MARGIN DISCLOSURE STATEMENT

Spartan Capital Securities, LLC is furnishing this information to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement we have provided you. Please consult your Financial Consultant or the firm management regarding any question or concerns you may have with your margin account(s).

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firms collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities in your account, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities in your account.

The firm can force the sale of securities in your account. If the equity in your account falls below the maintenance margin requirement under the law, or the firm's higher "house" requirements, the firm can sell the securities in your account to cover the margin deficiency. You will also be responsible for any shortfall in the account after such a sale.

The firm can sell your securities without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

You are not entitled to choose which security in your margin account is liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.

The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account.

You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

TRADING HALTS/CIRCUIT-BREAKERS

Significant problems may arise when market-wide "circuit-breakers" halt trading on exchanges. Broker-dealers and their customers are confronted with trading halts, thereby obviating trading for a period of time. When “circuit-breakers” halt trading, we make every effort to provide timely notice to our customers.

The SEC provided the following guidelines concerning order handling:

1. During market-wide trading halts resulting from the triggering of circuit-breakers, customer orders should be handled in the same manner as they would have been handled during other regulatory trading halts concerning only individual stocks.
2. During market-wide trading halts of durations that will allow trading to resume on that same trading day, pending and new customer orders should be forwarded to the appropriate market for execution upon the resumption of trading. This should be done unless the member receives contrary instructions from the customer during the halt.
3. During market-wide trading halts with durations that will close the market for the remainder of the trading day, pending and new customer orders should be treated as follows

Absent customer instructions to the contrary, orders that are pending at the time of the halt, and new orders received after the halt has commenced, should be treated as “Good ‘Til Cancelled” orders and be held by the member for execution at the reopening of the next trading session.

“At-the-Close” orders (including “Market-at-Close” orders) pending at the time trading is halted should be treated as cancelled orders. Members should not accept, or forward to a market, any new orders related to closing prices received during a trading halt.

TRADING/VOLATILITY/RISKS

Recent events show that the way some stocks are traded is changing dramatically, and the change in trading methods may affect price volatility and cause increased trading volume. The price volatility and increased volume present new hazards to investors, regardless of whether trading occurs on-line or otherwise. Please be advised that market orders in highly volatile stocks may be subject to wide price variation and late reporting. Given this enormous volatility, the buy or sale execution price may vary widely from the quote reflected to you at the time of your order. You may wish to consider placing limit orders during these periods to help protect you against these fast and unpredictable variations in price. Quotes given on these issues are “subject quotes” and may not accurately reflect the current price as the market is changing so violently. If you do not fully understand the current market in any of these securities you are urged to call your broker for clarification. Further please note that if you have a margin account, these volatile stocks currently require 50% maintenance.

EXTENDED HOURS TRADING RISK DISCLOSURE

You should consider the following points before engaging in extended hours trading. “Extended hours trading” means trading outside of “regular trading hours.” “Regular trading hours” generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time.

☐ **Risk of Lower Liquidity**. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.

☐ **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

- ☐ **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.

- ☐ **Risk of Unlinked Markets**. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

- ☐ **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

- ☐ **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

EXCESS SECURITIES INVESTOR PROTECTION CORP INSURANCE COVERAGE

Spartan Capital Securities, LLC is a member of SIPC, which protects securities of customers of its members up to $500,000 (including $250,000 for claims of cash). Both SIPC and the additional coverage provides protection in the event of a member firm failure and do not insure against market decline.

RBC Capital Markets, LLC has purchased an additional policy from Lloyds of London. The policy provides an additional $99.5 million per client of coverage for securities above that provided by SIPC. This includes protection for cash of up to $900,000 over the $250,000 provided by SIPC. Neither SIPC protection, nor the protection in excess of that provided by SIPC, covers a decline in the value of a customer's assets due to market loss. Explanatory brochure available upon request or at www.sipc.org.

E-MAIL DISCLOSURE

Spartan Capital Securities, LLC archives and reviews outgoing and incoming e-mails. They may be produced at the request of regulators or in connection with civil litigation.

ACCESSING YOUR ACCOUNT ONLINE

We strongly urge you to request access to your account online. Go to www.investor-connect.com. Ask your financial consultant for more information.

Mutual Funds Breakpoint Discounts – Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged, as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you reduce the costs of your investment. You should contact your financial consultant to obtain a free Disclosure Statement. You may also visit the FINRA website www.finra.org for additional information.

Fees and Charges – You understand that Spartan Capital Securities, LLC may charge and collect commissions and other fees for executions, and any other services to you and you agree to pay such commissions and fees at the prevailing rates. You understand further that such fees may be charged from time to time, including an annual service and/or inactivity fee disclosed with your account statement, and you agree to be bound thereby. Currently, the minimum commission is $75.00 with a $55.00 service fee.

FINRA Website – For more information on the firm and/or its registered representatives, visit the FINRA website at www.finra.org. Customers may direct any complaints to the attention of Compliance, located at 45 Broadway 9th Floor, New York, N.Y. 10006 or call 212-293-0123.