



DISCLOSURE LOW PRICED SECURITIES

Low priced securities (priced under \$5) are associated with higher price volatility, which is more often associated with low-priced, rather than higher-priced, equity securities. Low-priced equity securities tend to trade with bid and ask spreads that make up a greater percentage of the security's price. This is especially true for newer companies whose stock is priced low and whose earnings may be more volatile. In addition, due to lower volumes, low-priced equity securities can experience large price swings during a given trading day, which translates into greater price risk. Further, low-priced equity securities may be removed from an index, which can increase the volatility and exacerbate the price risk.

Investing in low priced securities is considered speculative. Penny Stocks are generally considered stocks that are not traded on a major exchange or Nasdaq. Penny stocks are generally traded over-the-counter, on the OTC Bulletin Board or Pink Sheets. Certain issuers of low priced 'Penny Stocks' do not have an obligation to provide information to investors, and at times issuers may be delinquent on their reporting requirements to the SEC while still being available to trade. Shareholder information and prospectuses may be sparse as well. There are generally no listing requirements for Penny Stocks, whereas stocks listed on major exchanges are subject to listing requirements in terms of total assets, investor disclosures among others.

Penny stocks have not been approved or disapproved by the SEC, and the SEC has not passed judgement upon the merits, fairness, accuracy, or adequacy of information provided by the issuer, company or broker-dealer of penny stocks.

Many Penny Stocks are not DTC eligible or have had their eligibility taken away. As a result, there may be additional pass-through charges and additional fees to settle transactions. These fees can include DTC fees, deposit fees, execution fees, New York Window fees and transfer agent fees. These fees may be substantial, will increase the cost of trade execution and clearing expense, and can add up to many times the value of the trade. Customers who trade non-DTC eligible securities and Penny Stocks are responsible for and bare all additional charges. These pass-through charges may not be immediately applied to a customer account and notice of additional fees may not be received for several weeks following a transaction.

In addition, Penny Stocks are more likely to be subject to scams and investor fraud. For more information, please see:

<https://www.sec.gov/reportspubs/investor-publications/investorpubsmicrocapstockhtm.html>