Arcadia Securities, LLC

Regulation Best Interest Disclosure

This Regulation Best Interest Disclosure (“Disclosure Statement) summarizes important information and material facts concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s), our Form CRS and any other disclosure documentation you may receive from us. Our Form CRS contains important information about the types of services we offer along with general information related to our fees, compensation, conflicts of interest, disciplinary action and other reportable legal information.

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and are a member of the Financial Industry Regulatory Authority (the “FINRA”). The information in this Disclosure Statement is current as of the date below. We reserve the right to change our programs, fees and payment structures at any time. We will notify you of any material changes we make. For more information, you should also review any brokerage agreement you entered with us and other disclosures. You can obtain a paper copy of this Disclosure Statement and any other disclosures referenced free of charge by contacting your financial advisor or calling us at (212) 231-4104.

Please carefully review and consider the information in each section below.

Brokerage services

When you establish a brokerage account with us, you can buy, sell, and hold investments within your account. When we provide brokerage services to retail clients, we are acting solely as an executing broker-dealer. The primary service we provide is our trading capability. We execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship, we can trade with you for our own account, for an affiliate or for another client, and we can earn a profit on those trades. However, we are not required to communicate it in advance, obtain your consent, or inform you of any profit earned on trades. We act as a broker for retail client who purchase IPOs. The capacity in which we act is disclosed on your trade confirmation.

Cash Brokerage and Margin Brokerage Accounts

We also provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, Pershing, LLC (“Pershing”). This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. We receive, from Pershing, a portion of any interest or other fees associated with your margin loan. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes. Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement [with Pershing] before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand, including the fees associated with this type of account, and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact your financial professional. For more information on a margin loan, including fees, please refer to section below on Fees and your margin agreement with Pershing.

Brokerage Account Types

We offer many different brokerage account types including individual and joint accounts, custodial accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). For more information on the types of accounts we offer and that are available to you, please refer to our account agreement(s) or speak with a financial professional.

Incidental Brokerage Services, Recommendations and Account Monitoring

Within your brokerage account, we may also provide other incidental services such as research reports, and recommendations to buy, sell, or hold assets. We do not charge a fee to receive our research reports. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you. It is important for you to understand that when our financial professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. Generally, we do not monitor client accounts and have no obligation to do so. However, we review our trade blotter daily for trade errors and questionable activity on a daily basis. Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These incidental services are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Clearing Services

We have entered into an agreement with Pershing (also referred to herein as “Clearing Agent”) to carry your account and provide certain back office functions. We and our Clearing Agent share responsibilities with respect to your account as set forth in the Customer Agreement that was delivered to you upon opening of your account. Please refer to the Customer Agreement for more information on how such responsibilities have been allocated between us.

Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your investment goals and needs. Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with "Income" investors typically holding the smallest percentage of higher- risk investments, followed by "Long Term Growth" investors holding some higher-risk investments, and finally "Short Term Growth" investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies, and we measure it on a continuum that increases from "Low" to "Moderate" to "Speculation," and finally "High Risk." For more information about risk, see specific risk disclosed in your Customer Agreement document provided you received when you opened your account and, as may be amended or supplemented from time to time, as well as other information regarding risks in connection with specific investments you make (i.e. prospectuses and private placement offering materials etc.). You should also ask your financial professional about risk associated with your investments. Our recommendations are based in part on your risk tolerance and investment objective. We encourage you to carefully consider your investment objective and risk tolerance before investing.

Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This program, offered by Pershing, permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically "swept" into a "Cash Sweep Vehicle," until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). For more information on the Cash Sweep Program, you may also speak with a financial professional.

<u>Account Minimums and Activity Requirements</u>: There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account. For example, a dedicated financial professional may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions

Brokerage service models and products

Our financial professionals have general business discretion to operate and service their book of business. Most of the accounts serviced by our financial professionals are Full Service, meaning that you will receive communications from your financial professional, including securities recommendations and other advice, and servicing of your account(s) such as deposits and distributions. Your financial professional is also available to you to discuss your account(s).

Brokerage Platform Products

Our brokerage platform offers a variety of product types including but not limited to public equity and fixed income, as well as alternative investments such as hedge funds and private equity. Our product platform currently includes:

• Equity Offerings – Initial and secondary public offerings of common stock, master limited partnerships, and other equity-related securities.

• U.S. and International Equity Securities – U.S. common stock and preferred securities, American Depository Receipts, common stock of companies organized outside the United States, master limited partnerships, closed-end funds and exchange-traded funds ("ETFs") traded on an exchange or in the over-the-counter market. Equity securities may be made available to certain clients through initial and secondary public offerings.

• Listed Options on U.S. Equities – Puts and calls that are traded on an exchange. Clients must be approved for options trading.

• Municipal Securities – Bonds issued by states, cities, counties, and other governmental entities.

• Taxable Fixed Income Securities – Corporate bonds, both investment grade and non-investment grade, organized under U.S. and non-U.S. law, U.S. Treasuries or federal agency bonds, and other debt securities issues by governments and their associated agencies.

• Convertible Bonds – Corporate bonds that may be converted into a pre-determined number of shares.

• Free Credit Balances – Funds you hold in your account in cash. For the avoidance of doubt, free credit balances are not inclusive of cash equivalents, such as money market funds or bank deposits.

• Mutual Funds – Pooled investment vehicles, including money market funds, managed by an investment manager, which invest in specific investment assets, such as stocks and bonds, in accordance with stated objectives. These funds can be purchased by all investors, although Arcadia may offer only certain share classes to investors with certain asset levels or investments at certain levels. As an alternative to third party mutual funds, you may access a variety of exchange traded funds in a brokerage account.

• Special Investments – Generally, privately placed securities (such as private equity, private real estate, private credit, hedge funds, or traditional long only manager strategies offered through LLC structures) may be made available only to eligible clients. LLCs are structured as private investment funds and are treated as partnerships for tax purposes. Special investments, as described above, can be illiquid and carry more risk than publicly traded securities.

BROKERAGE FEES AND OUR COMPENSATION

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

Transaction-Based Fees

You will pay transaction-based fees in connection with the purchase and sale of investments in your account, e.g., buying and selling stocks, bonds, exchange traded products (ETPs), mutual funds, exercising options and other investment purchases and sale. These transaction-based fees are generally referred to as a "commission," "mark up," "sales load," or a "sales charge." Sales Charges may also include (1) underwriting discounts, selling concessions, placement fees and other applicable fees and charges for certain new issue offerings; (2) upfront and annual sales charges, including ongoing trailing fees paid on a periodic basis after the transaction (e.g., fees paid by a mutual fund under a Rule 12b-1 plan (12b-1 fees); and (3) other transaction charges

Transaction-based fees are based on a host of factors, including, but not limited to:

• Underlying product selection

• Your brokerage service model and account type

• Size of your transaction and/or overall value of your account

• Frequency of your trade activity

• Available discounts and/or fee waivers

Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions. You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you.

With respect to brokerage accounts, you will be charged on a transactional basis. In this regard, commissions will generally be charged in connection with transactions involving equities, master limited partnerships ("MLPs"), ETFs, listed options, and any other securities where trades are executed on an agency basis. Commission equivalents, such as markups / markdowns and spreads, will be charged in connection with transactions executed on a principal basis including for certain fixed income securities, such as bonds and structured notes, as well as certain equity and derivative transactions. If you borrow on margin or from a securities-based loan in any account you maintain, you will incur interest charges. Additional fees, such as custody fees and administrative costs, may apply. Charges related to a specific product, such as mutual funds, may include certain embedded fees, as described in the applicable product documentation. We typically do not charge execution fees for mutual funds.

Where permitted, our financial professionals can discount or waive sales charges at their discretion. You should ask your financial professional about discounts and waivers.

For more information concerning our administrative and service fees, speak with a financial professional.

How We Are Compensated

The fees you pay depend on the agreed upon fee arrangement, the nature of your relationship with us and the investments transacted in your accounts. Charges applied to your accounts and transactions may include execution charges (including commissions, commission equivalents, markups, markdowns and dealer spreads), custody fees and administrative costs, as well as, if applicable, the fees and expenses of underlying pooled investment vehicles held in your account. Depending on the products in which you invest, you may receive product specific documentation that includes more information on specific charges associated with such products, including prospectuses for mutual funds, initial public offerings, private placement offerings and structured products. In addition, for certain secondary trades, your trade confirmation will disclose the amount of any commission charged (but will not disclose charges that may be embedded in the price of the security, such as a markup). Certain investments may be more expensive for you than others even if they seek to implement the same or a similar investment strategy. For example, structured notes will generally be more expensive than ETFs.

Additional Information Regarding Particular Products:

• Equity Offerings – We sell initial and secondary public offerings of equity securities at the offer price. There is no separate execution charge for purchases of securities in such offerings (other than in block trades and “spot” secondaries) but there will be such charges on sales of such securities.

• U.S. and International Equity Securities – You will be charged a commission for agency trades or a spread or markup (markdown) for principal transactions when you buy or sell common stock, preferred securities, American Depository Receipts (“ADRs”), MLPs, closed-end funds and ETFs traded on an exchange or in the over-the-counter market. ETFs also carry embedded fees that are charged by the manager. Transactions in ADRs generally include certain embedded execution costs including conversion or creation fees, foreign exchange costs and foreign tax charges.

• Listed Options on U.S. Equities – You will be charged a commission for agency trades or a commission equivalent for principal trades when buying or selling a listed option based on the number of contracts or the principal amount of the trade, as reflected on your trade confirmation. You also pay a commission in connection with the receipt or delivery of shares underlying an option upon exercise or assignment of the option contract.

• Municipal Securities – We sell newly issued municipal bonds at the offer price (which is inclusive of the fee we earn from the issuer). Secondary market bond trades may carry an execution charge, depending on the type of security and its duration. These execution charges are included in the total price reflected on your trade confirmation but are not separately identified.

• Taxable Fixed Income Securities – We sell newly issued taxable fixed income securities and preferred securities at the offer price. Secondary market bond trades may carry an execution charge, depending on the type of security and its duration. These execution charges are included in the total price reflected on your trade confirmations and may in some cases be disclosed as a markup on such confirmations. Newly issued Treasury securities are offered only by auction.

• Convertible Bonds – We sell newly issued convertible bonds at the offer price. On secondary transactions of convertible bonds that trade on an exchange, we charge a commission on convertible bonds that is reflected on your trade confirmation. With respect to secondary transactions on convertible bonds traded over the counter, we charge a markup or markdown that is included in the total price of the bonds, and may in some cases be disclosed as a markup on your trade confirmations.

• Structured Investments (Securities) – We sell structured securities at the offer price, which may include a markup, ranging in value based on factors including the tenor of the note, the underlying asset class and exposure, and structuring cost. The offer price may be significantly higher than the estimated value of the security. If a structured investment is bought or sold in the secondary market, we may repurchase from or sell to you securities at the bid/offer price, which may include a spread and which may, in some cases, be disclosed as a markup on your trade confirmations. Secondary trading of structured securities also carries an execution charge that varies based on their type, invested amount and duration.

• Mutual Funds – All mutual funds carry built-in operating expenses that affect the fund's return. Examples include investment management fees, distribution, and marketing fees (called 12b-1 fees or annual distribution fees) and mutual fund transaction fees. Details on the operating expenses are included in each fund's prospectus in the expense table or offering document. Different share classes may carry different investment services fees, which are also described in the fund's perspective. For mutual funds available on our platform, we do not always offer you the share class with the lowest possible expense ratio of the mutual fund provider. It is generally in your best interest to purchase lower-fee share classes because your returns are not reduced in whole or in part by additional fees and expenses.

12b-1 Fees. The 12b-1 fees vary among mutual funds and, in certain instances, between share classes of individual funds. We therefore receive higher 12b-1 fee payments from some fund families than others. In addition, we pay a portion of our financial professionals' compensation from the 12b-1 fees we receive. This is a conflict of interest because it creates an incentive for us and our financial professionals to recommend that you invest in mutual funds and share classes that pay us or our financial professionals higher fees. In addition, we only offer and recommend mutual funds in brokerage accounts that pay us 12b-1 fees. We do this because the 12b-1 fees that are charged as part of the expenses of the mutual fund share class form a part of the compensation that we pay to our financial professionals for their efforts in reviewing and discussing the mutual fund with you and for the execution of the mutual fund transaction for your brokerage account. Given this selection criteria, we have a conflict of interest in selecting certain funds and share classes for inclusion as part of our product offering available to you over others.

• Special Investments – Fees for special investments, as described above, are set forth in the offering documents associated with the investment. Certain funds may carry built-in operating expenses that affect the fund's return. Examples include investment management fees and fund transaction fees. Details on the operating expenses are included in each fund's prospectus or offering document.

- Cash Sweep Program – We receive a share of the 12b-1 fees received from the Cash Sweep Program.

- Margin Loan - Fees for margin loans are set forth in the [Margin Disclosure Statement/Margin Agreement]. We receive a share of the interest received on margin loans from Pershing.

With private placement offerings, a cash fee and warrants are paid by the issuer based upon the sales of securities. In some private placement offerings, we may also act as a sub-placement agent and receive a cash fee and warrants by the issuer and/or lead placement agent. With regard to underwritten offerings, we are paid an underwriting fee and commissions based upon the sale of securities.

Revenue Sharing

The Firm receives from its clearing firm a share of revenue generated from Automated Customer Account Transfer ("ACAT") Termination Fees, Wire Fees, and Postage & Handling service charges to your account. The Firm also receives revenue from margin interest, lending services, and sweep programs. The firm also receives compensation from Mutual Funds in the nature of 12b-1 fees for support and marketing.

When Fees Are Applied to Clients' Accounts Brokerage Fees:

Brokerage fees are charged on a transaction basis and may be reflected on your trade confirmations (either as commissions / commission equivalents for equity securities or included in the net price shown for fixed income or preferred equity securities). Such fees will be debited from your account upon settlement of the transaction.

Other Fees:

Other fees, such as custody fees, if applicable, may apply to and be debited from your account on an annual basis.

More information about fees and charges is available from us at any time and is included in the Account Agreements and private placement offering materials.

Operational Fees

We receive compensation for various operational services provided to you through a brokerage account. For more information regarding account fees for brokerage services, please see your brokerage account agreement.

Compensation for Termination of Services

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies, contact your financial advisor.

Compensation We Receive from Clients

Transaction-based conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial professional receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

Markups and markdowns for principal transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

Account maintenance and other administrative fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

Compensation Received by Financial Professionals

Financial professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients, including brokerage account activity. This compensation may vary by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments. Thus, financial professionals are incentivized to recommend products that have higher fees as well as those with on-going payments. Typically, a financial professional’s payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is reduced when financial professionals discount certain client fees and commissions, or client relationship asset levels are below minimums established by us from time to time. As a result, financial professionals have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial professionals also have an incentive to provide brokerage recommendations to gather more assets under management and to increase brokerage trading activity, and to reduce the number of discounts available to you. Financial professionals have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because transactions in the rollover will generate sales charges and other compensation that benefit us. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Financial professionals also have an incentive to provide higher levels of service to those clients who generate the most fees. Recruitment compensation may be provided to financial professionals who join our firm from another financial firm. This compensation, which may vary by financial professional, often includes either an upfront or backend award based upon new client assets to the firm and/or revenue generated from such client assets. This creates an incentive for the financial professional to recommend the transfer of assets to the firm, including brokerage assets, to earn this compensation.

Other Financial Professional Activities

Financial professionals may be motivated to place trades ahead of clients to receive more favorable prices than their clients. Financial professionals who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Financial professionals who receive clients from a retiring financial professional are incentivized to meet growth goals and may make recommendations not in your best interest.

Conflicts of interest

Conflicts of interest exist when we provide brokerage services to you and recommend securities transactions or investment strategies to you, including the fact that we recommend securities to you for which me may serve as an underwriter that pay significant compensation to us. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you. Please review additional conflicts of interest disclosures, including brokerage account agreements, prospectuses and other product disclosures, trade confirmations and account statements you receive from us. Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial professionals, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and other third parties as described above. Securities rules allow for us, our financial professionals, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial professionals receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us. We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

There are conflicts of interest when we recommend that you use a loan secured by your account assets as collateral. Specifically, in the case of a margin loan, we receive interest payments on the margin loan, based on a percentage of the loan revenue Pershing receives on the margin loan. Financial Professionals receive greater compensation the more you borrow on margin and they receive greater compensation if you are charged a higher interest rate. Since your financial professional is compensated based on a percentage of the loan revenue, this means your financial professional has a financial interest in your continuing the borrowing under the margin loan agreement rather than recommending a liquidation of assets held in your account to meet your funding needs. This constitutes a conflict of interest because your financial professional will receive a reduction in compensation by recommending that you reduce your outstanding loan balance. Additionally, as explained in this Disclosure Statement, your financial professional will earn compensation from the sale, purchase, and/or management of securities that are used in an account pledged as collateral for a margin loan.

Contact Information:

If you have any questions concerning the information contained in this disclosure, please contact your financial professional. You can also contact our Compliance Department Monday through Friday, 9 a.m. to 5 p.m. EDT at (212) 231-4104.