



**TD Cowen**  
a division of TD Securities

**COWEN PRIME ADVISORS LLC  
COWEN AND COMPANY, LLC  
CLIENT RELATIONSHIP SUMMARY**

**Dated: March 1, 2023**

## **ITEM 1: INTRODUCTION**

**Cowen Prime Advisors LLC** (“CPA”) is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”). **Cowen and Company, LLC** (“Cowen”) is a registered broker-dealer with the SEC and a member of FINRA. CWC and CPA are affiliated entities under common control of Cowen Inc., a wholly-owned, indirect subsidiary of The Toronto-Dominion Bank.

Brokerage and investment advisory services and fees differ. It is important that retail investors understand the differences, which are summarized here and further explained in referenced filings and disclosure materials. In addition, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **ITEM 2: RELATIONSHIPS AND SERVICES**

*What investment services and advice can you provide me?*

**Account Minimums:** In general, CPA requires a minimum deposit of \$500,000 in assets to open an account, but CPA may waive that requirement at any time in their discretion. Cowen does not have an account minimum.

### ***Advisory Services (CPA)***

CPA generally offers investment advisory services consisting of discretionary account management, which means that you give CPA investment advisers the authority to transact in your account in accordance with a defined investment strategy and written agreement. CPA will monitor your account performance on a periodic basis. Specific information about the investment strategies utilized by CPA investment advisers is available in the relevant Forms ADV, available at: <https://adviserinfo.sec.gov/firm/summary/315686>.

### ***Brokerage Services (Cowen)***

**Cowen** provides brokerage services to institutional investors including hedge funds, conducts investment banking, publishes research. Cowen also offers brokerage services to a limited number of high net worth retail investors that consist of both non-discretionary and limited discretionary brokerage accounts. In “non-discretionary” relationship, you make the ultimate decision whether to transact in your account. With a “limited discretionary” relationship, you agree that your financial professional may transact in specific investments without your consent before each trade. In general, Cowen brokerage professionals recommend investments and investment strategies in equity securities such as common stocks and, on occasion, option transactions.

**Limitations on Cowen Brokerage Services:** Cowen financial professionals generally do not recommend investments in mutual funds, exchange traded funds, annuities, or complex products. In addition, your financial professional can only recommend services and products for which the financial professional is properly licensed. For example, certain Cowen financial professionals are licensed to provide brokerage services but not investment advisory services. Additionally, if your financial professional is not licensed to recommend certain types of investments for which additional licensing is required (such as municipal bonds, commodities futures, or off-exchange foreign exchange transactions), he or she cannot recommend those securities or related strategies even if purchasing such securities or taking advantage of such strategies is in your best interest. Accordingly, you should discuss with your financial professional whether he or she is licensed to provide you with the investment advice that is appropriate for your financial needs.



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**Conversation Starters:** Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

**ITEM 3: FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

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.

***Advisory Services (CPA)***

- **Advisory Fees:** A flat rate for investment management services. Advisory fees range from 0.50% to 2.00% per year and vary based upon the amount invested in an advisory program and the type of advisory program you use.

In addition, advisory clients will be responsible for the payment of charges and fees separately charged by Cowen and any third-party broker or custodian or by other third parties, unless mutually agreed upon. These charges may include brokerage commissions, transaction fees, ticket charges, SEC fees, exchange fees, custodial fees, management fees charged by advisers to mutual funds, closed-end funds and exchange traded funds, odd-lot differentials, wire transfer and electronic fund transfer processing fees, and other fees charged by third parties. CPA utilizes Cowen as an introducing broker-dealer as well as for the execution of transactions in CPA accounts. Thus, CPA clients should also review the discussion and disclosures with respect to Cowen included herein. Neither CPA nor any of CPA financial professionals retains any part of such fees or charges and they do not share in the clearing agent refunds or credits to Cowen. Cowen will retain any part of such fees or charges and amounts refunded or credited by the clearing agent in connection with transactions in your CPA accounts, including certain "Business Development Credits" for maintaining assets, including client assets, with them. Please refer to CPA's Forms ADV for more information: <https://adviserinfo.sec.gov/firm/summary/153397>.

***Brokerage Services (Cowen)***

- **Brokerage Commissions:** Specific to the limited number of high net worth retail investors, a charge for each transaction in your account is applicable. Commissions vary based on factors including the type of security and size of the transaction and are generally negotiable. Cowen financial professionals charge commissions of either (i) \$0.15 to \$5.00 per share; or (ii) an overall percentage of the transaction amount, in which case the percentage will not exceed 1.8%.
- **Account Maintenance Fees:** A flat fee paid on an annual basis for maintaining your account with the clearing agent.
- **Margin Interest:** A percentage rate applied daily to any margin debit balance in your account, generally equal to a benchmark rate plus a specific amount, described in your margin account agreement. These charges represent the cost of borrowing money through Cowen to purchase securities in your account. Cowen is involved in setting the interest rate that is charged to the client and shares in a portion of the interest amount paid.

In addition, you will pay transfer and electronic fund transfer fees, postage, foreign currency exchange fees, deferred sales charges, and other fees and taxes on brokerage accounts and securities transactions, as described in account



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agreements and other materials that will be provided to you with Cowen recommendations. Open-ended or closed-end mutual fund or exchange traded funds charge internal management fees and other fund expenses, which are disclosed in each fund's offering materials.

**Conversation Starter: Help me understand how these fees and costs might affect my investments. For example, if I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

*What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

When Cowen provides you with a recommendation as your broker-dealer or CPA acts as your investment adviser, they have to act in your best interest and not put their interest ahead of yours. At the same time, the way Cowen and CPA make money creates some conflicts with your interests. You should understand these conflicts because they can affect the recommendations and investment advice provided to you. Here are some examples to help you understand what this means, but you are encouraged to ask questions as necessary to support your understanding.

- **Affiliate Brokerage Transactions:** Advisory clients of CPA should understand that Cowen may execute transactions in your advisory account as a registered broker-dealer. In the event that Cowen does execute such transactions, Cowen can retain any commissions earned on those transactions and will not credit those commissions against CPA fees. The commissions Cowen charges will not be shared with the CPA advisory personnel who manage portfolios under any of CPA advisory programs.
- **Business Development Credits:** On a quarterly basis, the clearing agent may refund a portion of the clearing charges to Cowen so long as Cowen maintains a threshold level of assets, including client assets, with the clearing agent. Cowen has received these refunds or "business development credits" in the past and stand to receive them in the future. The business development credits create a conflict of interest in that they incentivize Cowen to maintain a relationship with, and direct client assets to, the clearing agent.
- **Revenue Sharing and Credit Interest:** When advisory clients of CPA open a new account, CPA typically recommends a "sweep option" to hold funds awaiting investment into either cash or money market funds. Certain money market funds pay a distribution or "12b-1 fee" to both the clearing agent and Cowen at an amount that varies depending on the amount of CPA client assets invested in such funds with the clearing agent. Because certain money market funds do not pay a 12b-1 distribution fee, CPA has an incentive to recommend those that do pay such fees because it increases the compensation paid to Cowen, although the CPA or the CPA financial professional does not share in those fees. In addition, Cowen is eligible to receive credit interest from the clearing agent when CPA recommends cash as the sweep option instead of a money market fund.

CPA and Cowen manage these and other potential conflicts through a robust supervisory program that includes, among other things, the requirement that our employees abide by the Firm's Code of Ethics.

Please refer to CPA's Forms ADV for more information: <https://adviserinfo.sec.gov/firm/summary/315686>.

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

*How do your financial professionals make money?*

**Advisory Services (CPA):** CPA registered financial professionals are compensated based upon the advisory fees applied to the assets in your investment advisory accounts. Because CPA receives more fees when you invest a greater amount of assets with CPA, CPA has an incentive to encourage you to transfer or rollover assets that may be held in accounts with other financial institutions or retirement programs with your employer. In addition, certain CPA registered financial professionals are also affiliated with a manager of private investment vehicles unrelated to CPA and Cowen.



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As a result, these financial professionals have an incentive to encourage you to transfer assets to those investment vehicles from accounts with CPA, Cowen or other financial institutions.

**Brokerage Services (Cowen):** Specific to the limited number of high net worth retail investors Cowen brokerage representatives are primarily compensated through sharing in the brokerage commissions charged for each transaction in your account. Because each transaction in your brokerage account results in a new commission, Cowen has an incentive to recommend that you trade often. In addition, Cowen brokerage representatives receive a production payout based upon the amount of revenue generated by the representatives' clients in a given billing cycle. In addition, certain Cowen registered financial professionals are also affiliated with a manager of private investment vehicles unrelated to Cowen and CPA. As a result, these financial professionals have an incentive to encourage you to transfer assets to those investment vehicles from accounts with Cowen, CPA or other financial institutions.

**ITEM 4: DISCIPLINARY HISTORY**

*Do you or your financial professionals have legal or disciplinary history?*

Yes. For the most current records of legal or disciplinary history of our firm and financial professionals, please use the resources available at [Investor.gov/CRS](https://www.investor.gov/crs).

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

**ITEM 5: ADDITIONAL INFORMATION**

You can find additional information about Cowen and CPA, our financial professionals and the services offered by calling (646) 562-1010 and requesting up-to-date information for any of the categories reflected in this client relationship summary, or by referring to our public filings available at [Investor.gov/CRS](https://www.investor.gov/crs).

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