT MEMORANDUM

PHOENIX CAPITAL GROUP HOLDINGS, LLC

October 17, 2024

This Supplement was prepared solely for use in connection with the offering. Recipients of this Supplement may not distribute it or disclose the contents of it to anyone without the prior written consent of Phoenix Capital Group Holdings, LLC, other than to persons who advise potential investors in connection with the offering, or otherwise use the same for any purpose other than evaluation by such prospective investor of the offering. The recipient, by accepting delivery of this Supplement, agrees to return this Supplement and all documents furnished herewith to Phoenix Capital Group Holdings, LLC or its representatives upon request if the recipient does not purchase any of the Bonds offered hereby or if the offering is withdrawn or terminated.

This Supplement supplements the Private Placement Memorandum and is deemed to be a part thereof. Except as supplemented by this Supplement, the Private Placement Memorandum is not being amended, restated, supplemented, or updated in any way.

The information in this Supplement is current only as of the above date and may change after that date.

CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

PHOENIX CAPITAL GROUP HOLDINGS, LLC

August 20, 2024

This Private Placement Memorandum (as may be supplemented and including any exhibits hereto, this "Memorandum"), was prepared solely for use in connection with the offering. Recipients of this Memorandum may not distribute it or disclose the contents of it to anyone without the prior written consent of Phoenix Capital Group Holdings, LLC, other than to persons who advise potential investors in connection with the offering, or otherwise use the same for any purpose other than evaluation by such prospective investor of the offering. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to Phoenix Capital Group Holdings, LLC or its representatives upon request if the recipient does not purchase any of the securities offered hereby or if the offering is withdrawn or terminated.

This Memorandum supersedes in its entirety any prior private placement memorandum or other investment information (including any offering document, marketing information or supplement to any of the foregoing) provided by Phoenix Capital Group Holdings, LLC and its representatives and agents.

The information in this Memorandum is current only as of the above date and may change after that date.

PRIVATE PLACEMENT MEMORANDUM

PHOENIX CAPITAL GROUP HOLDINGS, LLC

9.0% One-Year Unsecured Bonds (Series U Bonds)
9.0% One-Year Unsecured Bonds (Series U-1 Bonds)
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10.0% Three-Year Unsecured Bonds (Series V-1 Bonds)
11.0% Five-Year Unsecured Bonds (Series W Bonds)
11.0% Five-Year Unsecured Bonds (Series W-1 Bonds)
12.0% Seven-Year Unsecured Bonds (Series X Bonds)
12.0% Seven-Year Unsecured Bonds (Series X-1 Bonds)
13.0% Eleven-Year Unsecured Bonds (Series Z Bonds)
13.0% Eleven-Year Unsecured Bonds (Series Z-1 Bonds)

$25,000 Minimum Purchase Amount (25 Bonds)

9.5% One-Year Unsecured Bonds (Series AA Bonds)
9.5% One-Year Unsecured Bonds (Series AA-1 Bonds)
10.5% Three-Year Unsecured Bonds (Series BB Bonds)
10.5% Three-Year Unsecured Bonds (Series BB-1 Bonds)
11.5% Five-Year Unsecured Bonds (Series CC Bonds)
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12.5% Seven-Year Unsecured Bonds (Series DD Bonds)
12.5% Seven-Year Unsecured Bonds (Series DD-1 Bonds)
13.5% Eleven-Year Unsecured Bonds (Series EE Bonds)
13.5% Eleven-Year Unsecured Bonds (Series EE-1 Bonds)

$500,000 Minimum Purchase Amount (500 Bonds)

10.0% One-Year Unsecured Bonds (Series FF Bonds)
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13.0% Seven-Year Unsecured Bonds (Series II Bonds)
13.0% Seven-Year Unsecured Bonds (Series II-1 Bonds)
14.0% Eleven-Year Unsecured Bonds (Series JJ Bonds)
14.0% Eleven-Year Unsecured Bonds (Series JJ-1 Bonds)

$1,000,000 Minimum Purchase Amount (1,000 Bonds)

$750,000,000 Aggregate Maximum Offering Amount (750,000 Bonds)

Phoenix Capital Group Holdings, LLC, a Delaware limited liability company (the "***Company***," "***we***," "***our***," and "***us***"), is offering pursuant to this Memorandum a maximum aggregate amount of $750,000,000 (the "***Maximum Offering Amount***") of (i) 9.0% one-year unsecured bonds, comprised of the "***Series U Bonds***" and "***Series U-1 Bonds***," (ii) 10.0% three-year unsecured bonds, comprised of the "***Series V Bonds***" and "***Series V-1 Bonds***," (iii) 11.0% five-year unsecured bonds, comprised of the "***Series W Bonds***" and "***Series W-1 Bonds***," (iv) 12.0% seven-year unsecured bonds, comprised of the "***Series X Bonds***" and "***Series X-1 Bonds***," (v) 13.0% eleven-year unsecured bonds comprised of the "***Series Z Bonds***" and "***Series Z-1 Bonds***," (vi) 9.5% one-year unsecured bonds, comprised of the "***Series AA Bonds***" and "***Series AA-1 Bonds***," (vii) 10.5% three-year unsecured bonds, comprised of the "***Series BB Bonds***" and "***Series BB-1 Bonds***," (viii) 11.5% five-year unsecured bonds, comprised of the "***Series CC Bonds***" and "***Series CC-1 Bonds***," (ix) 12.5% seven-year unsecured bonds, comprised of the "***Series DD Bonds***" and "***Series DD-1 Bonds***," (x) 13.5% eleven-year unsecured bonds, comprised of the "***Series EE Bonds***" and "***Series EE-1 Bonds***," (xi) 10.0% one-year unsecured bonds, comprised of the "***Series FF Bonds***" and "***Series FF-1 Bonds***," (xii) 11.0% three-year unsecured bonds, comprised of the "***Series GG Bonds***" and "***Series GG-1 Bonds***," (xiii) 12.0% five-year unsecured bonds, comprised of the "***Series HH Bonds***" and "***Series HH-1 Bonds***," (xiv) 13.0% seven-year unsecured bonds, comprised of the "***Series II Bonds***" and "***Series II-1 Bonds***," and (xv) 14.0% eleven-year unsecured bonds, comprised of the "***Series JJ Bonds***" and "***Series JJ-1 Bonds***" (such bonds, collectively, the "***Bonds***"). As of the date of this Memorandum, the Company has issued $323,174,000 aggregate principal amount of Bonds and is continuing to offer Bonds of the series above up to the Maximum Offering Amount in the aggregate. The sole difference between the two forms of Bonds per series is the form of payment of interest. For example, the Series U Bonds will pay simple interest to the Bondholder monthly through cash distributions in arrears on the tenth day of each month, while the Series U-1 Bonds will earn interest compounded monthly and not pay monthly cash distributions. At maturity, the Company will repay the principal amount of the Series U Bonds, Series V Bonds, Series W Bonds, Series X Bonds, Series Z Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds, Series DD Bonds, Series EE Bonds, Series FF Bonds, Series GG Bonds, Series HH Bonds, Series II Bonds and Series JJ Bonds. At maturity, the Company will repay the principal of, and all accrued and unpaid interest on, the Series U-1 Bonds, Series V-1 Bonds, Series W-1 Bonds, Series X-1 Bonds, Series Z-1 Bonds, Series AA-1 Bonds, Series BB-1 Bonds, Series CC-1 Bonds, Series DD-1 Bonds, Series EE-1 Bonds, Series FF-1 Bonds, Series GG-1 Bonds, Series HH-1 Bonds, Series II-1 Bonds and Series JJ-1 Bonds. Interest will accrue on the basis of a 360-day year consisting of twelve 30-day months.

The purchase price per Bond is $1,000 for all series of Bonds. The minimum purchase amount (the "***Minimum Purchase***") is: (i) $25,000 for the Series U Bonds, Series U-1 Bonds, Series V Bonds, Series V-1 Bonds, Series W Bonds, Series W-1 Bonds, Series X Bonds, Series X-1 Bonds, Series Z Bonds and Series Z-1 Bonds; (ii) $500,000 for the Series AA Bonds, Series AA-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series EE Bonds and Series EE-1 Bonds; and (iii) $1,000,000 for the Series FF Bonds, Series FF-1 Bonds, Series GG Bonds, Series GG-1 Bonds, Series HH Bonds, Series HH-1 Bonds, Series II Bonds, Series II-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds. The Company, in its sole discretion, reserves the right to accept smaller purchase amounts. See "*Summary of Offering*." The Series U Bonds, Series U-1 Bonds, Series AA Bonds, Series AA-1 Bonds, Series FF Bonds and Series FF-1 Bonds will mature on the first anniversary of the issuance date. The Series V Bonds, Series V-1 Bonds, BB Bonds, Series BB-1 Bonds, Series GG Bonds and Series GG-1 Bonds will mature on the third anniversary of the issuance date. The Series W Bonds, Series W-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series HH Bonds and Series HH-1 Bonds will mature on the fifth anniversary of the issuance date. The Series X Bonds, Series X-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series II Bonds and Series II-1 Bonds will mature on the seventh anniversary of the issuance date. The Series Z Bonds, Series Z-1 Bonds, Series EE Bonds, Series EE-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds will mature on the eleventh anniversary of the issuance date. The Company may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in the Company's sole discretion.

At each closing date, the net proceeds for such closing will be disbursed to the Company and Bonds relating to such net proceeds will be issued to their respective investors. This offering will terminate on the earliest of: (i) the date the Company sells the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by the Company by supplement hereto; and (iii) such date upon which the Company determines to terminate the offering in its sole discretion.

The Bonds have been offered to prospective investors on a commercially reasonable efforts basis by Dalmore Group, LLC (the "***Managing Broker-Dealer***" or "***Dalmore Group***"), a New York limited liability company and a member of the Financial Industry Regulatory Authority ("***FINRA***"). "Commercially reasonable efforts" means that our broker/dealer of record is not obligated to purchase any specific number or dollar amount of Bonds but will use commercially reasonable efforts to sell the Bonds. The Managing Broker-Dealer shall receive a maximum broker-dealer fee of up to 5.0% of the gross proceeds of the offering (the "***Broker-Dealer Fee***"). Certain of the Company's personnel, including Mr. Willer, the Managing Director of Capital Markets, are licensed registered representatives of the Managing Broker-Dealer and will be paid a portion of the Broker-Dealer Fee as sales compensation with respect to the sales of the Bonds. Mr. Willer will be paid up to 4.0% of the gross proceeds of the offering out of the Broker-Dealer Fee.

	Price to Investors	Broker-Dealer Fee[1]	Proceeds to Company	Proceeds to Other Persons
Per Bond	$ 1,000	$ 50	$ 950	$ 0
Maximum Offering Amount Based on Bonds Remaining to be Sold	$426,826,000	$ 21,341,300	$405,484,700	$ 0

(1) If the Maximum Offering Amount of Bonds is sold, the maximum Broker-Dealer Fee paid by the Company will be $37,500,000. The Broker-Dealer Fee may be less than 5.0% of the gross proceeds. See "*Use of Proceeds*" and "*Plan of Distribution*" for more information.

* All figures are rounded to the nearest dollar.

NOTICE TO INVESTORS

THE BONDS OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE BONDS IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. THIS OFFERING DOES NOT CONSTITUTE AN OFFER OF BONDS TO THE PUBLIC AND NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT A PUBLIC OFFERING IN ANY STATE OR JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE.

NEITHER THIS MEMORANDUM NOR THE BONDS OFFERED HEREBY HAVE BEEN APPROVED BY ANY REGULATORY OR SUPERVISORY AUTHORITY IN THE UNITED STATES OR IN ANY STATE OR OTHER JURISDICTION, INCLUDING BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "*SEC*"), NOR HAS ANY SUCH AUTHORITY OR COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE BONDS WILL BE OFFERED AND SOLD IN THE UNITED STATES UNDER THE EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 4(A)(2) OF THE SECURITIES ACT AND RULE 506(c) OF REGULATION D PROMULGATED THEREUNDER ("***REGULATION D***"), **OR BOTH, AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND JURISDICTIONS WHERE THE OFFERING WILL BE MADE. AS SUCH, EACH PURCHASER OF THE BONDS OFFERED HEREBY IN THE UNITED STATES MUST BE AN "ACCREDITED INVESTOR" WITHIN THE MEANING REGULATION D. THIS OFFERING IS INTENDED FOR INVESTORS PURCHASING THE BONDS IN THE ORDINARY COURSE FOR THEIR OWN ACCOUNT FOR INVESTMENT AND NOT WITH A VIEW TO, OR ANY ARRANGEMENTS OR UNDERSTANDINGS REGARDING, ANY SUBSEQUENT DISTRIBUTION. SUBSCRIPTIONS FOR THE BONDS OFFERED WILL ONLY BE ACCEPTED FROM THOSE INVESTORS WHO REPRESENT AND WARRANT THAT SUCH INVESTOR IS (I) INVESTING IN THE COMPANY SOLELY FOR HIS OR HER OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION; (II) IS AN "ACCREDITED INVESTOR" AS THAT TERM IS DEFINED BY RULE 501(a) OF REGULATION D; (III) IS FAMILIAR WITH THIS TYPE OF INVESTING AND IS CAPABLE OF EVALUATING THE RISKS AND MERITS OF AN INVESTMENT IN THE COMPANY; (IV) HAS HAD ACCESS TO SUFFICIENT INFORMATION TO MAKE AN INVESTMENT DECISION ABOUT THE COMPANY; (V) UNDERSTANDS THAT THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED UNLESS REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE; AND (VI) IS ABLE TO ACCEPT THE LACK OF LIQUIDITY OF THE BONDS AND TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE SHARES FOR AN INDEFINITE PERIOD OF TIME. *SEE* "*PLAN OF DISTRIBUTION—WHO MAY INVEST*."**

THE BONDS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED BY THE SECURITIES ACT AND APPLICABLE STATE OR OTHER JURISDICTIONS SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THERE IS NO PUBLIC MARKET FOR THESE SECURITIES AND THERE IS NO ASSURANCE THAT A PUBLIC MARKET FOR THESE SECURITIES WILL DEVELOP IN THE FORESEEABLE FUTURE OR AT ALL. ACCORDINGLY, INVESTORS MAY FIND IT DIFFICULT OR IMPOSSIBLE TO DISPOSE OF ANY OF THESE SECURITIES AND MUST BE PREPARED TO RETAIN THEM FOR AN INDEFINITE PERIOD OF TIME.

THE OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT TO REJECT ANY

SUBSCRIPTION FOR BONDS IN WHOLE OR IN PART OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF SHARES SUCH INVESTOR DESIRES TO PURCHASE.

THE BONDS OFFERED HEREBY ARE SPECULATIVE AND INVESTMENT IN THE BONDS INVOLVES A HIGH DEGREE OF RISK. SEE "*RISK FACTORS*" TO READ ABOUT IMPORTANT FACTORS THAT EACH PROSPECTIVE INVESTOR SHOULD CONSIDER BEFORE INVESTING IN THE BONDS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION TO THE RECIPIENT HEREOF REGARDING THE OFFERING OTHER THAN THE INFORMATION PROVIDED BY THE COMPANY HEREIN, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFERING, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS MEMORANDUM HAS BEEN PREPARED BY THE COMPANY. THERE HAS BEEN NO INDEPENDENT THIRD-PARTY VERIFICATION OF ANY INFORMATION CONTAINED HEREIN AND THERE IS NO REPRESENTATION OR WARRANTY AS TO ITS ACCURACY OR COMPLETENESS. FURTHER, THE COMPANY DISCLAIMS ANY AND ALL LIABILITIES FOR REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, CONTAINED IN OR OMISSIONS FROM, THIS MEMORANDUM OR ANY OTHER WRITTEN OR ORAL COMMUNICATIONS OR TRANSMISSIONS MADE AVAILABLE TO RECIPIENT. EACH INVESTOR WILL BE ENTITLED TO RELY SOLELY ON THOSE REPRESENTATIONS AND WARRANTIES THAT MAY BE MADE TO THE INVESTOR BY THE COMPANY IN ANY PURCHASE AGREEMENT OR SUBSCRIPTION DOCUMENTATION RELATING TO THE INVESTOR'S PURCHASE OF THE SECURITIES.

THIS MEMORANDUM INCLUDES CERTAIN STATEMENTS AND PROJECTIONS PROVIDED BY THE COMPANY WITH RESPECT TO THE ANTICIPATED FUTURE PERFORMANCE OF THE COMPANY. SUCH STATEMENTS AND PROJECTIONS REFLECT VARIOUS ASSUMPTIONS MADE BY THE COMPANY CONCERNING ANTICIPATED RESULTS. THESE ASSUMPTIONS ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES AND MAY OR MAY NOT PROVE TO BE ACCURATE. ACCORDINGLY, THE COMPANY MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE STATEMENTS REGARDING THE COMPANY'S FUTURE PERFORMANCE OR THE ASSUMPTIONS UNDERLYING THEM. THE ACHIEVEMENT OF THE FORECASTS CONTAINED HEREIN DEPENDS UPON NUMEROUS FACTORS, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. THEREFORE, THERE CAN BE NO ASSURANCE THAT THE COMPANY'S FUTURE PERFORMANCE WILL BE CONSISTENT WITH THE FORECASTS SET FORTH IN THIS MEMORANDUM. THIS MEMORANDUM HAS BEEN PREPARED FOR THE PURPOSE OF INTRODUCING PROSPECTIVE INVESTORS TO THE COMPANY IN ORDER TO ENABLE THEM TO DETERMINE IF THEY HAVE SUFFICIENT INTEREST IN THE COMPANY, ITS BUSINESS, AND PROSPECTS TO JUSTIFY FURTHER ACTION ON THEIR PART. IT IS EXPECTED THAT ANY INVESTOR PURCHASING BONDS IN THE OFFERING WILL PURSUE ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE COMPANY AND ITS PROSPECTS. THE DELIVERY OF THIS MEMORANDUM WILL NOT UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE, OR THAT INFORMATION CONTAINED IN THIS MEMORANDUM IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

THE SEC GENERALLY PERMITS OIL AND GAS COMPANIES, IN FILINGS MADE WITH THE SEC, TO DISCLOSE PROVED RESERVES, WHICH ARE RESERVE ESTIMATES THAT GEOLOGICAL AND ENGINEERING DATA DEMONSTRATE WITH REASONABLE CERTAINTY TO BE RECOVERABLE IN FUTURE YEARS FROM KNOWN RESERVOIRS UNDER EXISTING ECONOMIC AND OPERATING CONDITIONS, AND CERTAIN PROBABLE AND POSSIBLE RESERVES THAT MEET THE SEC'S DEFINITIONS FOR SUCH TERMS. THE COMPANY DISCLOSES ESTIMATED PROVED RESERVES AND ESTIMATED PROBABLE RESERVES IN ITS FILINGS WITH THE SEC. THE COMPANY'S ESTIMATED RESERVES ARE PREPARED BY THE COMPANY'S INTERNAL RESERVOIR ENGINEER AND COMPLY WITH DEFINITIONS

PROMULGATED BY THE SEC. THESE ESTIMATED RESERVES ARE NOT AUDITED BY AN INDEPENDENT PETROLEUM ENGINEERING FIRM. ADDITIONAL INFORMATION ON THE COMPANY'S ESTIMATED RESERVES IS CONTAINED IN THE COMPANY'S FILINGS WITH THE SEC. ACTUAL QUANTITIES THAT MAY BE ULTIMATELY RECOVERED WILL DIFFER SUBSTANTIALLY. FACTORS AFFECTING ULTIMATE RECOVERY INCLUDE THE SCOPE OF DRILLING PROGRAMS, WHICH WILL BE DIRECTLY AFFECTED BY THE AVAILABILITY OF CAPITAL, DRILLING AND PRODUCTION COSTS, AVAILABILITY OF DRILLING SERVICES AND EQUIPMENT, DRILLING RESULTS, LEASE EXPIRATIONS, TRANSPORTATION CONSTRAINTS, REGULATORY APPROVALS AND OTHER FACTORS AND ACTUAL DRILLING RESULTS, INCLUDING GEOLOGICAL AND MECHANICAL FACTORS AFFECTING RECOVERY RATES. ESTIMATES MAY CHANGE SIGNIFICANTLY AS DEVELOPMENT OF PROPERTIES PROVIDE ADDITIONAL DATA. IN ADDITION, THE COMPANY'S PRODUCTION FORECASTS AND EXPECTATIONS FOR FUTURE PERIODS ARE DEPENDENT UPON MANY ASSUMPTIONS, INCLUDING ESTIMATES OF PRODUCTION, DECLINE RATES FROM EXISTING WELLS AND THE UNDERTAKING AND OUTCOME OF FUTURE DRILLING ACTIVITY, WHICH MAY BE AFFECTED BY SIGNIFICANT COMMODITY PRICE DECLINES OR DRILLING COST INCREASES. ESTIMATED PROVED RESERVES AND ESTIMATED PROBABLE RESERVES DO NOT REPRESENT OR MEASURE THE FAIR VALUE OF THE RESPECTIVE PROPERTIES OR THE FAIR MARKET VALUE AT WHICH A PROPERTY OR PROPERTIES COULD BE SOLD FOR. IN THE EVENT OF ANY SUCH SALE, PROCEEDS TO THE COMPANY MAY BE SIGNIFICANTLY LESS THAN THE VALUE OF THE ESTIMATED RESERVES.

THE STATEMENTS CONTAINED IN THIS MEMORANDUM AND ANY COMMUNICATIONS, WRITTEN OR ORAL, FROM THE COMPANY, OR ANY OF ITS EMPLOYEES OR AGENTS, SHOULD NOT BE CONSTRUED AS LEGAL, TAX, INVESTMENT, ACCOUNTING OR OTHER EXPERT ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS ON THE POTENTIAL TAX, LEGAL AND OTHER CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING OR SELLING THE BONDS AND RESTRICTIONS AND INVESTMENT RISKS ASSOCIATED THEREWITH. EACH PROSPECTIVE INVESTOR SHOULD CONSULT AND RELY ON THE PROSPECTIVE INVESTOR'S OWN EVALUATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING AN INVESTMENT DECISIONS WITH RESPECT TO THE BONDS.

THIS MEMORANDUM CONTAINS CERTAIN INFORMATION REGARDING OTHER OFFERINGS OF SECURITIES BEING MADE BY THE COMPANY AND/OR ONE OR MORE OF ITS SUBSIDIARIES (A "*SEPARATE OFFERING*") THAT THE COMPANY HAS DETERMINED TO BE MATERIAL TO EVALUATING A POTENTIAL INVESTMENT IN THE BONDS. THIS MEMORANDUM IS NOT INTENDED TO BE AN OFFER OF SECURITIES IN ANY SEPARATE OFFERING NOR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY SEPARATE OFFERING. ANY OFFER OF SECURITIES OR SOLICITATION OF AN OFFER TO BUY SECURITIES IN A SEPARATE OFFERING MAY BE MADE SOLELY BY THE OFFERING CIRCULAR, PRIVATE PLACEMENT MEMORANDUM, OR OTHER OFFERING DOCUMENT (COLLECTIVELY, "*SEPARATE OFFERING DOCUMENTS*") WITH RESPECT TO SUCH SEPARATE OFFERING. THIS LINK (HTTPS://PHXCAPITALGROUP.COM/INVESTMENT-OFFERINGS/) PROVIDES THE SEPARATE OFFERING DOCUMENTS OF ANY AND ALL OFFERINGS OF SECURITIES BEING GENERALLY SOLICITED BY THE COMPANY AND/OR ANY OF ITS SUBSIDIARIES.

FOR FLORIDA RESIDENTS

The securities referred to in this Memorandum have not been registered under the Florida Securities Act. If sales are made to five or more investors in Florida, any Florida investor may, at his option, void any purchase hereunder within a period of three days after he (a) first tenders or pays to the Company, an agent of the Company, or an escrow agent the consideration required hereunder or (b) delivers his executed Subscription Agreement (as defined below), whichever occurs later. To accomplish this, it is sufficient for a Florida investor to send a letter or telegram to the Company within such three-day period, stating that he is voiding and rescinding the purchase. If any purchaser sends a letter, it is prudent to do so by certified mail, return receipt requested, to ensure that the letter is received and to evidence the time of mailing.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this Memorandum certain information that the Company files with the SEC, which means we disclose important information to you by referring you to those documents. All such information is considered to be part of this Memorandum. Any statement contained or incorporated by reference in this Memorandum shall be deemed to be modified or superseded for purposes of this Memorandum to the extent that a statement contained herein, or in any subsequently filed document that also is incorporated by reference herein, modifies or supersedes such earlier statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Memorandum. We incorporate by reference into this Memorandum the following documents that the Company has previously filed with the SEC:

- The Company's Annual Report on Form 1-K for the year ended December 31, 2023, filed with the SEC on April 30, 2024.
- The sections entitled "Risk Factors—Risks Related to Our Business and Our Industry" and "Legal Proceedings" contained in Post-Qualification Offering Statement Amendment No. 12 to the Company's Form 1-A filed, filed with the SEC on March 18, 2024.
- The Company's Current Reports Pursuant to Regulation A on Form 1-U, filed with the SEC on July 26 2024 and August 16, 2024.

All reports and other documents we subsequently file pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "***Exchange Act***") or Rule 25 of Regulation A prior to the termination of this offering, but excluding any information furnished to, rather than filed with, the SEC, will also be incorporated by reference into this Memorandum and deemed to be part of this Memorandum from the date of the filing of such reports and documents.

Documents incorporated by reference are available from us without charge, excluding all exhibits, except that if we have specifically incorporated by reference an exhibit into this Memorandum, the exhibit will also be provided without charge. You may obtain documents incorporated by reference into this Memorandum by requesting them in writing or by calling us at the following address or telephone number, as applicable, attention Investor Relations:

Phoenix Capital Group Holdings, LLC
18575 Jamboree Road, Suite 830
Irvine, CA 92612
(303)-376-9778

You should rely only upon the information contained or incorporated by reference in this Memorandum. We have not authorized anyone to provide you with different information. You should not assume that the information in this Memorandum is accurate as of any date other than the date of this Memorandum or the date of such incorporated document, as applicable.

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EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Memorandum. This summary does not contain all of the information that you should consider before deciding whether to invest in the Bonds. You should carefully read this entire Memorandum, including the information under the heading "Risk Factors" and all information included and incorporated by reference in this Memorandum.

Our Company, Phoenix Capital Group Holdings, LLC, a Delaware limited liability company, was formed on April 16, 2019. We are focused on oil and gas operations and executing on a three prong strategy involving the acquisition of royalty assets, acquisition of non-operated working interest assets, and direct drilling operations conducted through our wholly owned subsidiary, Phoenix Operating LLC ("***PhoenixOp***"). Pursuant to this strategy, we purchase a variety of assets, including mineral interests, leasehold interests, overriding royalty interests, and perpetual royalty interests. While we have primarily targeted assets in the Williston Basin, Permian Basin, Powder River, and Denver Julesburg Basin ("***DJ Basin***"), we are agnostic to geography and prioritizes asset potential in executing on its acquisition strategy.

We leverage our specialized software system and experienced management team to identify asset opportunities that fit our desired criteria and potential for returns. We prioritize assets with potential for high monthly recurring cashflows and primarily targets assets that have a potential payback period of 12-48 months and long-term (often more than 20 years) lifetime cashflows. To help identify and prioritize assets with such potential, we developed a software system in 2019. The software system is designed to be scalable and process inputs from a variety of internal and external sources, and supports our ability to identify, analyze, underwrite, and formally transact in the purchasing of oil and gas assets. The software system operates across three key facets of our business:

1. **Asset Discovery** – The data-driven system has customized inputs that are selected by management to pull in and incorporate data sets from multiple third party sources through custom application interfaces that automatically retrieve updated information on a regular basis. For example, the system retrieves detailed land and title data and well-level data including operator, production metrics, well status, dates of activities, well-specific activities and historical reporting. The software system compiles these inputs and creates dashboards that can be accessed by management to analyze and review granular data on an asset-by-asset level. These dashboards present certain key information, including, among others, the geography of the asset, the estimated probability of future oil wells, the estimated predictability of the timing and value of cashflows, and local and national oil prices. We believe this process provides us with key market intelligence and insights, tailored to prioritize asset traits curated and targeted by management, to identify and rank potential assets. We believe this provides us with a competitive advantage because we are able to identify potentially valuable assets, based on our own hierarchy and prioritization of asset traits and data inputs, which may otherwise be missed by other industry participants.

2. **Asset Grading and Estimates** – The outputs from the asset discovery process are then run through a discounted cash flow model, using management inputs for discount rate and the price of oil, to generate asset value and pricing estimates. The software system grades these assets based on management's desired target criteria for high probability of high near-term cash flow, and generates a summary version of assets to prospect for acquisition for our sales team. The system also generates an acquisition price for each asset, which informs the sales team as to the maximum price that we may be willing to offer in any prospective transaction. This process is used to further characterize high priority targets for sales and acquisition efforts.

3. **Asset Acquisition** – Based on management input, the software system then routes the pricing and asset information from the asset grading and estimates process through an automated document generator to create customized, asset-specific document packages for utilization and distribution by our sales team. The workflow for these document packages is then processed and monitored using Salesforce, which distributes the documents to our operations team for the preparation of an offering and sale package, which is then delivered to the prospective seller. Using relationship management features within Salesforce, the sales team is able to record notes and each opportunity can be tracked from its original data upload through the lifecycle of the sales process.

While the data inputs utilized by the software system are largely based on public information, considerable customization and coding has been done to generate a system that we can leverage in our business. We designed and built this software to address our specific needs and we are not aware of a similar competitive product. We rely on trade secret laws to protect our software system and do not own any registered copyright, patent or other intellectual property rights regarding our software. However, we believe the investment of significant monetary and intellectual resources have created a system that would be difficult to replicate. We currently have no intention of licensing or selling the software.

Following the acquisition of an asset, we typically share in the proceeds of the natural resources extracted and sold by a third-party oil and gas operator. While we anticipate that extraction activities at our assets will continue to be primarily performed by third parties in the near term, we also expect to increase the extent to which PhoenixOp is utilized to drill and operate producing wells, beginning with oil and gas properties we contributed to PhoenixOp. While running extraction activities through PhoenixOp will require significantly more capital than partnering with a third-party oil and gas operator, we believe that this operating model will provide greater control of cashflow and increases the potential for shorter payback periods as compared to returns on royalty assets and non-operating working interest assets. We estimate that this operating model will require approximately $205,000,000 in additional capital throughout 2024 in order to achieve our intended business plan. We expect that such capital needs will be met in the near to medium term by our capital contributions to PhoenixOp, which we expect to fund from time to time in varying amounts through a combination of cash from operations, the proceeds from unregistered debt offerings, the proceeds of the Adamantium Loan Agreement (as defined below), the proceeds of debt procured by any future subsidiary lender to us, and the Fortress Credit Agreement (as defined below). Our funding of additional amounts to PhoenixOp is not subject to specific milestones or triggering events, but instead will be guided by our and PhoenixOp's business judgment in order to execute on our intended business plan. We intend to make such capital contributions to PhoenixOp until such time as PhoenixOp procures its own financing, if any, or has sufficient cash from operations to operate without supplemental financing from us. As of December 31, 2023 we had contributed approximately $33.2 million in cash and $17.9 million in lease assets to PhoenixOp. Lease contributions are contributed to PhoenixOp at a value equal to our cost of acquisition of the contributed asset. The leases contributed are generally required in order for PhoenixOp to operate extraction activities on such assets. We anticipate contributing additional oil and gas properties to PhoenixOp in the future. We expect to only contribute oil and gas properties to PhoenixOp that are located in an area where we own or lease enough continuous productive acreage to support meaningful mineral extraction activities. Whether and when we have properties we decide to contribute to PhoenixOp will depend on, among other things, our ability to acquire properties from multiple owners, the amount and quality of mineral reserves discovered on such properties, the presence of or proximity to third-party operators with existing extraction activities and the suitability of the area's topography for drilling and operating producing wells. PhoenixOp is currently a borrower under certain of our loan agreements, including the Fortress Credit Agreement and Adamantium Loan Agreement, and could borrow amounts under such agreements directly. PhoenixOp may procure its own independent source of financing in the future, however, there is currently no definitive plan with respect to such independent financing. PhoenixOp commenced initial spudding at its first wells in the third quarter of 2023 and the first operated production from the initially contributed properties occurred in the first quarter of 2024.

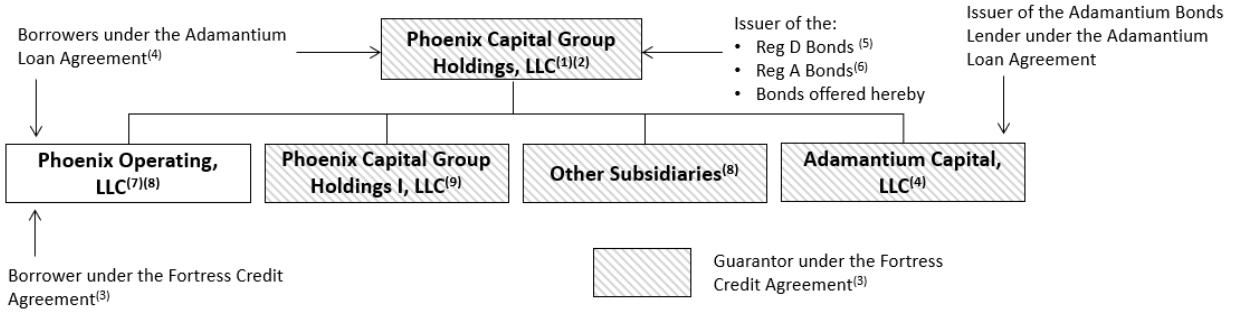
As of April 29, 2024, we had 109 full-time employees and one part-time employee, and eight contractors, all located in the United States. Our Company's principal executive offices are located at 18575 Jamboree Road, Suite 830, Irvine, CA 92612, and its telephone number is (303) 376-9778. For more information about our Company, please visit its website at https://www.phxcapitalgroup.com. The information on, or otherwise accessible through, our website does not constitute a part of this Memorandum.

The Offering. All sales of the Bonds will be strictly limited to persons who (i) are "accredited investors," as such term is defined in Rule 501 of Regulation D, and (ii) meet the requirements and make the representations set forth herein and in the subscription agreement in the form attached hereto as Exhibit A (the "***Subscription Agreement***"). See "*Plan of Distribution—Who May Invest*" for further information regarding your eligibility to purchase Bonds. This offering will terminate on the earliest of: (i) the date we sell the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by us by supplement hereto; and (iii) such date upon which we determine to terminate the offering in our sole discretion.

We will conduct closings, the "***closing dates***," and each, a "***closing date***," in this offering to be scheduled at our discretion until the offering termination. Once a subscription has been submitted and accepted by us, an investor will not have the right to request the return of its subscription payment prior to the applicable closing date. It is expected that settlement will occur on the same day as each closing date. On each closing date, offering proceeds for that closing will be disbursed to us and Bonds will be issued to investors, or the "***Bondholders***." If our Company is dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber.

Company Structure Chart

The following chart summarizes our corporate structure and principal indebtedness. This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with us, or our and our subsidiaries obligations:



(1) See "*Risk Factors*" for a discussion of the risks related to our capital structure and your investment in the Bonds. The terms of the Bonds do not prohibit us or our subsidiaries from incurring additional indebtedness, which indebtedness may rank senior to the Bonds. Furthermore, the Bonds will not be guaranteed by any of our subsidiaries or affiliates or any other person. As a result, the Bonds will be structurally subordinated to claims of creditors (including trade creditors) and preferred stockholders (if any) of our subsidiaries. See "*Description of Bonds—Ranking*."

(2) We are managed by one or more managers selected by Lion of Judah, LLC in its sole discretion. As of the date of this memorandum, Adam Ferrari, our Chief Executive Officer, and Lindsey Wilson, our Chief Operating Officer, jointly act as managers.

(3) PhoenixOp is the borrower under the Fortress Credit Agreement, which we entered into with Fortress Credit Corp. ("***Fortress***") on August 12, 2024. The Fortress Credit Agreement provides for a (i) $100.0 million term loan facility ("***Fortress Term Loan***") borrowed in full on August 12, 2024 and (ii) a $35.0 million delayed draw term loan facility.

(4) Adamantium Capital LLC, a Delaware limited liability company and our direct wholly owned subsidiary("***Adamantium***"), was formed on June 21, 2023 as a financing subsidiary to undertake financing efforts under Regulation D and subsequently loan amounts to us and/or our subsidiaries as needed. Adamantium offers high net worth individuals unsecured Adamantium Bonds (as defined below) pursuant to an offering under Rule 506(c) of Regulation D and does not expect to undertake financing efforts under Regulation A under the Securities Act ("***Regulation A***"). In connection with its financing efforts under Regulation D, Adamantium entered into the Adamantium Loan Agreement to loan the proceeds from sales of such Adamantium Bonds (as defined below) to us and/or our subsidiaries. The Adamantium Loan Agreement is secured by junior mortgages (junior to the Fortress Credit Agreement or other senior secured indebtedness) on certain properties owned us and our subsidiaries. As a result, the Adamantium Bonds are structurally senior to the Bonds to the extent of the value of the collateral securing the Adamantium Loan Agreement and any other assets of Adamantium.

(5) As of March 31, 2024, debt issued pursuant to Regulation D has maturities ranging from April 10, 2024 to August 10, 2034, at interest rates ranging from 6.5% to 15% per annum. The terms of the Bonds do not prohibit the Company from issuing more debt pursuant to Regulation D. See "*Executive Summary—Summary of Offering—Ranking*."

(6) As of March 31, 2024, debt issued pursuant to Regulation A has maturities ranging between January 31, 2025 and November 10, 2026 and bears interest at 9% *per annum*. The terms of the Bonds do not prohibit the Company from

issuing more debt pursuant to Regulation A, which will be contractually senior to Bonds offered hereby. See "*Executive Summary—Summary of Offering—Ranking*."

(7) Phoenix Operating LLC was formed on January 6, 2022, to manage and conduct drilling, extraction and related oil and gas operating activities.

(8) As of the date of this Memorandum, our only other subsidiary with meaningful assets and operations is Firebird Services, LLC, a direct wholly owned subsidiary of PhoenixOp, which currently provides water management and disposal services for the wells operated by PhoenixOp. We have formed certain additional entities for potential future use that do not have any meaningful assets or operations and so are not presented.

(9) Our wholly owned subsidiary, Phoenix Capital Group Holdings I, LLC, previously filed an offering statement under Regulation A in connection with a potential offering of senior subordinated unsecured bonds in an amount not to exceed $75 million annually in the aggregate, the proceeds of which would be loaned to us pursuant to an agreement secured by junior mortgages on certain properties. As of the date of this Memorandum, we do not intend to pursue this offering or the qualification of this offering statement.

SUMMARY OF OFFERING

Issuer	Phoenix Capital Group Holdings, LLC, a Delaware limited liability company.
Securities Offered	Aggregate Maximum Offering Amount of $750,000,000 principal amount of Bonds. The Company reserves the right to increase the Maximum Offering Amount by $250,000,000 for a total of $1,000,000,000 in the Company's sole discretion by supplement to this Memorandum.
Minimum Purchase	The Minimum Purchase is $25,000 for the Series U Bonds, Series U-1 Bonds, Series V Bonds, Series V-1 Bonds, Series W Bonds, Series W-1 Bonds, Series X Bonds, Series X-1 Bonds, Series Z Bonds and Series Z-1 Bonds. The Minimum Purchase is $500,000 for the Series AA Bonds, Series AA-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series EE Bonds and Series EE-1 Bonds. The Minimum Purchase is $1,000,000 for the Series FF Bonds, Series FF-1 Bonds, Series GG Bonds, Series GG-1 Bonds, Series HH Bonds, Series HH-1 Bonds, Series II Bonds, Series II-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds. The Company reserves the right to accept smaller purchase amounts in the Company's sole discretion.
Investor Suitability Requirements	You should purchase Bonds only if you have substantial financial means and you have no need for liquidity in your investment. The sale of Bonds in this offering is strictly limited to "accredited investors," as such term is defined in Rule 501 of Regulation D, and who meet certain minimum suitability and verification requirements. See "*Plan of Distribution—Who May Invest*" for more information.
Maturity Date	The Series U Bonds, Series U-1 Bonds, Series AA Bonds, Series AA-1 Bonds, Series FF Bonds and Series FF-1 Bonds will mature on the first anniversary of the issuance date. The Series V Bonds, Series V-1 Bonds, BB Bonds, Series BB-1 Bonds, Series GG Bonds and Series GG-1 Bonds will mature on the third anniversary of the issuance date. The Series W Bonds, Series W-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series HH Bonds and Series HH-1 Bonds will mature on the fifth anniversary of the issuance date. The Series X Bonds, Series X-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series II Bonds and Series II-1 Bonds will mature on the seventh anniversary of the issuance date. The Series Z Bonds, Series Z-1 Bonds, Series EE Bonds, Series EE-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds will mature on the eleventh anniversary of the issuance date.

The Company may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in the Company's sole discretion.

Interest Rate..... Series U Bonds and Series U-1 Bonds: 9.0% per year.

Series V Bonds, Series V-1 Bonds, Series FF Bonds and Series FF-1 Bonds: 10.0% per year.

Series W Bonds, Series W-1 Bonds, Series GG Bonds and Series GG-1 Bonds: 11.0% per year.

Series X Bonds, Series X-1 Bonds, Series HH Bonds and Series HH-1 Bonds: 12.0% per year.

Series Z Bonds, Series Z-1 Bonds, Series II Bonds and Series II-1 Bonds: 13.0% per year.

Series AA Bonds and Series AA-1 Bonds: 9.5% per year.

Series BB Bonds and Series BB-1 Bonds: 10.5% per year.

Series CC Bonds and Series CC-1 Bonds: 11.5% per year.

Series DD Bonds and Series DD-1 Bonds: 12.5% per year.

Series EE Bonds and Series EE-1 Bonds: 13.5% per year.

Series JJ Bonds and Series JJ-1 Bonds: 14.0% per year.

Interest Payments ..... The sole difference between the two forms of Bonds per series is the form of payment of interest. For example, the Series U Bonds will pay simple interest to the Bondholder monthly through cash distributions in arrears on the tenth day of each month, while the Series U-1 Bonds will earn interest compounded monthly and not pay monthly cash distributions. At maturity, the Company will repay the principal amount of the Series U Bonds, Series V Bonds, Series W Bonds, Series X Bonds, Series Z Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds, Series DD Bonds, Series EE Bonds, Series FF Bonds, Series GG Bonds, Series HH Bonds, Series II Bonds and Series JJ Bonds. At maturity, the Company will repay the principal of, and all accrued and unpaid interest on, the Series U-1 Bonds, Series V-1 Bonds, Series W-1 Bonds, Series X-1 Bonds, Series Z-1 Bonds, Series AA-1 Bonds, Series BB-1 Bonds, Series CC-1 Bonds, Series DD-1 Bonds, Series EE-1 Bonds, Series FF-1 Bonds, Series GG-1 Bonds, Series HH-1 Bonds, Series II-1 Bonds and Series JJ-1 Bonds. Interest will accrue on the basis of a 360-day year consisting of twelve 30-day months.

Offering Price..... $1,000 per Bond.

Ranking ..... The Bonds will be the Company's subordinated unsecured obligations and will:

- rank contractually senior in right of payment to all of the Company's future indebtedness that is contractually subordinated to the Bonds;

- rank equally in right of payment with the Subordinated Reg D Bonds (as defined below);

- be contractually subordinated to any senior debt, including indebtedness under the Fortress Credit Agreement, the Adamantium Bonds, the Adamantium Loan Agreement, the Reg A Bonds (as defined below) and the Senior Reg D Bonds (as defined below);

- be effectively subordinated to any of the Company's existing or future secured indebtedness and other obligations, including under the Fortress Credit Agreement and the Adamantium Loan Agreement, to the extent of the value of the assets securing such indebtedness; and

- be structurally subordinated to all of the existing and future liabilities of each of the Company's subsidiaries, including Adamantium.

As of March 31, 2024, the Company had $527.9 million of indebtedness outstanding, including $80.5 million of secured indebtedness outstanding, primarily consisting of (i) $30.0 million aggregate principal amount outstanding under its $30.0 million revolving credit loan from Amarillo National Bank ("***ANB***"), pursuant to that certain Commercial Credit Agreement, dated as of July 24, 2023 (as amended, the "***ANB Credit Agreement***"), by and among ANB, the Company and its wholly owned subsidiary, PhoenixOp, as borrower, which is secured by a senior security interest in all of the assets of the Company and its subsidiaries, and (ii) 50.5 million aggregate principal amount outstanding pursuant to the Company's loan agreement with Adamantium, dated September 14, 2023 (as amended, the "***Adamantium Loan Agreement***"), which provides for borrowings up to a maximum principal amount of $200.0 million in aggregate principal amount of borrowings in one or more advances and is secured by mortgages on certain of our properties, which mortgages are junior to the security interest of the ANB Credit Agreement and other existing and future senior secured indebtedness. Borrowings under the Adamantium Loan Agreement correspond to the receipt by Adamantium of proceeds from any bonds issued as a part of Adamantium's offering of up to $200.0 million in the aggregate of bonds exempt from registration pursuant to Rule 506(c) of Regulation D (the "***Adamantium Bonds***"). On August 12, 2024, the Company entered into that certain Amended and Restated Senior Secured Credit Agreement (the "***Fortress Credit Agreement***") with PhoenixOp, as borrower, each of the lenders from time to time party thereto, and Fortress, as administrative agent for the lenders, which consists of the $100.0 million Fortress Term Loan borrowed in full on August 12, 2024 and a $35.0 million delayed draw term loan facility, which are secured by a senior security interest in substantially all of the assets of the Company and its subsidiaries. A portion of the proceeds from the Fortress Term Loan were used to repay in full our indebtedness under the ANB Credit Agreement. The Fortress Credit Agreement and the Adamantium Loan Agreement will constitute senior debt and will rank contractually senior to the Bonds.

As of March 31, 2024, we had $50.5 million aggregate principal amount outstanding of Adamantium Bonds pursuant to an offering under Rule 506(c) of Regulation D that commenced in September 2023 with maturity

dates ranging from five to eleven years from the issue date and interest rates ranging from 13.0% to 15.5% *per annum*. The Adamantium Bonds will be structurally senior to the Bonds to the extent of the value of Adamantium's assets, including the collateral securing the Adamantium Loan Agreement. Adamantium may, but is not guaranteed to, issue $200.0 million in aggregate principal amount of Adamantium Bonds to fund advances to the Company and PhoenixOp pursuant to the Adamantium Loan Agreement. The Adamantium Bonds will also constitute senior debt and will rank contractually senior to the Bonds.

As of March 31, 2024, the Company had $447.4 million aggregate principal amount outstanding of bonds issued pursuant to Regulation D or Regulation A, consisting of: (i) $2.5 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Rule 506(b) of Regulation D that commenced in July 2020 and terminated in September 2020, with maturity dates ranging from one to four years from the issue date and interest rates ranging from 6.5% to 15.0% *per annum* (the "***2020 506(b) Bonds***"); (ii) $5.9 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Rule 506(c) of Regulation D that commenced in October 2020 and terminated in December 2021, with maturity dates ranging from one year to four years from the issue date and interest rates ranging from 6.5% to 15.0% *per annum* (the "***2020 506(c) Bonds***"); (iii) $12.1 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Rule 506(c) of Regulation D that commenced in July 2022 and terminated in December 2022, with a maturity date of five years from the issue date and an interest rate of 11.0% *per annum* (the "***July 2022 506(c) Bonds***" and, together with the 2020 506(b) Bonds and the 2020 506(c) Bonds, the "***Senior Reg D Bonds***"); (iv) $125.7 million aggregate principal amount outstanding of Series AAA through Series D-1 Bonds offered and sold pursuant to an offering under Rule 506(c) of Regulation D that commenced in December 2022 and terminated in August 2023, with maturity dates ranging from nine months to seven years from the issue date and interest rates ranging from 8.0% to 12.0% *per annum* (the "***December 2022 506(c) Bonds***"); (v) $220.1 million aggregate principal amount outstanding of Bonds (Series U through Series Z-1 Bonds) offered pursuant to this offering under Rule 506(c) of Regulation D that commenced in August 2023, with maturity dates ranging from one to eleven years from the issue date and interest rates ranging from 9.0% to 13.0% *per annum* (the "***Existing Bonds***" and, together with the December 2022 506(c) Bonds, the "***Subordinated Reg D Bonds***" and, together with the Senior Reg D Bonds, the "***Reg D Bonds***"); and (vi) $81.1 million aggregate principal amount outstanding of unsecured bonds offered and sold to date pursuant to an offering under Regulation A, which commenced in December 2021 and are being offered on a continuous basis, with a term of three years and an interest rate of 9.0% *per annum* (the "***Reg A Bonds***" and, collectively with the Reg D Bonds, the "***PCGH Reg D/Reg A Bonds***"). The PCGH Reg D/Reg A Bonds that are not Subordinated Reg D Bonds will constitute senior debt and will be contractually senior to the Bonds. The Subordinated Reg D Bonds rank equally in right of payment with the Bonds.

The terms of the Bonds do not prohibit the Company or any current or future direct or indirect subsidiaries from issuing more debt securities or incurring any other indebtedness, and any such issuance or incurrence may rank senior to the Bonds. For example, the Company may issue additional

Regulation A debt obligations as permitted by Regulation A that it designates as senior to the Bonds in its discretion and Adamantium may issue additional structurally senior debt obligations under Rule 506(c). Any such issuance would rank senior to the Bonds.

See "*Risk Factors - Risks Related to the Bonds and to this Offering*" for more information.

Securities Laws Matters and Restrictions on Transferability..... The Bonds offered under this Memorandum have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction. The Bonds are subject to restrictions on transferability and may not be transferred except as permitted by the Securities Act and applicable state or other jurisdictions securities laws pursuant to registration or exemption therefrom. Before selling or transferring a Bond, an investor must obtain the written consent of the Company and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws and regulations. There is no public market for these securities and there is no assurance that a public market for these securities will develop in the foreseeable future or at all. Bondholders cannot expect to be able to liquidate their investment in case of an emergency. Bondholders may find it difficult or impossible to dispose of any of these securities and must be prepared to retain them for an indefinite period of time.

In addition, the Company does not intend to be registered as an investment company under the Investment Company Act, nor do the Company's managers (the "***Managers***") plan to register as an investment advisor under the Investment Advisers Act of 1940, as amended (the "***Investment Advisers Act***").

Redemption at the Option of the Company ..... The Bonds may be redeemed at the Company's option at no penalty. Any redemption will occur at a price equal to the then outstanding principal amount of the Bonds, plus any accrued but unpaid interest. For the specific terms of the Optional Redemption, please see "*Description of Bonds—Optional Redemption*" for more information.

Mandatory Redemption ..... We will not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds. We will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise. See "*Risk Factors—Risks Related to the Bonds and to this Offering*" and "*Description of Bonds—Mandatory Redemption; Repurchase at the Option of the Holders*."

Default ..... The indenture governing the Bonds (as amended or supplemented from time to time, the "***Indenture***") contains events of default, the occurrence of which may result in the acceleration of the obligations under the Bonds in certain circumstances. Events of default will be subject to the Company's right to cure within a certain number of days of such event of default. See "*Description of Bonds—Events of Default*" for more information.

Form ..... Bonds will be registered in book-entry form on the books and records of the Company. See "*Plan of Distribution—Book-Entry, Delivery and Form*" for more information.

Denominations	The Company will issue the Bonds only in denominations of $1,000.
Payment of Principal and Interest	Principal and interest on the Bonds will be payable in U.S. dollars or other legal tender, coin or currency of the United States.
Future Issuances	The Company may, from time to time, without notice to or consent of the Bondholders, increase the aggregate principal amount of any series of the Bonds outstanding by issuing additional bonds in the future with the same terms of such series of Bonds, except for the issue date and offering price, and such additional bonds shall be consolidated with the applicable series of Bonds and form a single series. No consent of the Bondholders is required under the Bonds for the issuance of additional series of Bonds, including such additional series which may have payment priority superior to current Bonds.
Trustee, Registrar and Paying Agent	The Company is the registrar and designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. UMB Bank, N.A. acts as trustee under the Indenture. The Bonds will be issued in book-entry form only, evidenced by global certificates.
Governing Law	The Indenture is, and the Bonds will be, governed by the laws of the State of Delaware.
Material Tax Considerations	You should consult your tax advisors concerning the U.S. federal income tax consequences of owning the Bonds in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.
Risk Factors	An investment in the Bonds involves certain risks. You should carefully consider the risks above, as well as the other risks described under "*Risk Factors*" beginning on page 12 of this Memorandum before making an investment decision.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Memorandum contains certain forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "outlook," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth or anticipated in our forward-looking statements. Factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash flows, liquidity and prospects include, but are not limited to, the factors referenced in this Memorandum, including those set forth below.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Memorandum. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this Memorandum. The matters summarized below and elsewhere in this Memorandum could cause our actual results and performance to differ materially from those set forth or anticipated in forward-looking statements. Accordingly, we cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this Memorandum, whether as a result of new information, future events or otherwise.

RISK FACTORS

An investment in the Bonds is highly speculative and is suitable only for persons or entities that are able to evaluate the risks of the investment. An investment in the Bonds should be made only by persons or entities able to bear the risk of and to withstand the total loss of their investment. Prospective investors should consider the following risks before making a decision to purchase the Bonds. To the best of our knowledge, we have included all material risks to investors in this section and in the "Risk Factors" sections of the documents incorporated in this Memorandum by reference.

Risks Related to the Bonds and to this Offering

We may not have sufficient available cash to pay any interest or principal on the Bonds and the significant level of indebtedness and liabilities could limit cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the Bonds.

We may not have or generate sufficient available cash to pay any interest or principal on the Bonds. The amount of cash available to us to make payment on the Bonds will depend principally on the cash that we generate from operations, which will depend on, among other factors, the amount of oil and gas we or the third-party operators at our properties can produce, the prices at which we or the third-party operators are able to sell oil and gas, the level of capital expenditures and operating costs; and the level of interest expense, which will depend on the amount of outstanding indebtedness and the applicable interest rate.

Furthermore, we have and will continue to have a significant amount of indebtedness and liabilities following this offering. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our business, results of operations and financial condition, including increasing our vulnerability to adverse economic and industry conditions, limiting our ability to obtain additional financing, requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing the amount of our cash flow available for other purposes, limiting our flexibility in planning for, or reacting to, changes in our business, and placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

We cannot assure you that we will continue to maintain sufficient cash reserves or that our business will generate cash flow from operations at levels sufficient to permit us to pay principal and interest on the Bonds, or that our cash needs will not increase. If we are unable to generate sufficient cash flow or otherwise obtain funds necessary to make required payments, or if we fail to comply with the various requirements of the Bonds, or any other indebtedness then outstanding, we may default, which would permit the holders of the affected indebtedness to accelerate the maturity of such indebtedness and could cause defaults under any other indebtedness. Any default under the Bonds or any other indebtedness could have a material adverse effect on our business, results of operations and financial condition.

The Bonds are not obligations of our subsidiaries and will be effectively subordinated to all of the liabilities of our subsidiaries. Such subordination increases the risk that we will be unable to meet our obligations on the Bonds.

The Bonds are our obligations exclusively and not of any of our subsidiaries. The Bonds are effectively subordinated to all of the liabilities of our subsidiaries, to the extent of their assets, because they are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the Bonds, or to make any funds available to make payments on the Bonds. For example, the holders of the Adamantium Bonds are structurally senior to our creditors, including Bondholders, with respect to Adamantium's assets. Additionally, the Adamantium Loan Agreement can be amended or waived with our and Adamantium's consent, including in order to change the amount, rate, payment terms, collateral package and borrowers thereunder. The consent of Bondholders is not required for any amendment or waiver of the Adamantium Loan Agreement, and any such amendment may be adverse to the interests of the Bondholders. Our right to receive any assets of any subsidiary in the event of a bankruptcy or liquidation of the subsidiary, and therefore the right of our creditors, including holders of the Bonds, to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including

trade creditors, in each case to the extent that we are not recognized as a creditor of such subsidiary. In addition, even where we are recognized as a creditor of a subsidiary, our rights as a creditor with respect to certain amounts are subordinated to other indebtedness of that subsidiary, including secured indebtedness to the extent of the assets securing such indebtedness.

The Bonds will be effectively subordinated to our current and future secured indebtedness, including amounts outstanding under the Fortress Credit Agreement and the Adamantium Loan Agreement.

The Bonds will be our subordinated, unsecured indebtedness. The Bonds will be effectively subordinated to any of our current or future secured indebtedness, including the Fortress Credit Agreement and the Adamantium Loan Agreement, to the extent of the value of the assets securing that indebtedness. The Bonds will be subordinate to the collateral interest of any of our future secured indebtedness. As of March 31, 2024, there was $30.0 million outstanding under the ANB Credit Agreement and $50.5 million of Adamantium Bonds outstanding, with the corollary amount outstanding under the Adamantium Loan Agreement; *provided* that amounts under the Adamantium Loan Agreement may increase as and to the extent additional debt obligations are issued by Adamantium. On August 12, 2024, the Company borrowed $100 million under the Fortress Term Loan and used the proceeds from the Fortress Term Loan, in part, to repay in full our indebtedness under the ANB Credit Agreement.

In the event of our bankruptcy, liquidation, reorganization or other winding up, Fortress and Adamantium, as the lenders under the various credit agreements will be senior in priority with respect to the collateral securing their loans. If we default under the aforementioned loan agreements, the lender of the defaulted loan could foreclose on the security interest in our assets pledged as collateral, which may result in our inability to pay interest or principal on the Bonds and exist as a going concern. In the event of default, there may not be sufficient assets remaining to pay amounts due on any or all of the Bonds then outstanding.

Amounts outstanding under our other unsecured debt will generally be senior to our payment obligations under the Bonds.

The Bonds will be structurally subordinated to the Adamantium Bonds to the extent of Adamantium's assets and will be contractually subordinated to the Regulation A Bonds and Senior Reg D Bonds. As of March 31, 2024, there was $50.5 million of Adamantium Bonds outstanding, with the corollary amount outstanding under the Adamantium Loan Agreement, $81.1 million of Regulation A Bonds outstanding and $20.5 million of Senior Reg D Bonds outstanding. The terms of the Bonds do not prohibit us or any current or future direct or indirect subsidiaries, such as PhoenixOp or Adamantium, from issuing more debt securities or incurring additional indebtedness, and any such issuance or incurrence may rank senior to the Bonds. For example, we may issue additional Regulation A debt obligations as permitted by Regulation A that we designate as senior to the Bonds in our discretion and Adamantium may issue additional structurally senior debt obligations under Rule 506(c). Any such issuance would rank senior to the Bonds. If we are unable to pay the amounts due under these senior debt obligations, then we will be unable to satisfy our payment obligations under the Bonds. The Bonds will rank equally with Subordinated Reg D Bonds. As of March 31, 2024, we had $345.8 million of Subordinated Reg D Bonds outstanding.

We may engage in a variety of transactions that may impair our ability to pay interest and principal on the Bonds.

In addition to the existing debts described above, we may engage in activities, such as issuing additional debt that may rank senior or *pari passu* with the Bonds, which may hinder our ability to pay our bond service obligations. In addition, other than the limited covenants contained in the Indenture and discussed in this Memorandum, we are not subject to additional restrictions on our activities.

Bonds with longer terms may be subject to higher risk as a result.

We are offering Bonds with maturities ranging from one to eleven years and are offering Bonds with the option to have interest compound and be paid at maturity rather be paid monthly in cash. A Bond with a longer term will be subject to and affected by the potential risks to our operations for a longer period of time than a shorter-term Bond would. As a result, there will be a greater chance of an adverse event occurring with regard to our Company during the term of a longer-termed Bond. Risks that may be increased by the passage of time may include:

- our ability to attract and retain key personnel;
- changing regulations and legislation that affect our business;
- short and long-term fluctuations in oil prices;
- costs and expenses associated with extraction on our properties; and
- the potential for a change of control or other significant transaction.

Such risks and others discussed herein may become more likely to occur the longer that an investment in our Bonds is outstanding. For example, the risk is greater relative to the Series EE Bonds than it is relative to the Series AA Bonds that other companies in the industry, including those with greater resources than us, are able to outcompete us in the deployment of capital during the term of the Series EE Bonds, making it more difficult for us to earn the returns on our investments necessary to services our longer-termed indebtedness.

We are subject to regular and balloon payments of principal and interest which may adversely impact our ability to service our debt and other Company obligations.

We are obligated to service multiple series of Bonds with various payment schedules, maturity dates and interest rates. As a result, payments by us toward a certain series of Bonds reduces cashflow available to a different series of Bonds, which may increase our risk of default or business failure. In particular, the longer-termed Bonds offered hereby will pay higher interest rates than the shorter-termed Bonds offered hereby, ranging from 14.0% *per annum* for the Series JJ Bonds and Series JJ-1 Bonds, which have 11-year terms, to 9.0% *per annum* for the Series U Bonds and Series U-1 Bonds, which only have one-year terms.

For investments in Bonds that pay simple interest to the Bondholders monthly through cash distributions (such as Series JJ Bonds), longer-termed Bonds require regular payment of significantly more cash interest to Bondholders than shorter-termed Bonds, which cash could be used in the development of our business. For Bonds that earn interest compounded monthly from the date of issuance and do not pay monthly cash distributions (such as Series JJ-1 Bonds), higher interest rates and more time to compound may result in significantly higher balloon payments at maturity compared to shorter-termed Bonds, which may make it more difficult for us to repay such Bonds. Although we intend to carefully assess our capital structure to ensure that debt maturities and terms are properly managed, there can be no assurance that we will be able to do so, and any such failure could have a material adverse effect on our ability to make payment on the Bonds.

Bondholders do not have the right to require us to redeem their Bonds.

We will not be required to redeem the Bonds at the request of any Bondholder, whether upon a change of control, in connection with an asset sale or casualty event, at the holder's option, or otherwise. As a result, Bondholders should expect to hold their Bonds until maturity. Although we will pay a fixed rate of interest on the Bonds, Bondholders may have to forego opportunities to apply the amounts invested in the Bonds in other ways, including in a more lucrative investment.

An event of default under the Fortress Credit Agreement and/or any other debt to which the Bonds are subordinate would likely impair our ability to repay the advances under the Adamantium Loan Agreement and our ability to make payments of principal and interest on the Bonds.

We are not permitted to make any payments to the Bondholders, including any payments of principal or interest under the Bonds, for so long as any event of default remains uncured or outstanding under the Fortress Credit Agreement. As a result, the Bondholders may not receive the payments they expect, or at all, upon an event of default under the Fortress Credit Agreement. In addition, following the cure of any such event of default or Fortress' successful remedy of such event of default, we may not have the funds, or otherwise have the means, to make any payments due to the Bondholders at such time.

Our trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Bondholders, pursuant to the provisions of the Indenture, unless such

Bondholders shall have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby.

The Indenture governing the Bonds provides that in case an event of default occurs and not be cured, the trustee will be required, in the exercise of its power, to use the degree of care of a reasonable person in the conduct of its own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Bondholder, unless the Bondholder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

We may redeem all or any part of the Bonds that have been issued before their maturity, and you may be unable to reinvest the proceeds at either the same or a higher rate of return.

We may redeem all or any part of the outstanding Bonds prior to maturity. See "*Description of Bonds—Optional Redemption*" for more information. If redeemed, you may be unable to reinvest the money you receive in the redemption at a rate that is equal to or higher than the rate of return on the Bonds.

The Bonds are subject to significant restrictions on transfer.

You will be required to represent that you are acquiring the Bonds for investment and not with a view to distribution or resale, that you understand the Bonds are not freely transferable and, in any event, that you must bear the economic risk of investment in the Bonds for an indefinite period of time because (i) the Bonds have not been registered under the Securities Act or applicable state "Blue Sky" or securities laws; and (ii) the Bonds cannot be sold unless they are subsequently registered or an exemption from such registration is available. There will be no market for the Bonds, and Bondholders cannot expect to be able to liquidate their investment in case of an emergency. Further, the sale of Bonds may have adverse federal income tax consequences. The Bondholders will be required to obtain our prior written consent to transfer the Bonds. There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Managers. Accordingly, we may not consent to a request for approval to transfer the Bonds.

There is no established trading market for the Bonds and we do not expect one to develop. Therefore, Bondholders may not be able to resell them for the price that they paid or sell them at all.

Prior to this offering, there was no active market for the Bonds and we do not expect one to develop. We do not have any present intention to apply for a quotation for the Bonds on an alternative trading system or over the counter market and even if we obtain that quotation in the future, we do not know the extent to which investor interest will lead to the development and maintenance of a liquid trading market. Further, the Bonds will not be quoted on an alternative trading system or over the counter market until after the termination of this offering, if at all. Therefore, investors will be required to wait until at least after the final termination date of this offering for such quotation. The initial public offering price for the Bonds has been determined by us. You may not be able to sell the Bonds you purchase at or above the initial offering price or sell them at all.

Alternative trading systems and over the counter markets, as with other public markets, may from time to time experience significant price and volume fluctuations. As a result, if the Bonds are listed on such a trading system, the market price of the Bonds may be similarly volatile, and Bondholders may from time to time experience a decrease in the value of their Bonds, including decreases unrelated to our operating performance or prospects. The price of the Bonds could be subject to wide fluctuations in response to a number of factors, including those listed in this "*Risk Factors*" section of this Memorandum and in the "Risk Factors" sections of the documents incorporated by reference herein. No assurance can be given that the market price of the Bonds will not fluctuate or decline significantly in the future or that Bondholders will be able to sell their Bonds when desired on favorable terms, or at all. Further, the sale of the Bonds may have adverse federal income tax consequences.

The Indenture does not require us to provide Bondholders cash statements or certification of compliance with the Bonds.

The Indenture does not require us to provide Bondholders cash statements or financial information other than such information that we file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act or under Rule 257 of Regulation A. Further, so long as such filings by us are available on the SEC's Electronic Data

Gathering, Analysis and Retrieval System, such filings shall be deemed to have been provided to the Bondholders without any further action required by us. Moreover, we are only required to provide the trustee annually, within 120 days following December 31st, a written statement certifying that to the knowledge of our officers we are in compliance with the Indenture or specifying any event of default thereunder.

We may invest or spend the proceeds of this offering in ways with which you may not agree.

Although we intend to use the proceeds from this offering for continued acquisitions of mineral rights and non-operated working interests, as well as additional asset acquisitions, and for capital contributions to PhoenixOp as necessary, we will not be contractually obligated to do so and will retain broad discretion over the use of proceeds from this offering. Bondholders may not deem such uses desirable. Because of the number and variability of factors that could determine our use of the proceeds from this offering, the actual uses of the proceeds from this offering may vary substantially from currently planned uses.

USE OF PROCEEDS

Assuming we issue and sell all of the Bonds offered by this offering, we estimate that the net proceeds we will receive from this offering will be $712.5 million, after deducting the 5.0% Broker-Dealer Fee. We have not made any arrangement to place any of the proceeds from this offering in an escrow, trust, or similar account.

We currently expect to use the net proceeds from this offering (i) to make investments in PhoenixOp or to otherwise finance potential drilling and exploration operations, (ii) for continued acquisitions of mineral rights and non-operated working interests, as well as additional asset acquisitions, and (iii) for other general working capital needs, such as the payment of executive and employee salaries, general overhead, and operating costs, including payments on our debt, and the acquisition of assets in the oil and gas space that are not mineral rights or non-operated working interests. Our actual use of offering proceeds will depend upon many considerations, including market conditions, but we currently expect that we will apply approximately 70% of the net proceeds from this offering to make investments in PhoenixOp, approximately 20% of the net proceeds from this offering to make acquisitions of mineral rights and non-operated working interests, and the remainder for working capital and other asset acquisitions.

We currently intend to utilize the net proceeds from this offering in the order set out in the preceding paragraph. However, the expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions, which could change in the future as our plans and business conditions evolve. In addition to the potential net proceeds from this offering of Bonds, we have significant cash flow from operations, as well as multiple current and potential sources of financing, including under the Fortress Credit Agreement, the Adamantium Loan Agreement, and our other offerings of debt securities pursuant to Regulation D, that can be utilized for the purposes described above, and so we cannot accurately predict whether and in what amounts the net proceeds from this offering of the Bonds will be applied. We may find it necessary or advisable to use the net proceeds of this offering for other purposes, and we will have broad discretion in the application and specific allocations of the net proceeds of this offering. See "*Risk Factors—Risks Related to the Notes and this Offering—We may invest or spend the proceeds of this offering in ways with which you may not agree*."

Furthermore, we will receive cash proceeds from this offering in varying amounts from time to time as Bonds are sold, which makes it difficult for us to precisely calculate the allocation of net proceeds. Further, the Bonds will have varying lengths of maturity, interest rates, and interest payment methods as described elsewhere in this Memorandum, which makes it impossible to predict with any accuracy how much of the proceeds will be used to make payments of interest or principal on the Bonds in any given year.

There is no minimum number or amount of Bonds that we must sell to receive and use the proceeds from this offering, and we cannot assure you that all or any portion of the Bonds will be sold. In the event that we do not raise sufficient proceeds from this offering, we may adjust our use of proceeds by limiting the speed of growth, delaying or canceling certain purchases or initiatives related to our drilling and production operations, and streamlining our operations, or we could terminate this offering and determine to pay back some or all of our debt, including the Bonds. This might result in the Bonds being repaid prior to maturity.

DESCRIPTION OF BONDS

This description sets forth certain terms of the Bonds that we are offering pursuant to this Memorandum. In this section we use capitalized words to signify terms that are specifically defined in the Indenture, by and between us and UMB Bank, N.A., as trustee. We refer you to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used in this Memorandum for which no definition is provided.

Ranking

The Bonds will be the Company's subordinated, unsecured obligations and will:

- rank equally in right of payment with the Subordinated Reg D Bonds;
- be contractually subordinated to any Senior Indebtedness (as defined below), including indebtedness under the Fortress Credit Agreement, the Adamantium Bonds, the Adamantium Loan Agreement, the Reg A Bonds and the Senior Reg D Bonds;
- be effectively subordinated to any of the Company's existing or future secured indebtedness and other obligations, including under the Fortress Credit Agreement and the Adamantium Loan Agreement, to the extent of the value of the assets securing such indebtedness; and
- be structurally subordinated to all of the existing and future liabilities of each of the Company's subsidiaries, including Adamantium.

As of March 31, 2024, the Company had $527.9 million of indebtedness outstanding, including $80.5 million of secured indebtedness outstanding, primarily consisting of (i) $30.0 million aggregate principal amount outstanding under its $30.0 million revolving credit loan from ANB pursuant to the ANB Credit Agreement and (ii) $50.5 million aggregate principal amount outstanding pursuant to the Adamantium Loan Agreement, which provides for borrowings up to a maximum principal amount of $200.0 million in aggregate principal amount of borrowings in one or more advances and is secured by mortgages on certain of our properties, which mortgages are junior to the security interest of the Fortress Credit Agreement and other existing and future senior secured indebtedness. Borrowings under the Adamantium Loan Agreement correspond to the receipt by Adamantium of proceeds from any Adamantium Bonds issued. On August 12, 2024, the Company borrowed $100 million under the Fortress Term Loan and used the proceeds from the Fortress Term Loan, in part, to repay in full our indebtedness under the ANB Credit Agreement. The Fortress Credit Agreement, which is secured by a senior security interest in all of the assets of the Company and its subsidiaries, and the Adamantium Loan Agreement will constitute Senior Indebtedness and will rank contractually senior to the Bonds.

As of March 31, 2024, we had $50.5 million aggregate principal amount outstanding of Adamantium Bonds pursuant to an offering under Regulation D that commenced in September 2023 with maturity dates ranging from five to eleven years from the issue date and interest rates ranging from 13.0% to 15.5% *per annum*. The Adamantium Bonds will be structurally senior to the Bonds to the extent of the value of Adamantium's assets, including the collateral securing the Adamantium Loan Agreement. Adamantium may, but is not guaranteed to, issue $200.0 million in aggregate principal amount of Adamantium Bonds to fund advances to the Company and PhoenixOp pursuant to the Adamantium Loan Agreement. The Adamantium Bonds will also constitute Senior Indebtedness and will rank contractually senior to the Bonds.

As of March 31, 2024, the Company had $447.4 million aggregate principal amount outstanding of bonds issued pursuant to Regulation D or Regulation A, consisting of: (i) $2.5 million aggregate principal amount outstanding of 2020 506(b) Bonds; (ii) $5.9 million aggregate principal amount outstanding of 2020 506(c) Bonds; (iii) $12.1 million aggregate principal amount outstanding of July 2022 506(c) Bonds; (iv) $125.7 million aggregate principal amount outstanding of December 2022 506(c) Bonds; (v) $220.1 million aggregate principal amount outstanding of Existing Bonds; and (vi) $81.1 million aggregate principal amount outstanding of Reg A Bonds. The PCGH Reg D/Reg A Bonds that are not Subordinated Reg D Bonds will constitute Senior Indebtedness and will be contractually senior to the Bonds. The Subordinated Reg D Bonds rank equally in right of payment with the Bonds.

The terms of the Bonds do not prohibit the Company or any current or future direct or indirect subsidiaries from issuing more debt securities or incurring any other indebtedness, and any such issuance or incurrence may rank senior to the Bonds. For example, the Company may issue additional Regulation A debt obligations as permitted by Regulation A that it designates as senior to the Bonds in its discretion and Adamantium may issue additional structurally senior debt obligations under Rule 506(c). Any such issuance would rank senior to the Bonds.

See "*Risk Factors—Risks Related to the Bonds and to this Offering*" for more information.

Interest and Maturity

The Series U and Series U-1 Bonds will bear interest at a rate equal to 9.0% per year. The Series V Bonds, Series V-1 Bonds, Series FF Bonds and Series FF-1 Bonds will bear interest at a rate equal to 10.0% per year. The Series W Bonds, Series W-1 Bonds, Series GG Bonds and Series GG-1 Bonds will bear interest at a rate equal to 11.0% per year. The Series X Bonds, Series X-1 Bonds, Series HH Bonds and Series HH-1 Bonds will bear interest at a rate equal to 12.0% per year. The Series Z Bonds, Series Z-1 Bonds, Series II Bonds and Series II-1 Bonds will bear interest at a rate equal to 13.0% per year. The Series AA Bonds and Series AA-1 Bonds will bear interest at a rate equal to 9.5% per year. The Series BB Bonds and Series BB-1 Bonds will bear interest at a rate equal to 10.5% per year. The Series CC Bonds and Series CC-1 Bonds will bear interest at a rate equal to 11.5% per year. The Series DD Bonds and Series DD-1 Bonds will bear interest at a rate equal to 12.5% per year. The Series EE Bonds and Series EE-1 Bonds will bear interest at a rate equal to 13.5% per year. The Series JJ Bonds and Series JJ-1 Bonds will bear interest at a rate equal to 14.0% per year.

The sole difference between the two forms of Bonds per series is the form of payment of interest. For example, the Series U Bonds will pay simple interest to the Bondholder monthly through cash distributions in arrears on the tenth day of each month, while the Series U-1 Bonds will earn interest compounded monthly and not pay monthly cash distributions. At maturity, the Company will repay the principal amount of the Series U Bonds, Series V Bonds, Series W Bonds, Series X Bonds, Series Z Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds, Series DD Bonds, Series EE Bonds, Series FF Bonds, Series GG Bonds, Series HH Bonds, Series II Bonds and Series JJ Bonds. At maturity, the Company will repay the principal of, and all accrued and unpaid interest on, the Series U-1 Bonds, Series V-1 Bonds, Series W-1 Bonds, Series X-1 Bonds, Series Z-1 Bonds, Series AA-1 Bonds, Series BB-1 Bonds, Series CC-1 Bonds, Series DD-1 Bonds, Series EE-1 Bonds, Series FF-1 Bonds, Series GG-1 Bonds, Series HH-1 Bonds, Series II-1 Bonds and Series JJ-1 Bonds. Interest will accrue on the basis of a 360-day year consisting of twelve 30-day months.

The Series U Bonds, Series U-1 Bonds, Series AA Bonds, Series AA-1 Bonds, Series FF Bonds and Series FF-1 Bonds will mature on the first anniversary of the issuance date. The Series V Bonds, Series V-1 Bonds, BB Bonds, Series BB-1 Bonds, Series GG Bonds and Series GG-1 Bonds will mature on the third anniversary of the issuance date. The Series W Bonds, Series W-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series HH Bonds and Series HH-1 Bonds will mature on the fifth anniversary of the issuance date. The Series X Bonds, Series X-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series II Bonds and Series II-1 Bonds will mature on the seventh anniversary of the issuance date. The Series Z Bonds, Series Z-1 Bonds, Series EE Bonds, Series EE-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds will mature on the eleventh anniversary of the issuance date. We may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in our sole discretion. We will send written notice to each Bondholder, no more than 210 days and no less than 60 days prior to the maturity date of such Bonds, of the pending maturity of such Bonds and notifying the Bondholder whether the maturity of such Bonds will be extended; provided that we may elect to extend or not extend the maturity of any Bonds at any time prior to the date that is 60 days prior to the maturity date of such Bonds (as may have been previously extended) regardless of any election contained in a prior notice to any Bondholder.

THE REQUIRED INTEREST PAYMENTS AND PRINCIPAL PAYMENT ARE NOT A GUARANTY OF ANY RETURN TO YOU NOR ARE THEY A GUARANTY OF THE RETURN OF YOUR INVESTED CAPITAL. While our Company is required to make interest payments and principal payment as described in the Indenture and above, we do not intend to establish a sinking fund to fund such payments. Therefore, our ability to honor these obligations will be subject to our ability to generate sufficient cash flow or procure additional financing in order to fund those payments. If we cannot generate sufficient cash flow or procure additional financing to honor these obligations, we may be forced to sell some or all of the Company's assets to fund the payments. We cannot guarantee that the proceeds from any such sale will be sufficient to make the payments in their entirety or at all. If

we cannot fund the above payments, Bondholders will have claims against us with respect to such violation as further described under the Indenture.

Optional Redemption

We may redeem the Bonds, in whole or in part, without penalty at any time. Any redemption of a Bond will be at an amount equal to the then outstanding principal on the Bonds being redeemed, plus any accrued but unpaid interest on such Bonds. If we plan to redeem the Bonds, we are required to give notice of redemption not less than 5 days nor more than 60 days prior to any redemption date to each Bondholder subject to redemption at such Bondholder's address appearing in the securities register maintained by the Registrar. In the event we elect to redeem less than all of any class or series of the Bonds, the particular Bonds to be redeemed will be selected by us, in our sole discretion.

Mandatory Redemption; Repurchase at the Option of the Holders

We will not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds. We will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise. See "*Risk Factors—Risks Related to the Bonds and to this Offering—Holders of Bonds do not have the right to require us to redeem their Bonds*."

Merger, Consolidation or Sale

We may consolidate or merge with or into any other corporation or entity, and we may sell, lease or convey all or substantially all of our assets to any corporation or entity, provided that no event of default under the Indenture shall have occurred and be continuing, and provided further that the successor entity, if other than us:

- is organized and existing under the laws of the United States of America or any U.S. state or the District of Columbia; and

- assumes all of our obligations to perform and observe all of our obligations under the Bonds and the Indenture.

Restrictions on Transferability

There are substantial restrictions on the transferability of the Bonds under the terms of the Indenture, the Subscription Agreement and applicable state and federal securities laws. Before selling or transferring a Bond, a Bondholder must obtain the written consent of the Managers and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws and regulations. There is no market for the Bonds, and it is highly unlikely that any market for the Bonds will develop, and Investors should view the Bonds as solely a long-term investment.

The Bonds offered under this Memorandum have not been registered under the Securities Act nor by the securities regulatory authority of any state. The Bonds may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available.

Future Issuances

We may, from time to time, without notice to or consent of the Bondholders, increase the aggregate principal amount of any series of the Bonds outstanding by issuing additional bonds in the future with the same terms of such series of Bonds, except for the issue date and offering price, and such additional bonds shall be consolidated with the applicable series of Bonds and form a single series. No consent of the Bondholders is required under the Bonds for the issuance of additional series of Bonds, including such additional series which may have payment priority superior to current Bonds.

Events of Default

The following are events of default under the Indenture with respect to the Bonds:

- default in the payment of any interest on the Bonds when due and payable, which default continues for 60 days;

- default in the payment of any principal of or premium on the Bonds when due, which default continues for 60 days;

- default in the performance of any other obligation or covenant contained in the Indenture or the Bonds, which default continues for 120 days after written notice from the trustee or the holders of a majority in principal amount of the Bonds then outstanding;

- entry by any court having jurisdiction over the Company of a final and non-appealable judgment or order for the payment of money in excess of $75.0 million (before the application of any pre-judgment interest), singly or in the aggregate for all such final judgments or orders against the Company; and

- specified events of bankruptcy, insolvency or reorganization involving the Company.

We are required to give prompt written notice to the trustee of any fact known to us that would prohibit us from making any payment to or by the trustee in respect of the Bonds. Moreover, within 120 days after the end of each fiscal year, we are required to deliver a certificate to the trustee stating whether or not, to the signatory's best knowledge, we are in default in the performance and observance of any of the terms, provisions and conditions of the Indenture and, if we are in default, specifying all such defaults and the nature and status thereof of which the signatory may have knowledge. The trustee will promptly deliver to the Bondholders a written notification of any event of default; *provided, however*, that in the case of a default in the performance of any other obligation or covenant contained in the Indenture or the Bonds, the trustee will not deliver to the Bondholders a written notification until at least 30 days after the occurrence thereof.

Remedies if an Event of Default Occurs

Subject to any respective cure period, if an event of default occurs and is continuing, the Bondholders of not less than a majority in aggregate principal amount of the Bonds outstanding may declare the principal thereof, premium, if any, and all unpaid interest thereon to be due and payable immediately.

At any time after the Bondholders have accelerated the repayment of the principal, premium, if any, and all unpaid interest on the Bonds, but before the Bondholders have obtained a judgment or decree for payment of money due, the Bondholders of a majority in aggregate principal amount of outstanding Bonds may rescind and annul that acceleration and its consequences, provided that all payments and/or deliveries due, other than those due as a result of acceleration, have been made and all events of default have been remedied or waived.

The Bondholders of a majority in principal amount of the outstanding Bonds may waive any default, except a default:

- in the payment of any amounts due and payable or deliverable under the Bonds; or

- in an obligation which cannot be modified without the consent of each Bondholder.

The Bondholders of a majority in principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available with respect to the Bonds, provided that such direction is not in conflict with any rule of law or the Indenture. The Bondholder has the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Bond on the respective due dates (or any redemption date, subject to certain discounts) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Bondholder.

A Bondholder will have the right to institute a proceeding with respect to the Indenture or for any remedy under the Indenture, if:

- the Bondholder previously has given to the trustee written notice of an event of default and of the continuance of such event of default;

- the Bondholders of not less than a majority in principal amount of the outstanding Bonds have made written request to the trustee to institute such action, suit or proceeding in its own name as trustee;

- such Bondholder or Bondholders have offered to reasonably indemnify the trustee against the costs, expenses and liabilities incurred in connection with such request; and

- the trustee fails to institute the proceeding within 60 days.

However, the Bondholder has the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Bond on the respective due dates (or any redemption date, subject to certain discounts) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Bondholder. It also being understood, intended and covenanted by each Bondholder and the trustee, that no one or more Bondholders shall have any right in any manner whatsoever by virtue or by availing of any provision of the Indenture to affect, disturb or prejudice the rights of any other Bondholders, or to obtain or seek to obtain priority over or preference to any other such Bondholder, or to enforce any right under the Indenture, except in the manner provided in the Indenture and for the equal, ratable and common benefit of all Bondholders.

Subordination

The payment of principal of and interest, if any, on, the Bonds will be subordinated to the prior payment in full of all Senior Indebtedness, including Senior Indebtedness created, incurred, assumed, or guaranteed after the date of the Indenture, in the manner described below.

"***Senior Indebtedness***" is defined in the Indenture as (1) the Company's secured indebtedness and (2) any other current or future indebtedness of the Company that the Company agrees, in its sole discretion, is expressly superior in rank to the Bonds.

Upon any distribution of the assets of the Company upon any dissolution or winding-up or total liquidation of the Company (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors of the Company or otherwise), all Senior Indebtedness must be paid in full prior to Bondholders being entitled to receive any payment or distribution.

Upon demand for payment being made on any Senior Indebtedness or upon maturity of any Senior Indebtedness, all principal and premium, if any, and interest and related fees and expenses associated with all such Senior Indebtedness must first be paid in full before any payment may be made on account of the Bonds unless and until such default is cured or waived or ceases to exist. Furthermore, in the case of a default with respect to any Senior Indebtedness permitting the holders thereof to accelerate maturity thereof or demand payment thereof or in the case of any default in making payment on demand of any Senior Indebtedness, no payment may be made on account of the Bonds unless and until such default is cured or waived or ceases to exist, and any payment or distribution of assets of the Company received by the Bondholders before all Senior Indebtedness is paid in full must be held in trust for the benefit of, and shall be paid over or delivered to, the holders of such Senior Indebtedness or their representatives for application to the payment of all Senior Indebtedness remaining unpaid.

Moreover, as long as any Senior Indebtedness remains outstanding, the trustee shall not, without prior written consent of the holder of the Senior Indebtedness, including Fortress:

- exercise or seek to exercise any right or remedy with respect to an event of default including any collection or enforcement right or remedy; or

- institute any action or proceeding against the Company or any of its assets including without limitation any possession, sale or foreclosure action or proceeding; or

- contest, protest or object to any enforcement proceeding or other action commenced under the Senior Indebtedness

for a period of 90 days after delivery of notice of an event of default to the holder of the Senior Indebtedness, including under the Fortress Credit Agreement (the "***Standstill Period***"). The trustee will only be permitted to

commence such enforcement proceedings upon the receipt of written consent from the holder of the Senior Indebtedness or upon the following of the expiration of the Standstill Period.

PLAN OF DISTRIBUTION

The Offering

We are offering a Maximum Offering Amount of $750,000,000 aggregate principal amount of the Bonds at a price of $1,000 per Bond. We reserve the right to increase the Maximum Offering Amount by $250,000,000 for a total maximum amount of $1,000,000,000. The Minimum Purchase is $25,000 for the Series U Bonds, Series U-1 Bonds, Series V Bonds, Series V-1 Bonds, Series W Bonds, Series W-1 Bonds, Series X Bonds, Series X-1 Bonds, Series Z Bonds and Series Z-1 Bonds. The Minimum Purchase is $500,000 for the Series AA Bonds, Series AA-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series EE Bonds and Series EE-1 Bonds. The Minimum Purchase is $1,000,000 for the Series FF Bonds, Series FF-1 Bonds, Series GG Bonds, Series GG-1 Bonds, Series HH Bonds, Series HH-1 Bonds, Series II Bonds, Series II-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds. We reserve the right to accept smaller purchase amounts in the Company's sole discretion.

This offering will terminate on the earliest of: (i) the date we sell the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by us by supplement hereto; or (iii) such date upon which we determine to terminate the offering in our sole discretion.

We have arbitrarily determined the selling price of the Bonds and such price bears no relationship to our book or asset values, or to any other established criteria for valuing issued or outstanding Bonds. The Bonds are being offered on a "commercially reasonable efforts" basis, which means generally that our Managing Broker-Dealer is required to use only its commercially reasonable efforts to sell the Bonds and it has no firm commitment or obligation to purchase any of the Bonds. The offering will continue until the offering termination. We will conduct closings to be scheduled at our discretion assuming there are funds to close, until the offering termination. If either day falls on a weekend or holiday, the closing will be conducted on the next business day. Once a subscription has been submitted and accepted by us, an investor will not have the right to request the return of its subscription payment prior to the next closing date. If subscriptions are received on a closing date but not accepted by us prior to such closing, any such subscriptions will be closed on the next closing date. It is expected that settlement will occur two business days following each closing date. Two business days after the closing date, offering proceeds for that closing will be disbursed to use and the Bonds purchased will be issued to the investors in the offering. If the Company is dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber.

Broker-Dealer and Compensation We Will Pay for the Sale of the Bonds

Our Managing Broker-Dealer will receive a Broker-Dealer Fee of up to 5.0% of the gross proceeds of the offering. Total underwriting compensation to be received by or paid to participating FINRA member Managing Broker-Dealers, including, without limitation, the Broker-Dealer Fee, will not exceed 5.0% of proceeds raised with the assistance of those participating FINRA member Managing Broker-Dealers. Certain of our employees, including Mr. Willer, are registered as associated persons of our Managing Broker-Dealer and will be paid a portion of the Broker-Dealer Fee as sales compensation with respect to the sales of the Bonds. As part of our previous engagement with Dalmore Group, we paid Dalmore Group a minor one-time advance set up fee to cover reasonable out-of-pocket accountable expenses that were anticipated to be incurred.

Set forth below are tables indicating the estimated compensation and expenses that have been or may be paid in connection with the offering to our broker-dealers.

Offering:	Per Bond	Maximum Offering Amount
Price to investor:	$ 1,000	$ 750,000,000
Less Broker-Dealer Fee[(1)]:	$ 50	$ 37,500,000
Remaining Proceeds:	$ 950	$ 712,500,000

(1) The Broker-Dealer Fee may be less than 5.0% of the gross proceeds. Certain of our personnel, including Mr. Willer, who are licensed registered representatives of the Managing Broker-Dealer will be paid a portion of the Broker-Dealer Fee of up to 4.0% of the gross proceeds of the sale of the Bonds.

We have agreed to indemnify our Managing Broker-Dealer and selected registered investment advisors, against certain liabilities arising under the Securities Act. However, the SEC takes the position that indemnification against liabilities arising under the Securities Act is against public policy and is unenforceable.

In accordance with the rules of FINRA, the table above sets forth the nature and estimated amount of all items that will be viewed as "underwriting compensation" by FINRA that are anticipated to be paid by us in connection with the offering. The amounts shown assume we sell all the Bonds offered hereby.

It is illegal for us to pay or award any commissions or other compensation to any person engaged by you for investment advice as an inducement to such advisor to advise you to purchase the Bonds; however, nothing herein will prohibit a registered broker-dealer or other properly licensed person from earning a sales commission in connection with a sale of the Bonds.

Discounts for Bonds Purchased by Certain Persons

We may forego paying the Broker-Dealer Fee, or pay a reduced Broker-Dealer Fee in connection with the sale of Bonds in this offering to:

- registered principals or representatives of our dealer-manager or a participating broker (and immediate family members of any of the foregoing persons);
- our employees, officers and directors or those of our Managers, or the affiliates of any of the foregoing entities (and the immediate family members of any of the foregoing persons), any benefit plan established exclusively for the benefit of such persons or entities, and, if approved by our board of directors, joint venture partners, consultants and other service providers;
- clients of an investment advisor registered under the Investment Advisers Act or under applicable state securities laws (other than any registered investment advisor that is also registered as a broker-dealer, with the exception of clients who have "wrap" accounts which have asset based fees with such dually registered investment advisor/broker-dealer); or
- persons investing in a bank trust account with respect to which the authority for investment decisions made has been delegated to the bank trust department.

For purposes of the foregoing, "immediate family members" means such person's spouse, parents, children, brothers, sisters, grandparents, grandchildren and any such person who is so related by marriage such that this includes "step-" and "-in-law" relations as well as such persons so related by adoption.

In addition, participating brokers contractually obligated to their clients for the payment of fees on terms inconsistent with the terms of acceptance of all or a portion of the Broker-Dealer Fees may elect not to accept all or a portion of such compensation. In that event, such Bonds will be sold to the investor at a per Bond purchase price, net of all or a portion of selling commissions. The net proceeds to us will not be affected by reducing or eliminating Broker-Dealer Fees payable in connection with sales to or through the persons described above. Purchasers purchasing net of some or all of the Broker-Dealer Fees will receive Bonds in principal amount of $1,000 per Bond purchased.

Either through this offering or subsequently on any secondary market, affiliates of our Company may buy Bonds if and when they choose. There are no restrictions to these purchases. Affiliates that become Bondholders will have rights on parity with all other Bondholders.

Who May Invest

We will offer and sell the Bonds in reliance on an exemption from the registration requirements of the Securities Act and state securities laws pursuant to Rule 506(c) of Regulation D. Accordingly, sales of the Bonds will be strictly limited to persons who (i) are verified to be "accredited investors" and (ii) meet the requirements and make the representations set forth below and in the Subscription Agreement. We reserve the right, in our sole

discretion, to reject any subscription based on any information that may become known or available to us about the suitability of a prospective investor (an "***Investor***") or for any other reason.

An investment in the Bonds involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Only Investors who (i) purchase the Minimum Purchase as set forth in this Memorandum and (ii) represent in writing that they are "accredited investors" (as defined under Rule 501 of Regulation D) and meet the Investor suitability and verification requirements set by us and as may be required under federal or state law, may acquire Bonds. The written representations you make will be reviewed to determine your suitability.

The Investor Suitability Requirements stated below represent minimum suitability requirements established for investors in Bonds. However, your satisfaction of these requirements will not necessarily mean that the Bonds are a suitable investment for you, or that we will accept you as a Bondholder. Furthermore, we may modify such requirements in our sole discretion, and such modifications may raise the suitability requirements for Investors.

You must represent in writing that you meet, among others, all of the following requirements (the "***Investor Suitability Requirements***"):

(a) You have received, read and fully understand the Memorandum and are basing your decision to invest solely on the information contained in the Memorandum. You have relied only on the information contained in the Memorandum and have not relied on any representations made by any other person.

(b) You have such knowledge of, and experience in, financial and business matters as to be capable of:

(A) evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Company; and

(B) protecting his, her or its interests in connection with that investment. You acknowledge that an investment in the Company involves a high degree of risk.

(c) You may be required to hold the Bonds indefinitely or to transfer the Bonds in "private placements" that are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of an Investor. You acknowledge that, as a consequence, you must bear the economic risks of the investment in the Bonds for an indefinite period of time.

(d) You understand that the Bonds are, and will remain, illiquid. You have reviewed your financial condition and commitments, and discussed those matters with advisors to the extent that you consider necessary. Based on that review, you are satisfied that you (A) have adequate means of providing for your financial needs without selling, transferring or otherwise disposing of any the Bonds and (B) are capable of bearing the economic risk of (y) investing in the Bonds for an indefinite period of time and (z) the possible loss of all or part of your investment in the Bonds.

(e) You are acquiring the Bonds for your own account, and not with a view to, or for, resale or distribution in violation of the Securities Act, the securities laws of any U.S. state or the securities Laws of any other applicable jurisdiction. No individual, corporation, association, partnership, estate, trust or any other entity or organization (a "***Person***") has a direct or indirect beneficial interest in the Bonds to be issued to you under our operating agreement and, other than our operating agreement, you do not have any contract, understanding, agreement or arrangement with any Person to sell, assign, transfer or otherwise dispose of any the Bonds to any Person.

(f) You are an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act if you meet one of the following tests you qualify as an Accredited Investor:

(i) you are a natural person who has had individual income in excess of $200,000 in each of the two most recent years, or joint income with your spouse (or spousal equivalent) in excess of $300,000

in each of these years, and have a reasonable expectation of reaching the same income level in the current year;

(ii) you are a natural person and your individual net worth, or joint net worth with your spouse (or spousal equivalent), exceeds $1,000,000 at the time you purchase the Bonds (please see below on how to calculate your net worth);

(iii) you are an executive officer, director, trustee, general partner or advisory board member of the issuer or a person serving in a similar capacity as defined in the Investment Company Act, or a manager or executive officer of the general partner of the issuer;

(iv) you are an investment adviser registered pursuant to Section 203 of the Investment Advisers Act or an exempt reporting adviser as defined in Section 203(1) or Section 203(m) of that act, or an investment adviser registered under applicable state law;

(v) you are an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Code, a corporation, a Massachusetts or similar business trust or a partnership or a limited liability company, not formed for the specific purpose of acquiring the Bonds, with total assets in excess of $5,000,000;

(vi) you are an entity, with investments, as defined under the Investment Company Act, exceeding $5,000,000, and you were not formed for the specific purpose of acquiring the Bonds;

(vii) you are a bank or a savings and loan association or other institution as defined in the Securities Act, a broker or dealer registered pursuant to Section 15 of the Exchange Act, an insurance company as defined by the Securities Act, an investment company registered under the Investment Company Act, or a business development company as defined in that act, any Small Business Investment Company licensed by the Small Business Investment Act of 1958, any Rural Business Investment Company as defined in the Consolidated Farm and Rural Development Act of 1961 or a Private Business Development Company as defined in the Investment Advisers Act;

(viii) you are an entity with investments of not less than $5,000,000 (including an Individual Retirement Account trust) in which each equity owner is an accredited investor;

(ix) you are a trust with total assets in excess of $5,000,000, your purchase of the Bonds is directed by a person who either alone or with his purchaser representative(s) (as defined in Regulation D promulgated under the Securities Act) has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, and you were not formed for the specific purpose of investing in the Bonds;

(x) you are a family client of a family office, as defined in the Investment Advisers Act, with total assets not less than $5,000,000, your purchase of the Bonds is directed by a person who has such knowledge and experience in financial and business matters that the family office is capable of evaluating the merits and risks of the prospective investment, and the family office was not formed for the specific purpose of investing in the Bonds;

(xi) you are a "family office," as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, with (i) assets under management in excess of $5 million, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has the knowledge and experience capable of evaluating the merits and risks of the prospective investment will now qualify as an accredited investor; or

(xii) you are a holder in good standing of certain professional certifications or designations, including the Financial Industry Regulatory Authority, Inc. Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), or Licensed Private Securities Offerings Representative (Series 82) certifications.

(g) You also certify that neither you nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:

(i) is a Sanctioned Person (as defined below);

(ii) has more than 15% of its assets in Sanctioned Countries (as defined below); or

(iii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

For purposes of the foregoing, a "***Sanctioned Person***" means: (a) a person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("***OFAC***") athttps://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx, or as otherwise published from time to time; or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country or (iii) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

A "**Sanctioned Country**" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx, or as otherwise published from time to time.

NOTE: For the purposes of calculating your net worth, Net Worth is defined as the difference between total assets and total liabilities. This calculation must exclude the value of your primary residence and may exclude any indebtedness secured by your primary residence (up to an amount equal to the value of your primary residence). In the case of fiduciary accounts, net worth and/or income suitability requirements may be satisfied by the beneficiary of the account or by the fiduciary, if the donor or grantor is the fiduciary and the fiduciary directly or indirectly provides funds for the purchase of the Bonds.

SEC Rule 506(c) requires an issuer to take "reasonable steps" to verify that each investor in this offering is accredited. If an investor does not provide information reasonably required by the Company to verify the accredited status of the Investor, or if the Company does not believe an investor's accredited status has been verified, then the investor will not be permitted to invest, regardless of whether the investor is actually accredited. The Subscription Agreement requires a prospective investor to submit such verification information to the Company, our Managing Broker-Dealer, or any third party verification service selected by the Company.

IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, IMMEDIATELY RETURN THIS MEMORANDUM TO US OR THE APPLICABLE SELLING GROUP MEMBER. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL BONDS TO YOU.

Discretion of the Managers. The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Company, for the Bondholders. Accordingly, the satisfaction of applicable requirements by an Investor will not necessarily mean that the Bonds are a suitable investment for such Investor, or that the Company will accept the Investor as a subscriber. Furthermore, the Company may modify such requirements at its sole and absolute discretion for all or certain Investors, and any such modification may raise the suitability requirements for Investors; provided, however that no modification will permit a non-accredited investor, or an Accredited Investor for whom the Company has not taken reasonable steps to verify accredited status, to invest in this offering.

The written representations you make will be reviewed to determine your suitability. The Company may, in its sole and absolute discretion, refuse a subscription for Bonds if it believes that an Investor does not meet the applicable Investor Suitability Requirements, the Bonds otherwise constitute an unsuitable investment for the Investor, or for any other reason.

How to Invest

Subscription Agreement

If, after carefully reading this entire Memorandum, including the information incorporated by reference herein, obtaining any other information available hereby and being fully satisfied with the results of pre-investment due diligence activities, you would like to purchase Bonds, you should complete and sign the Subscription Agreement as attached hereto as Exhibit A. All investors will be required to complete and execute a Subscription Agreement. The Subscription Agreement may be submitted in paper form or electronically. Paper subscriptions should be delivered to Phoenix Capital Group Holdings, LLC, Attn: Lindsey Wilson, 18575 Jamboree Road, Suite 830, Irvine, CA 92612. Subscriptions may also be submitted electronically at invest.phxcapitalgroup.com. Generally, when submitting a subscription agreement electronically, a prospective investor will be required to agree to various terms and conditions by checking boxes and to review and electronically sign any necessary documents. You may pay the purchase price for your bonds by check, ACH or wire of your subscription purchase price in accordance with the instructions in the subscription agreement. ACH payments are the Company's preferred method of subscription payment delivery. An investor must purchase at least the Minimum Purchase. However, the Company, in its sole discretion, reserves the right to accept smaller purchase amounts. All checks should be made payable to "Phoenix Capital Group Holdings, LLC."

You will be required to represent and warrant in your Subscription Agreement or order form that you are an "accredited investor" as defined under Rule 501 of Regulation D. We are required as an issuer under SEC Rule 506(c) to take "reasonable steps" to verify that each investor in this offering is accredited. Our Company, the Managing Broker-Dealer or our affiliates will perform the accredited investor verification required by SEC Rule 506(c) for this offering, using verification methods deemed to be reasonable and satisfactory under Rule 506(c), and will provide a certificate prior to each closing certifying the accredited investor status of each investor. See "*Who May Invest*" for more information. By completing and executing your Subscription Agreement or order form you will also acknowledge and represent that you have received a copy of this Memorandum, you are acquiring the Bonds for your own account and that your rights and responsibilities regarding your Bonds will be governed by the Form of Bond and Indenture, each included as an exhibit to this Memorandum.

Upon receipt of the signed Subscription Agreement and full payment for the Bonds to be purchased, verification of your investment qualifications by the Company, and acceptance of the Investor's purchase by the Company (in the Managers' sole and absolute discretion), the Company will notify each Investor of receipt and acceptance of the purchase and issue a Bond in appropriate form. In the event the Company does not accept an Investor's purchase of the Bonds for any reason, the Company will promptly return the payment to such subscriber.

The Company will conduct closings, the "closing dates," and each, a "closing date," in this offering to be scheduled at our discretion until the offering termination. Once a subscription has been submitted and accepted by us, an investor will not have the right to request the return of its subscription payment prior to the closing date. It is expected that settlement will occur on the same day as each closing date. If we are dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber.

Instructions for subscribing for the Bonds are in the Subscription Agreement. All subscription payments should be payable and completed as follows:

Wire or ACH:

Receiving Financial Institution:	Amarillo National Bank
Routing Number:	111300958
Beneficiary:	Phoenix Capital Group Holdings, LLC
Beneficiary Address:	18575 Jamboree Road, Suite 830, Irvine, CA 92612
Account Number:	319279

Mail:

All checks should be made payable to "Phoenix Capital Group Holdings, LLC" and sent to Phoenix Capital Group Holdings, LLC, Attn: Investor Relations, 4643 S Ulster Street, Suite 1510, Denver, CO 80237.

Book-Entry, Delivery and Form

The Bonds purchased will be registered in book-entry form on our books and records. The ownership of Bonds will be reflected on our books and records.

Under the book-entry format, we, as paying agent, will pay interest or principal payments directly to beneficial owners of Bonds.

The Trustee

UMB Bank, N.A. has agreed to be the trustee under the Indenture. The Indenture contains certain limitations on the rights of the trustee, should it become one of our creditors, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any claim as security or otherwise. The trustee will be permitted to engage in other transactions with us and our affiliates.

The Indenture provides that in case an event of default specified in the Indenture shall occur and not be cured, the trustee will be required, in the exercise of its power, to use the degree of care of a reasonable person in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Bondholder, unless the Bondholder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Resignation or Removal of the Trustee.

The trustee may resign at any time or may be removed by the holders of a majority of the principal amount of then-outstanding Bonds. In addition, upon the occurrence of contingencies relating generally to the insolvency of the trustee, we may remove the trustee, or a court of competent jurisdiction may remove the trustee, upon petition of a holder of certificates. However, no resignation or removal of the trustee may become effective until a successor trustee has been appointed.

We are offering the Bonds pursuant to an exemption to the Trust Indenture Act of 1939, or the Trust Indenture Act. As a result, investors in the Bonds will not be afforded the benefits and protections of the Trust Indenture Act. However, in certain circumstances, the Indenture makes reference to the substantive provisions of the Trust Indenture Act.

Registrar and Paying Agent

We are the designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. The Bonds will be issued in book-entry form only, evidenced by global certificates.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain material U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the Bonds issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax consequences. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "***Code***"), current, temporary and proposed U.S. Treasury regulations issued under the Code, or collectively the Treasury Regulations, the legislative history of the Code, Internal Revenue Service (the "***IRS***") rulings, pronouncements, interpretations and practices, and judicial decisions now in effect, all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a Bondholder. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such Bondholder's particular circumstances or to Bondholders subject to special rules, including, without limitation:

- a broker-dealer or a dealer in securities or currencies;
- an S corporation;
- a bank, thrift or other financial institution;
- a regulated investment company or a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person subject to the alternative minimum tax provisions of the Code;
- a person holding the Bonds as part of a hedge, straddle, conversion, integrated or other risk reduction or constructive sale transaction;
- a partnership or other pass-through entity;
- a person deemed to sell the Bonds under the constructive sale provisions of the Code;
- a "controlled foreign corporation," "passive foreign investment company" and corporations that accumulate earnings to avoid U.S. federal income tax;
- a person subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement;
- a U.S. person whose "functional currency" is not the U.S. dollar; or
- a U.S. expatriate or former long-term resident.

In addition, this discussion is limited to persons that purchase the Bonds in this offering for cash and that hold the Bonds as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address the effect of any applicable state, local, non-U.S. or other tax laws, including gift and estate tax laws or the impact of the Medicare contribution tax on net investment income.

As used herein, "U.S. Holder" means a beneficial owner of the Bonds that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons that have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Bonds, the tax treatment of an owner of the entity generally will depend upon the status of the particular owner and the activities of the entity. If you are an owner of an entity treated as a partnership for U.S. federal income tax purposes, you should consult your tax advisor regarding the tax consequences of the purchase, ownership and disposition of the Bonds.

We have not sought and will not seek any rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Bonds or that any such position would not be sustained.

THIS SUMMARY OF MATERIAL FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE TAX CONSIDERATIONS DISCUSSED BELOW TO THEIR PARTICULAR SITUATIONS, POTENTIAL CHANGES IN APPLICABLE TAX LAWS AND THE APPLICATION OF ANY STATE, LOCAL, FOREIGN OR OTHER TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS, AND ANY TAX TREATIES.

U.S. Holders

Interest

A U.S. Holder generally will be required to recognize and include in gross income any stated interest as ordinary income at the time it is paid or accrued on the Bonds in accordance with such holder's method of accounting for U.S. federal income tax purposes.

The Company may elect to extend the maturity date of the Bonds for up to two additional one-year periods, and the Bonds will bear interest at a rate 1.0% more than the original interest rate during the first one-year extension period and will bear interest at a rate 2.0% more than the original interest rate during the second one-year extension period. See "*Description of Bonds—Interest and Maturity*." A Bond may be treated as issued with original issue discount ("***OID***") for U.S. federal income tax purposes if there are payments on the Bond which are not unconditionally payable in cash or in property, such as the additional interests payable during the extension periods. If a Bond is issued with OID, the U.S. Holder generally will be required to include OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method, regardless of the regular method of accounting for U.S. federal income tax purposes, and as a result the U.S. Holder generally will include any OID in income in advance of the receipt of cash attributable to such income. However, solely for purposes of determining whether a Bond has OID, the Company will generally be deemed to exercise (or not exercise) any unconditional call option, such as the Company's option to extend the maturity of the Bond, in a way that minimizes the yield on the Bond. We intend to take the position that, for purposes of determining whether the Bonds have OID, the Company will be deemed not to extend the maturity of the Bonds and, that, as a result, there will be no additional interest or OID on the Bonds. The reference to "stated interest" refers to the original stated interest. The remainder of this discussion assumes that the Bonds will not be treated as issued with OID. U.S. Holders are urged to consult their tax advisors regarding the application of the aforementioned rules to the Bonds and the consequences thereof.

Sale or Other Taxable Disposition of the Bonds

A U.S. Holder will recognize gain or loss on the sale, exchange, redemption (including a partial redemption), retirement or other taxable disposition of a Bond equal to the difference between the sum of the cash and the fair market value of any property received in exchange therefore (less a portion allocable to any accrued and unpaid stated interest, which generally will be taxable as ordinary income if not previously included in such holder's income) and the U.S. Holder's adjusted tax basis in the Bond. A U.S. Holder's adjusted tax basis in a Bond (or a portion thereof) generally will be the U.S. Holder's cost therefore decreased by any payment on the Bond other than

a payment of qualified stated interest. This gain or loss will generally constitute capital gain or loss. In the case of a non-corporate U.S. Holder, including an individual, if the Bond has been held for more than one year, such capital gain may be subject to reduced federal income tax rates. The deductibility of capital losses is subject to certain limitations.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives interest and principal payments on the Bonds or proceeds upon the sale or other disposition of such Bonds (including a redemption or retirement of the Bonds). Certain holders (including, among others, corporations and certain tax-exempt organizations) generally are not subject to information reporting or backup withholding. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- such holder fails to furnish its taxpayer identification number, or TIN, which, for an individual is ordinarily his or her social security number;
- the IRS notifies the payor that such holder furnished an incorrect TIN;
- in the case of interest payments such holder is notified by the IRS of a failure to properly report payments of interest or dividends;
- in the case of interest payments, such holder fails to certify, under penalties of perjury, that such holder has furnished a correct TIN and that the IRS has not notified such holder that it is subject to backup withholding; or
- such holder does not otherwise establish an exemption from backup withholding.

A U.S. Holder should consult its tax advisor regarding its qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability or may be refunded, provided the required information is furnished in a timely manner to the IRS.

Non-U.S. Holders

For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of the Bonds that is neither a U.S. Holder nor an entity treated as a partnership for U.S. federal income tax purposes.

Interest

Interest paid on a Bond to a Non-U.S. Holder that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax, or withholding tax of 30% (or such lower rate specified by an applicable income tax treaty), provided that:

- the Non-U.S. Holder does not, actually or constructively, own 10% or more of our capital or profits;
- the Non-U.S. Holder is not a controlled foreign corporation related to us through actual or constructive stock ownership; and
- either (1) the Non-U.S. Holder certifies in a statement provided to us or other applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Bond on behalf of the Non-U.S. Holder certifies to us or other applicable withholding agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement under penalties of perjury that such holder is not a United States person and provides a copy of such statement to us or other applicable withholding agent; or (3) the Non-U.S. Holder holds its Bond

directly through a "qualified intermediary" (within the meaning of applicable Treasury Regulations) and certain conditions are satisfied.

If a Non-U.S. Holder does not satisfy the requirements above, such Non-U.S. Holder may be entitled to a reduction in or an exemption from withholding on such interest as a result of an applicable tax treaty. To claim such entitlement, the Non-U.S. Holder must provide us or other applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an income tax treaty between the United States and the country in which the Non-U.S. Holder resides or is established.

If interest paid to a Non-U.S. Holder is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such interest is attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to us or other applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on a Bond is not subject to withholding tax because it is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States.

Any such effectively connected interest generally will be subject to U.S. federal income tax at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected interest, as adjusted for certain items.

The certifications described above must be provided to us or other applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond (such amount excludes any amount allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules discussed above in "***—Interest***") unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable); or

- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a foreign corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of interest generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder certifies its non-U.S. status as described above under "—Interest." However, information returns are required to be filed with the IRS in connection with any interest paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of a Bond (including a retirement or redemption of the Bond) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the statement described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of a Bond paid outside the United States and conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "***FATCA***") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on payments of interest on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, a Bond paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of interest on a Bond. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of a Bond on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in the Bonds.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and, in certain instances, holding of the Bonds, or any interest therein, by (i) employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), (ii) plans described in Section 4975 of the Code which are subject to Section 4975 of the Code (including an individual retirement account ("***IRA***")) or provisions under other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (collectively, "***Similar Laws***"), and (iii) entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each of (i), (ii) and (iii), a "***Plan***").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (each, a "***Covered Plan***") and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises discretionary authority or control over the administration of a Covered Plan or the management or disposition of the assets of a Covered Plan, or who renders investment advice for a fee or other compensation to a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

When considering an investment in the Bonds, or any interest therein, with the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code and any Similar Laws relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any applicable Similar Laws.

Plan fiduciaries should consider the fact that none of the Company or any of its affiliates (the "***Transaction Parties***") is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase and/or hold the Bonds, or any interest therein. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to such decision to purchase the Bonds, or any interest therein.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 406 of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an IRA. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code.

The acquisition and/or holding of the Bonds, or any interest in therein, by a Covered Plan with respect to which a Transaction Party is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. Included among these statutory exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, which exempt certain transactions (including, without limitation, a sale and purchase of securities) between a Covered Plan and a party in interest so long as (i) such party in interest is treated as such solely by reason of providing services to the Covered Plan, (ii) such party in interest is not a fiduciary which renders investment advice, or has or exercises discretionary authority or control, with respect to the plan assets involved in such transaction, or an affiliate of any such person and (iii) the Covered Plan neither receives less than nor pays more than "adequate consideration" (as defined in such Sections) in connection with such transaction. In addition, the U.S. Department of Labor has issued prohibited transaction class exemptions ("***PTCEs***") that may apply to the acquisition and holding of the Bonds. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance

company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Covered Plans considering acquiring and/or holding the Bonds in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Government plans, foreign plans and certain church plans, while not subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws. Fiduciaries of such Plans should consult with their counsel before acquiring the Bonds, or any interest in the Bonds.

Because of the foregoing, the Bonds, or any interest in the Bonds, should not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase and holding will not constitute a nonexempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representations

Accordingly, by its acceptance of a Bond, or any interest therein, each purchaser and holder a of Bond, or interest therein, and any subsequent transferee of a Bond, or any interest therein, will be deemed to have represented and warranted that (a) either (i) such purchaser or subsequent transferee is not, and is not using the assets of, a Plan to acquire or hold the Bond, or any interest therein, or (ii) the purchase and holding of a Bond, or any interest therein, by such purchaser or transferee does not, and will not, constitute a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) none of the Transaction Parties is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the Bonds or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing and/or holding of the Bonds, or any interest therein, on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code or any Similar Law and whether an exemption would be required. Neither this discussion nor anything provided in this offering circular is, or is intended to be, investment advice directed at any potential Plan purchasers, or at Plan purchasers generally, and such purchasers of the Bonds should consult and rely on their own counsel and advisers as to whether an investment in the Bonds, or any interest therein, is suitable for the Plan.

ADDITIONAL INFORMATION

The Managers will answer inquiries from prospective subscribers concerning the Company and other matters relating to the offer and sale of the Bonds, and the Managers will afford prospective subscribers the opportunity to obtain any additional information to the extent the Managers possess such information or can acquire such information without unreasonable effort or expense.

PRIVATE PLACEMENT MEMORANDUM

PHOENIX CAPITAL GROUP HOLDINGS, LLC

August 20, 2024

This Memorandum was prepared solely for use in connection with the offering. Recipients of this Memorandum may not distribute it or disclose the contents of it to anyone without the prior written consent of Phoenix Capital Group Holdings, LLC, other than to persons who advise potential investors in connection with the offering, or otherwise use the same for any purpose other than evaluation by such prospective investor of the offering. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to Phoenix Capital Group Holdings, LLC or its representatives upon request if the recipient does not purchase any of the Bonds offered hereby or if the offering is withdrawn or terminated.

This Memorandum supersedes in its entirety any prior private placement memorandum or other investment information (including any offering document, marketing information or supplement to any of the foregoing) provided by Phoenix Capital Group Holdings, LLC and its representatives and agents.

The information in this Memorandum is current only as of the above date and may change after that date.
