

1. INTRODUCTION

B. Riley Securities, Inc. ("BRS") is a broker-dealer registered with the Securities Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

Brokerage and investment advisory services and fees differ; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS which also provides educational materials about broker-dealers, investment advisers, and investing.

2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

BRS offers brokerage services to retail investors; we do not provide investment advisory services. Our brokerage services include buying and selling securities, traditional investment accounts, retirement accounts, securities-based lending (margin), public and private syndicate offerings, proprietary investment research, and alternative products.

Our affiliates include B. Riley Wealth Management, Inc., which provides brokerage services to retail investors, B. Riley Wealth Advisors, Inc. and B. Riley Wealth Portfolio Advisers, LLC, which provide investment advisory services to retail investors. Our affiliates offer different investment options and services. To access our affiliates' Form CRS, please visit <https://brileyfin.com/capabilities/wealth/disclosures>.

We can recommend which securities to buy or sell, but the decision to buy or sell is yours and is non-discretionary. You are free to accept or reject any recommendation we make. Commissions are charged per transaction. We will deliver a trade confirmation for each trade executed in your account and account statements will be delivered to you no less than quarterly, in either paper or electronic format. We do not provide on-going monitoring of brokerage accounts and we do not require an account minimum to open a brokerage account. There are limitations to our menu of investment products; for example, certain foreign stocks, or futures, forwards or swaps are not available.

For more information about our services, please visit https://brileysecurities.net/BRS_Reg_BI_Disclosure.pdf

CONVERSATION STARTER – ask your financial professional:

- *Given my financial situation, should I choose a brokerage service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**3.1. What Fees Will I Pay?**

Opening a brokerage account means that you will pay a transaction-based fee, or commission, every time you buy or sell a security. Commissions are charged regardless of whether a trade is profitable. A variation of a commission is a markup or markdown. This is a charge for a security trade where we sell to you from our firm inventory or buy from you for our firm inventory. In this instance we are acting as a "principal". A markup is added to our cost and then the sales price to you is the sum of those items. Likewise, when we buy from you, the markdown is subtracted from the price we pay to you. There may also be other fees associated with each transaction, such as ticket charges passed on from our clearing firm.

Fees for products like mutual funds and alternative investments are discussed in detail in the "prospectus" or offering documents respectively. If we lend you money on your securities, called "margin", you will be charged a margin interest.

Because we earn money from your transactions to buy and sell securities, and from lending money to you to buy and sell securities, the more you trade and the more you borrow, the more money we make. This may create an incentive for us to encourage or recommend you trade more frequently. Other fees and costs are applicable to your brokerage account(s) may include maintenance fees, inactivity fees and/or similar types of fees. These fees are charged by our clearing firm.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For more information on fees and costs, please visit https://brileysecurities.net/BRS_Fee_Schedule.pdf

CONVERSATION STARTER – ask your financial professional:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

3.2. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we must act in your best interest and not put our interests ahead of yours. At the same time, the way we make money conflicts with your best interests. You should understand and ask us about these conflicts because they can affect the recommendations that we provide to you. Here are some examples to help you understand what this means:

- Proprietary products are investments issued, sponsored, or managed by our firm or our affiliates. We and our affiliates make money on proprietary products which may be similar to non-proprietary products which may cost less.
- We may buy and sell your investment through our own accounts (called “acting as principal”) and earn a profit on these trades.
- We can make extra money by selling you certain investments either because they are managed by us or by someone related to our firm or because they are offered by companies that pay our firm to sell their investments. Your financial professional also receives more money if you buy these investments.

For more information on conflicts of interest, please visit https://brileysecurities.net/BRS_Reg_BI_Disclosure.pdf

CONVERSATION STARTER – ask your financial professional:

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

3.3. How do your financial professionals make money?

Our financial professionals make money by receiving a portion of the commission or fee revenue generated from the investment products bought or sold by you. Such compensation differs based on the type of products that are sold to you. For example, our financial professionals may receive higher compensation from selling you proprietary products versus other products. The portion of the revenue paid to the financial professional can increase based upon the total revenue generated. Newly hired financial professionals may receive a bonus or higher compensation for successfully transferring customer assets to us and/or by meeting certain revenue goals. We do not permit sales contests; however, financial professionals may be eligible to receive incentive compensation and bonuses based on the revenue they produce.

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

Yes. Visit investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

CONVERSATION STARTER – ask your financial professional:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

5. ADDITIONAL INFORMATION

For more information about our services, please visit <https://brileysecurities.com>. You can also call us at (310) 966-1444 with any questions or to request a copy of this document.

CONVERSATION STARTER – ask your financial professional:

- *Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?*