Garden State Securities, Inc.
MEMBER FINRA, SIPC

Garden State Investment Advisory Services

IMPORTANT INFORMATION AND DISCLOSURES

ABOUT US

Garden State Securities, Inc. (GSS) is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). Garden State Investment Advisory Services, LLC (GSIAS) is registered as an investment adviser with the SEC. GSS and GSIAS are separate companies but are affiliated through common ownership. We are headquartered in Red Bank, New Jersey which is where our senior management is located and important functions are performed, such as compliance, supervision, and back-office support. Although many of our investment professionals work at the Red Bank office, we have a number of branch offices locations. While some of our representatives offer their services under their own business names, or may provide additional services unrelated to GSS or GSIAS, all investment professionals operate in accordance with SEC and FINRA Rules, and our own policies and procedures.

When you open an account or receive a recommendation to invest at either firm, you will receive a "Client Relationship Summary" which will explain the differences between the two firms. You will also be generally informed as to the type of services and advice you can expect to receive, the fees that you will pay, how the firm(s) make money and the conflicts of interest that exist, how your investment professional makes money, and whether the firm or your representative has a legal or disciplinary history. *You are encouraged to read this document carefully and ask any questions that you may have. However, we are also providing the following additional information and disclosures to help ensure that you understand the differences between our brokerage and investment advisory services.*

GARDEN STATE SECURITIES, INC.

If you have a relationship with GSS, you have a "transactional brokerage relationship." This means that each time you decide to buy or sell securities in your account, you incur transaction costs which include commissions, transaction fees, and loads and sales charges. In connection with your brokerage account, we may provide various services related to your investments, such as taking orders and having our clearing firm execute the orders, holding your investments in accounts at our clearing firm, and providing general information regarding financial products. We may also provide recommendations whether to buy, sell or hold securities. There are no fees associated with our recommendations as this is part of the services that we offer. However, we charge a commissions and other applicable fees every time a trade is executed in your account.

In our role as a broker-dealer, we do not handle your account on a discretionary basis, meaning that we will only enter a buy or sell order when you have directed us to do so. If you want us to act in a discretionary manner and not speak to you before each trade, you will need to request this from our compliance officers although this type of relationship is discouraged and rarely approved. You will likely be asked to open an account with GSIAS where discretionary relationships are more commonly established (but see the below for how an advisory account differs materially from a brokerage account). We do not monitor the investments in your account on an ongoing basis; however, your investment professional will be familiar with your account when providing a recommendation to you.

Your brokerage account is introduced by GSS to Axos Clearing LLC, which provides a number of services, including holding (having custody over) your assets and executing purchase and sale transactions on your behalf. If you purchase variable insurance products such as variable annuities, the annuity product is held by the company that offers the investment. The same is true with 529 College Savings Plans, investment banking products, and certain types of "direct held" mutual funds.

In all cases, GSS and your investment representative are bound by the Securities Act of 1933, the Securities and Exchange Act of 1934, the rules of self-regulatory organizations such as Financial Industry Regulatory Authority ("FINRA"), and the securities laws of the states in which you reside and the states in which we conduct business. Although there are numerous and varied rules and regulations to which we are subject, one general theme is that our recommendations to you must be in your best interest, the recommendations must be consistent with your investment objectives, risk tolerance and other personal and financial information that you disclose to us, and that we treat your fairly in terms of the prices that you receive on trades and that commissions, fees and charges you pay are not excessive.

The following are some important features of a brokerage account:

- ✓ You pay a fee, generally called a commission, when you buy or sell an investment whether it is a stock, bond, mutual fund, annuity contract and any other type of product. Fees can be commissions, loads, sales charges, mark-ups and mark-downs. Your investment professional receives a portion of these fees and GSS receives a portion of these fees and in some cases other fees from third-parties. Generally speaking, the more trades that you make in your account, the more fees that you pay. This presents a conflict of interest as increased trading in your account increases our revenue.

- ✓ We do not provide ongoing monitoring of the investments in your account. Our investment professionals make recommendations to buy, sell and hold individual investments and are generally aware of the investments that you own and the status of your account. However, if you want the service of ongoing monitoring of your investments, you will want to explore opening an advisory account with your investment professional.

- ✓ There are material limitations to the recommendations that your investment professional can provide. Specifically, GSS approves and offers only certain types of accounts, products, and securities. There may be additional accounts, products and securities that we do not offer that may be offered by other firms, that would benefit you and your portfolio. In addition, of the products and securities that we do offer, these may be available at a lower cost through another firm.

- ✓ There may be material limitations on the type of account that your investment professional can offer based upon their licensing as a brokerage firm representative or an investment advisor representative. You should ask your investment representative what licenses they hold and in what capacity they are acting when they recommend services to you. You can also check their licensure by visiting https://brokercheck.finra.org/. An investment professional's licensing presents an inherent conflict of interest in that they have an incentive to offer products and services that correspond to their licenses. Although many of GSS's investment professionals are also registered with our affiliate, GSIAS, and are therefore licensed to recommend both brokerage and investment advisory products and services, we mitigate any conflicts of interest by reviewing all recommendations to ensure that they are in your best interest.

- ✓ There are material limitations as to an individual investor's ability to purchase certain investments. For example, there are regulatory minimum income and net worth requirements to purchase investment banking products offered by our investment banking department. To purchase what GSS considers "higher risk" complex products such as structured notes, Master Limited Partnership ETF's or Real Estate Investment Trusts, there are firm-imposed investment objective and minimum risk tolerance requirements. Further, concentrations of these types of products in an individual account may have additional investment objective and risk tolerance requirements versus the customer's liquid net worth.

- ✓ We are not a "discount" brokerage firm. GSS is a full-service brokerage firm and our investment professionals provide you with individualized services to assist you in developing and executing your financial strategy. Because of these services, we do not offer "discounted" commissions and fees. However, you and your investment professional may negotiate commissions and fees based on the type of investment offered, the frequency of recommendations, whether the recommendation is solicited or unsolicited, and so on.

- ✓ GSS does not have a minimum investment amount to open or maintain a brokerage account. However, certain investments themselves, based on the very nature of the investment, may have a minimum purchase requirement such as an annuity, a bond, or an investment banking product. Your investment professional will inform you of these limitations and you should always refer to the product's prospectus or offering document for this and other important information.

GARDEN STATE INVESTMENT ADVISORY SERVICES

If you have a relationship with GSIAS, you have an "investment advisory relationship." This means that for a fee, which is generally based on the total value of assets in your account and are payable monthly, we provide individualized investment advisory services to develop and execute your investment strategy. Some of the services that we offer include individual discretionary and nondiscretionary investment advisory programs, retirement plan consulting and management, variable annuity accounts, advice on the selection of third-party investment managers or securities offered through our programs, and financial planning and consulting services.

When we act as your investment adviser, we do so pursuant to a written agreement called the "Advisor Agreement" that sets forth the investment advisory relationship and our obligations to you. You will also receive additional disclosure documents such as the GSIAS Client Relationship Summary, Form ADV – Part 2A, Form ADV – Part 2B, the Wrap Fee Program Brochure (if applicable), and the Miscellaneous Charges document. Collectively, these documents describe in detail the various services that

we offer and important information about our fees, our personnel, other business activities in which we engage, and conflicts between our interests and yours.

In most cases, your investment advisory account is introduced by GSIAS to either Axos Clearing LLC or to Charles Schwab and Company ("Schwab"). These firms are unaffiliated securities brokers and are federally registered investment advisers and Qualified Custodians of investment advisory assets. As our custodians, Axos and Schwab execute and clear trades in our advisory accounts and provide custody of the assets. In some cases, your investment advisor representative ("IAR") may recommend that you invest directly in a securities product such as a variable annuity or a mutual fund that is held directly with the product sponsor or issuer. Your IAR may also recommend that portfolio management be provided by an unaffiliated investment adviser.

In all cases, GSIAS and your IAR are considered to be fiduciaries pursuant to the Investment Advisers Act of 1940. This means, in relevant part, that we must act in your best interests based on information you have provided to us regarding your personal and financial situation, investment objectives and risk tolerance; that we disclose or avoid material conflicts of interest; that we treat your fairly relative to our other investment advisory clients; and that investment decisions and recommendations are consistent with the information you have provided to us and with any investment restrictions with which you want us to abide.

The following are some important features of an investment advisory account:

- ✓ In an investment advisory relationship, our services include designing a portfolio based on your goals, objectives, time horizon and risk tolerance; implementing the portfolio; managing it on an ongoing basis; providing periodic portfolio reviews; rebalancing the portfolio in the event it no longer consistent with your investment profile; and keeping apprised as to the status of your individual investments. The portfolio that we design is based on information that you provide to us when we establish your account and our relationship is memorialized in the Advisor Agreement.

- ✓ Advisory Account programs offered through GSIAS are "wrap fee programs" where all expenses, with few exceptions, are included in the wrap fee. Wrap fees are calculated and payable monthly based on the value of the assets (investments, cash) in the Advisory Account as of the last business day of the preceding month. Fees that are not included in the wrap fee include exchange fees, taxes, and fees required by law ("Regulatory Fees") and other fees that are commonly referred to as account handling or administrative fees, returned check fees, and the like. A separate schedule of these fees, called "Miscellaneous Charges," is provided to you when you open an account and can also be found on the GSS website, http://www.gardenstatesecurities.com/Fees.pdf. Your IAR receives a portion of the wrap fees and GSIAS receives a portion of these fees. In some cases, where a third-party has been retained to manage your investments, the third-party will receive a portion of these fees.

- ✓ The percentage fee rate that you pay is negotiable with your IAR. Fees do not vary based on the type of investments that you choose, rather, the amount you pay depends on the value of the assets in your account and the services that your IAR provides to you. The more assets in your account, the more you pay to us and therefore there is an incentive to increase the assets in your account. You pay our fees regardless of whether you make or lose money on your investments, and even if you do not buy or sell investments.

- ✓ You may choose to allow your IAR to handle your account on a "discretionary" basis. This means that your IAR may buy and sell investments in furtherance of your investment strategy without speaking to you first. In order to have this service, you must sign an agreement with us in advance granting us this authority and you may revoke the authority at any time by informing your IAR and our compliance officers. We only accept the authority to buy and sell investments, the authority does not extend to any other aspect of your account such as transferring funds into or out of your account, or between accounts.

- ✓ Certain of the material limitations that apply to recommendations by investment professionals at GSS, such as the scope of product offerings and minimum income, net worth, investment objective and risk tolerance requirements, as described more fully above, also apply to recommendations by IARs. One exception is that your IAR is also licensed as an investment professional at GSS and therefore may offer both types of investment accounts. There is one material limitation that applies to GSIAS that does not apply to GSS and that is investment banking products are not available as advisory account investments.

INVESTMENT OBJECTIVE DEFINITIONS

For accounts at both GSS and GSIAS, it is important that our representatives understand your investment objectives and personal and financial situation so that they can make recommendations that are in your best interest. Below please find a general description of 'Investment Objective Definitions' related to the Investment Objective(s) you choose on the Account Application. If you have any questions about these definitions or are unsure of which objective is most appropriate for your situation, please speak with your investment professional or IAR before you transact any business in your account.

- *Income* – Preservation of capital with a primary consideration on current income
- *Balanced* – A balance between capital appreciation and current income with the primary consideration being current income
- *Growth & Income* – A balance between capital appreciation and current income with the primary consideration being capital appreciation
- *Growth* – Capital appreciation through quality equity investment and little or no income
- *Maximum Growth* – Maximum capital appreciation with higher risk and little to no income
- *Speculation* – Maximum total return potential, involving a higher degree of risk through investment in a broad spectrum of securities

MATERIAL FEES, COSTS AND ASSOCIATED CONFLICTS

Revenue from Clients

Our brokerage revenue from clients includes:

- Commissions: When we act as your agent or broker, generally in connection with equity trades, we receive the commissions that you pay on the particular trade. This is called an "agency transaction." An agency transaction is one in which the securities broker/dealer executes its customer's buy or sell order strictly on behalf of the customer. The broker/dealer takes no position in the security at any time, rather it places the customer order in the open market, sees to its proper execution and delivers the security (proceeds) to its customer. A commission is charged to the customer which is the fee a broker/dealer charges for acting as an agent in ensuring execution of a customer's buy or sell order. The trade confirmation will indicate the total amount of the fee paid by the customer for the execution of the trade and that figure is termed a commission. Please discuss with your investment representative commissions that are involved prior to purchase or selling any security. Commission revenue that we receive is shared with your investment professional.

- Markups and Markdowns: When we act as a principal, we are buying and selling from our own inventory or "riskless principal trading," primarily for bonds and other fixed income securities. A mark-up is the difference between the price charged to a customer for the purchase of a security and the security's prevailing market price. Conversely, a mark-down is the difference between the price paid to a customer for the sale of a security by a broker/dealer and the prevailing market price of the security.

- A riskless principal transaction is a transaction in which a broker/dealer, after having received an order to buy a security, purchases the security as principal at the same price to satisfy the order to buy or, after having received an order to sell, sells the security as principal at the same price to satisfy the order to sell. Since the broker/dealer is acting in a principal capacity (i.e. acting on its own behalf) no commission is charged for the transaction. Once the security is purchased by the principal it is immediately delivered to the customer. The customer takes delivery of the security subject to either a mark-up or mark-down of the securities price which serves as the compensation to the broker/dealer (registered representative) for having completed the transaction. The trade confirmation indicates the amount of money the share price was increased (decreased) by and the total per share price the customer paid (received). By multiplying that figure by the total number of shares traded, the customer can calculate the total amount paid for the transaction. Markup and markdown revenue that we receive is shared with your investment professional.

- Sales Loads: Sales loads are charges, commissions or concessions derived from the sale of various managed investments such as mutual funds, unit investment trusts, and annuity products. These charges are typically paid at the time of sale and can reduce the amount that is available to invest. For more information on these types of charges as they relate to a specific transaction, see the product offering materials, disclosure documents, and investment applications. Sales load revenue that we receive is shared with your investment professional.

Revenue from Third Parties

Our revenue from third parties, including our clearing firms, includes:

- Trailing Compensation and/or 12b-1 Fees: GSS (but not GSIAS) also receives payments from mutual fund and insurance companies in the form of distribution and/or service fees (12b-1 fees), trail commissions or renewal commissions. Trail compensation is typically paid from the assets of the investment product and the amount is calculated as an annual percentage of assets invested by our customers. The more assets you invest in the product, the more trail compensation we earn. Therefore, we have an incentive to encourage you to increase the size of your investment. The percentage of assets received varies by product, which creates an incentive to recommend products paying higher trail compensation. Trailing compensation that we receive is shared with your investment professional. This creates a conflict for your investment professional to recommend funds paying higher trail compensation. Additional information specific to a recommendation in a product that pays training compensation can be found in the respective prospectus and offering documents.

- Cash Sweep Program: Uninvested cash held in certain accounts at Axos, both brokerage and advisory, may be invested in a cash sweep account ("Program") at the client's direction in the new account paperwork. This Program permits cash balances such as those derived from the sale of securities, dividend payments, and cash deposits, to be automatically swept into the cash sweep account. Axos receives revenue from this Program and shares the revenue with GSS. GSS does not share this revenue with its investment professionals or its affiliate GSIAS or GSIAS IARs. There is also a cash sweep account available for advisory accounts that are custodied at Schwab. However, there is no revenue sharing arrangement between Schwab and GSS and/or GSIAS.

- Margin or Portfolio Line of Credit: When a customer applies for and receives margin privileges or a line of credit against their account, GSS will receive a percentage of the balance lent from the clearing firm. Therefore, GSS and its investment professionals have an incentive to recommend that customers borrow money against their investments or account rather than liquidating some of their account assets so that brokerage commissions and fees can continue to be earned on those assets. GSS does not share this revenue with its investment professionals.

- Account Fees and Charges: For accounts held at our clearing firm and custodians, Axos and Schwab, customers pay miscellaneous fees directly for various account services, including but not limited to, a per transaction handling fee of $44.95 for GSS, wire transactions, returned checks, transfer on death services, Reg-T Extensions, annual account fees, and account closing fees. A complete list of fees and charges is on our Miscellaneous Charges Schedule which is provided on account opening. Since fees and charges are subject to change, please consult with your investment professional for the most recent Schedule. It is also posted on our website, http://www.gardenstatesecurities.com/Fees.pdf. GSS and GSIAS do not share any of these fees and charges with its investment professionals.

ADDITIONAL CONFLICTS OF INTEREST

- Gifts and Entertainment: A conflict may arise when one of our representatives receives or offers a gift, entertainment, or anything of value that creates an incentive for an employee, third party service provider, or a client to act in a certain way. GSS mitigates this conflict by enforcing strict rules regarding the acceptance of gifts and entertainment, including a limit as to the amount that can be received and disclosure to the Chief Compliance Officer.

- Outside Business Activities: Our representatives may engage in business activities that are separate from our financial services businesses. Some of the more common activities include the sale of insurance products, real-estate related business, tax preparation, and accounting services. As a result, investment professionals and IARs may be incentivized to recommend these or other products and services which will benefit them financially. GSS mitigates this conflict with rules regarding disclosure upon hire, approval (or rejection) of the activity by the Chief Compliance Officer, and yearly disclosures and affirmations of existing or new activities.

- Outside Investment Accounts: Our representatives are allowed to have investments accounts at both GSS and GSIAS, and also at unrelated investment companies. In order to mitigate a conflict that may arise in connection with their personal investing, investment professionals and IARs are required to disclose the unrelated companies to us so that we can regularly review their investment activities.

- Supervision Conflicts: When a supervisor also acts as a representative or is compensated based on sales activities that they supervise, they may be incentivized to spend more time on their own sales activities or act in a less rigorous manner in performing their supervisory responsibilities. GSS mitigates these potential conflicts by enforcing strict supervisory

guidelines which include periodic testing and verification of all supervisory functions by all individuals who are assigned to such roles.

- Affiliated Entities: GSS and GSIAS are affiliated with other entities, including Garden State Insurance Agency, LLC which offers insurance products and services. Our investment professionals and IARs are incentivized to refer you to, and amongst these entities as it generates additional compensation to each entity, its representatives, and the enterprise as a whole. GSS mitigates these conflicts by having comprehensive supervisory procedures that are strictly enforced and tested periodically to verify their reasonable implementation.

PRIVACY STATEMENT

The confidentiality of client information is an important concern of GSS and GSIAS. We take precautions to safeguard personal client information at all times and we will remain vigilant in protecting that information. The provisions of this privacy notice will apply to former clients as well as current clients.

GSS and GSIAS collect personal information about you that is necessary to provide financial products or services. We may obtain this information from the following sources:

- Information we receive from you on account applications, forms and other materials that you provide to us, whether in writing, in person, by telephone or by any other means. This information may include your name, address, telephone number, social security number, occupation, assets and income.
- Information about your transactions with us or a non-affiliated third party such as account balances, payment history and account activity.
- Information we receive from a consumer-reporting agency, such as your credit bureau reports and other information relating to your credit worthiness.

GSS and GSIAS will only disclose certain information about you, as permitted by law, under the following circumstances:

- Where we believe, in good faith, that disclosure is required under law to cooperate with regulators or law enforcement authorities.
- To consumer reporting agencies.
- To our service providers to help us process your application or service your accounts. These service providers in turn are required to protect the confidentiality and security of any information we give to them and may not reuse it for any other purpose.

GSS and GSIAS restricts access to your personal accounts(s) and information to those employees who require access to that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with the industry standards to safeguard your nonpublic personal information. Third parties who have access to such personal information must agree to follow appropriate standards of security and confidentiality.

We trust that this clarifies GSS and GSIAS' position on client confidentiality and look forward to being of service to you in the future.

SHARING OF INFORMATION

A. Within our Family of Affiliated Companies

We share customer information we obtain about present and former customers within our family of affiliated companies (GSS, GSIAS, and Garden State Insurance Company). This family is the group of companies related by common control or ownership. Such sharing within this family is a normal part of conducting our business and offering financial products/services to customers.

B. With Unrelated Companies

In order to provide customers with the services requested and with other valuable financial products and services, we also share customer information with companies not within our family of companies, such as: 1) our clearing firms, which hold your funds and securities; 2) the various product providers and sponsors such as mutual fund, insurance, registered investment advisors and alternative product sponsors; 3) unaffiliated service providers such as data processing and compliance systems administrators, and printing operations; 4) governmental agencies, law enforcement officials and regulatory bodies; and 5) other organizations with your consent (e.g., managed account performance reporting).

While we reserve the right to share any of the information we collect, the amount and type of information we share depends in part on the products or services to be provided and on our relationships with these unrelated companies. Unrelated companies receiving customer information from us have entered or will enter into agreements with us to protect the information they receive from us before we release any of your information.

These agreements also limit the use of the information to providing the services we request. Unless an agreement to protect customer information is in place, we do not share customer information with other companies, except as permitted by law.

CUSTOMER IDENTIFICATION PROGRAM NOTICE

Important Information You Need to Know About Opening a New Account
To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account. This Notice answers some questions about the GSS Customer Identification Program.

What types of information will I need to provide?
When you open an account, GSS and GSIAS are required to collect information such as the following from you:

- Your name
- Date of birth
- Address
- An identification number
    - US Citizen: taxpayer identification number (social security number or employer identification number)
    - Non-U.S. Citizen: taxpayer identification number, passport number, and country of issuance, alien identification card number, or government-issued identification showing nationality, residence, and a photograph of yourself.
- Photo ID, such as an unexpired driver's license or passport.

A corporation, partnership, trust or other legal entity may need to provide other information, such as its beneficial owners, principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement, or a trust agreement.

U.S. Department of the Treasury, Securities and Exchange Commission and FINRA rules already require you to provide most of this information. These rules also may require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives, and risk tolerance.

What happens if I don't provide the information requested or my identity can't be verified?
GSS and GSIAS may not be able to open an account or carry out transactions for you. If GSS/GSIAS has already opened an account for you, it may have to be closed.

We thank you for your patience and hope that you will support the financial industry's efforts to deny terrorists and money launderers access to America's financial system.

SETTLEMENT

All securities sold and payment for all securities bought must be delivered by the settlement date (typically 1 business day) indicated on the confirmation issued for each trade. Similarly, the proceeds of any sale will be credited to your account or remitted by check on the settlement date per your instructions.

- Delivery: When mailing checks or certificates – please remember to attach a copy of your confirmation and write your account number on the upper right-hand corner of the check and/or certificate.
- Please ensure all checks are made payable to the appropriate party. Do not make checks payable to your investment professional. Contact your investment professional or our Operations Department for additional information.
- **For Garden State Securities clients, mail all checks to our main office or to Axos Clearing LLC ("Axos") as follows:**
  Garden State Securities Inc.
  328 Newman Springs Road
  Red Bank, New Jersey 07701

  Mail all physical certificates directly to Axos as follows:
  Axos Clearing LLC
  15950 West Dodge Rd., Ste. 300
  Omaha, Nebraska 68118

- **For Garden State Investment Advisory Services, LLC clients, mail all checks to our main office or to the custodian of your account, Axos or Schwab, as follows:**

  Garden State Securities Inc.
  328 Newman Springs Road
  Red Bank, New Jersey 07701

  Axos Clearing LLC
  15950 West Dodge Rd., Ste. 300
  Omaha, Nebraska 68118

  Charles Schwab & Co., Inc.
  PO Box 982603
  El Paso, Texas 79998

Mail all physical certificates directly to Axos or Schwab as follows:

Axos Clearing LLC
15950 West Dodge Rd., Ste. 300
Omaha, Nebraska 68118

Charles Schwab & Co., Inc.
PO Box 982603
El Paso, Texas 79998

GOOD 'TIL CANCELLED (GTC) BUY, SELL STOP, SELL STOP LIMIT ORDERS

All GTC (also known as an "Open Order") orders remain in effect until canceled or executed.

ORDER EXECUTION (SEC RULE 606)

The venues to which individual orders are sent for execution are available upon request. There is a quarterly report with this information available on the firm's website, www.gardenstatesecurities.com. This information for the previous 6 months will also be provided upon written request.

CLEARING FIRM FUNCTIONS

We would like you to understand the different functions performed by our firm and those of our clearing agent and custodian, Axos Clearing LLC ("Axos"). Axos is a member of the NYSE ARCA, Chicago Stock Exchange (CHX), OCC, Euroclear, and has execution capabilities on all principal exchanges. Axos Clearing LLC is a subsidiary of Axos Financial, Inc.

Our firm has a contractual agreement with Axos to serve as our clearing firm. This fully disclosed agreement states the responsibilities of each party. Prior to the agreement becoming effective, Axos is responsible for seeking approval of the clearing arrangement as required by NYSE Rule 382. Each client of our firm is notified of the relationship via a disclosure letter by us during the account opening process. The disclosure letter details the responsibilities that our firm (the introducing broker-dealer) and Axos (the clearing firm) have to the client. Although client assets are held by Axos and Axos Financial, Inc., they have no responsibility for the financial condition or performance of our firm or our Financial Consultants.

For clients of GSIAS, in addition to Axos, accounts may also be custodied at Schwab. Schwab is a member of FINRA/SIPC and is SEC registered. Our firm also has a contractual agreement with Schwab to serve as a clearing firm and custodian for GSIAS clients who choose that relationship.

In general, we at GSS provide front-office services and the clearing firm performs back-office or operation-type functions. Our front-office services include such matters as the opening and approval of accounts, the acceptance and transmittal of orders by GSS and GSIAS, and personnel for execution on the various markets according to instruction, etc. Additionally, it is our exclusive function to supervise all personnel directly or indirectly involved with your securities transactions and all your business handled by our personnel in light of applicable rules and regulations, which govern the securities industry.

PAYMENT FOR ORDER FLOW DISCLOSURE

Garden State Securities does not receive payment for order flow**.**

MARGIN DISCLOSURE STATEMENT

Garden State Securities 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 investment executive or the firm management regarding any questions 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 firm's 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.

OPTIONS ON MARGIN REQUIREMENTS

Minimum-equity is $50,000. Depending on your positions, the minimum equity requirement may even be higher. Further, there is a minimum liquid net worth requirement. Please check with your investment professional for details.

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 post a timely notice on our website. 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 canceled 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 online 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. Please check often with your investment professional or our Operations Department to determine if there are any changes to the margin requirement for any issues in your account.

EXCESS SECURITIES INVESTOR PROTECTION CORP INSURANCE COVERAGE

Garden State Securities is a member of SIPC, which protects the securities of customers of its members up to $500,000 (including $100,000 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.

Axos has purchased an additional policy from Lloyds of London, which provides an additional $99.5 million per client of coverage for securities above that provided by SIPC. This includes protection for up to $1.15 million for cash balances with an aggregate limit of $100 million. 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. SIPC's explanatory brochure is available upon request at (202) 371-8300 or at www.sipc.org.

Schwab is a member of the Securities Investor Protection Corporation ("SIPC"), which protects securities customers of its members up to $500,000 (including $250,000 for claims for cash). An explanatory brochure is available on request at www.sipc.org. Additionally, Schwab clients receive an extra level of coverage through "excess SIPC" insurance protection for securities and cash. This helps ensure claims will be covered in the event of a brokerage firm failure and funds covered by SIPC protections are exhausted. Schwab's Excess SIPC program has a $600 million aggregate (meaning the most the program will pay for the Excess SIPC portion of the losses). Commodity interests, futures contracts and cash in futures accounts are not protected by SIPC.

EMAIL DISCLOSURE

GSS and GSIAS archives and reviews all 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.gardenstatesecurities.com for GSS customers or for GSIAS customers held at Schwab, visit www.schwab.com. Contact your investment professional for additional information.

BUSINESS CONTINUITY PLAN

GSS/GSIAS has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do at 732-280-6886, you should call our alternative number at 732-544-8024 or go to our web site at www.gardenstatesecurities.com. If you cannot access us through either of those means, you should contact our clearing firm, Axos Clearing LLC, at 402-384-6100, for instructions on how it may provide access to funds and securities, enter orders and process other trade related, cash, and security transfer transactions for our customers. For GSIAS clients whose accounts are custodied at Schwab, you can contact them at 800-435-4000.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and most importantly allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business. Our clearing firm backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business as soon as possible. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business as soon as possible. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site or our customer emergency number, how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities. If you have any questions about our business continuity planning, you can contact us at 732-280-6886.

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 investment professional to obtain a free Disclosure Statement. You may also visit the FINRA website www.finra.org for additional information.

INVESTMENT BANKING RELATIONSHIP

Garden State Securities may have entered, or have previously entered, into an investment banking/advisory relationship with a company in which you invested, and may have been compensated for these services in cash and/or stock. While the full disclosure of any such relationship would have been provided to you at the time of purchase, please contact your investment professional for any additional information.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

The Financial Industry Regulatory Authority (FINRA) promotes investor protection by offering access to a public disclosure program called BrokerCheck. Through BrokerCheck, an investor can review the background of a broker or a brokerage firm. There are also a variety of links for additional educational resources and tools. For more information and to access BrokerCheck, visit the FINRA website at www.finra.org, or call the FINRA BrokerCheck hotline at 800-289-9999.

HOW TO REACH US

GSS and GSIAS are headquartered at 328 Newman Springs Road, Red Bank, New Jersey, 07701. Our main switchboard number is 732-280-6886 and 877-477-7862, and our fax number is 732-280-6889. If you would like further information regarding this brochure, or if you have a complaint or concern regarding a trade confirmation, a monthly statement, or your investment professional, please call or write to us and ask for the Compliance Department.

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