

On June 1st, 2013, FINRA implemented Rule 5270 which prohibits FINRA member broker-dealers from executing orders to buy or sell certain securities or related financial instruments when the member has material, non-public information concerning an imminent block transaction in those securities, related financial instruments, or securities underlying the related financial instruments prior to the time information concerning the block transaction has been made publicly available or has otherwise become stale or obsolete. The Rule permits certain exceptions to this prohibition, including transactions that are undertaken to fulfill or facilitate the execution of a client block order.

Brean Capital, LLC (“Brean”) may rely on the Rule’s exceptions while effecting block orders for its clients. In connection with the handling of your block orders, Brean may engage in hedging, offsetting, liquidating, facilitating, or positioning transactions (“risk-mitigating transactions”) that may occur at the same time or in advance of your order, and these activities may have an impact on market prices. Beyond these risk-mitigating transactions, Brean will refrain from any conduct that could disadvantage or harm the execution of your orders or that would place Brean’s financial interests ahead of yours.

Unless you inform Brean otherwise in writing (“opt out”), we will conclude that you understand that Brean may engage in risk-mitigating transactions in connection with your orders and we will conclude that you have given your consent to Brean to handle your block transactions as described above. You may choose to opt out by providing written notice to Brean’s Operations Department at 505 5th Avenue, 5th Floor, New York, NY, 10017, or, operations@breancapital.com. If you have any questions regarding the Rule please contact your Brean Capital Sales Representative.

Brean Capital, LLC. Member of FINRA and SIPC.