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OTC & LOW-PRICED SECURITIES RISK DISCLOSURE

INTRODUCTION

Trading in over-the-counter ("OTC") equity securities carries a high degree of risk and may not be appropriate for all investors. In particular and in addition to other augmented trading risks, OTC equity securities may be "thinly traded" or more illiquid than exchange-listed securities, which tends to increase price volatility and impair your ability to buy or sell within a reasonable period of time without adversely impacting execution price(s). As a self-directed investor, you assume full responsibility for every transaction in or for your account and for your own investment strategies and decisions, including with respect to any transactions in OTC equity securities or associated fees. Public does not provide investment advice, and therefore any investment decision you make or strategy you utilize is done so at your sole discretion and risk. Investors should understand the risks of trading in these markets and conduct their own research on any potential investment.

OTC TRADING RULES AND RISKS

To the extent you participate in any OTC equity security transaction, you acknowledge you understand that OTC equity securities may be subject to different trading rules and trade on systems and venues different than exchange-listed securities. You may encounter significant delays in executions, reports of executions, and updating of quotations in OTC equity securities. Although market data relating to OTC equity securities may update, the displayed pricing information and other OTC equity securities market data may not be current at any given point in time.

Please read these rules and the associated risks and restrictions thoroughly before placing orders to buy or sell OTC securities.

- OTC securities can only be bought or sold during regular market hours. No orders for these securities will be accepted for extended hours trading sessions.

- Only limit or market orders to buy and sell will be accepted. Limit orders will be sent as good-till-canceled orders with an expiration after 90 days. No other types of orders for these securities will be accepted.

- All stocks falling into this category are non-marginable. They cannot be purchased on margin or be used as collateral against margin loans.

- Public, at its sole discretion, may restrict your ability to enter market orders and other order types in certain instances and require you to place limit orders to trade OTC equity securities. Some order types when used for OTC equity securities may trigger, route, or execute in a manner different than exchange-listed securities.

- Under certain circumstances, OTC equity securities may not be registered with the Securities and Exchange Commission ("SEC") and therefore may not be subject to the same reporting, disclosure, and regulatory oversight requirements that apply to SEC-registered securities. Investors are strongly advised to proceed with caution and thoroughly research companies before transacting in OTC equity securities. In some cases, issuers of OTC equity securities may have no obligation to provide information to investors and, in many cases, reliable information regarding issuers of OTC equity securities, their prospects, or the risks associated with the business of such issuers may not be available. As a result, it may be difficult to properly value investments in OTC equity securities. You should exercise additional care and perform thorough diligence before making any investment decision regarding an OTC equity security.

- Issuers of OTC equity securities that fail to make current financial and other information publicly available, are insolvent, are under regulatory investigation or suspension, or are otherwise not in compliance with public company reporting requirements may become restricted to the "Expert Market." In the event an OTC equity security that you own or may own in the future is classified as an "Expert Market" security, you may be prevented from selling that OTC equity security and the value of your OTC equity security may be significantly affected in a negative manner or eliminated entirely. Specifically, opening transactions in "Expert Market" securities are not permitted and closing transactions in "Expert Market" securities will only be permitted under limited circumstances, subject to certain qualifications and restrictions.

RISKS ASSOCIATED WITH TRADING LOW-PRICED SECURITIES

There are special characteristics and risks associated with trading in OTC securities, which may include, but are not limited to, penny stocks and low-priced securities (collectively, "Low-Priced Securities"). Low-Priced Securities present unique and potentially significant risks beyond those posed by exchange-listed securities. Due to these risks, Low-Priced Securities may not be appropriate for all investors. In transacting in such products, you acknowledge that you understand the risks below of trading OTC securities, including Low-Priced Securities.

- <u>Risk of Low Liquidity</u>: Low-Priced Securities may trade infrequently, which means that it may be difficult to sell the shares once you own them. Because it may be difficult to find quotations for certain Low-Priced Securities, they may be difficult, or even impossible, to accurately price.

- <u>Risk of Higher Volatility</u>: Due to low liquidity, Low-Priced Securities are subject to greater volatility and price swings. A customer order to purchase or sell a Low-Priced Security may not execute or may execute at a substantially different price than was quoted in the market at the time the order was placed. In addition, the market price of any Low-Priced security you purchased can vary significantly over time.

- <u>Risk of Lack of Public Information</u>: Most large, publicly-traded companies file periodic reports with the SEC that provide information relating to the company's assets, liabilities, and performance over time. In contrast, information about Low-Priced Securities can be extremely difficult to find, making them more likely to be the subject of an investment fraud scheme and making it less likely that quoted prices in the market will be based on full and complete information about the company.

- <u>Risk of Scams</u>: Low-Priced Securities are frequent vehicles for scams and/or market manipulation due to their generally lower prices and less stringent listing requirements. You should be wary of advertisements, unsolicited emails, newsletters, blogs, or other promotional reports that emphasize the potential for large profits in these securities. These promotional materials are often used to manipulate or "pump up" the price of Low-Priced Securities before selling a large volume of shares, a.k.a. "dump". Customers are therefore strongly encouraged to do their own due diligence with respect to any Low-Priced Securities they invest in and not rely on any outside promotional materials.

Some issuers register securities with the SEC and may provide regular reports to investors. Others, however, may not be required to maintain such registration or provide such reports. Securities may continue to be traded if issuers are delinquent in their reporting obligation to the SEC or other federal or state regulatory agencies. Penny stocks have not been approved or disapproved by the SEC. The SEC has not passed upon the fairness, merits, accuracy, or adequacy of the information contained in any prospectus or any other information provided by an issuer or a broker or a dealer of penny stocks.

For various reasons, certain Low-Priced Securities are not DTC eligible or have had their eligibility revoked. As a result, the settlement of these physical positions can carry significant pass-through charges for our clearing firm, Apex Clearing Corporation ("Apex"), including execution fees, DTC fees, deposit fees, New York window fees, and transfer agent fees. These fees, which can vary and may be substantial, increase the cost that Apex passes through for clearing and execution. Customers who trade non-DTC eligible securities are responsible for these charges, which may exceed 10 times the value of the trade. Orders that require executions with multiple contra-parties will result in settlement fees for each separate transaction. Neither Public nor Apex mark up any of these fees before they are passed through to customers. These pass-through charges may not be immediately charged to a customer account following a trade in non-DTC eligible securities, as Apex may not receive notice of such fees until several weeks following the trade. Public reserves the right to withhold funds in a customer account pending potential assessment of fees associated with trading in Low-Priced Securities. It is your responsibility to investigate the eligibility status of a Low-Priced Security before trading it. It is strongly recommended that you contact the specific company whose equity you intend to trade to confirm eligibility.

Further Reading: Before you consider investing in the stock of any small company, you may want to review the Low-Priced Securities rules outlined in Exchange Act Section 15(h) and Exchange Act Rules 3a51-1, 15c2-11, and 15g-1 through 15g-100, as well as the *SEC brochure Microcap Stocks: A Guide for Investors* (https://www.sec.gov/reportspubs/investor-publications/investorpubsmicrocapstockhtm.html).

CAVEAT EMPTOR

Caveat Emptor is a Latin phrase that translates to "Buyer Beware." It is a phrase used by the OTC Markets Group to classify securities they have deemed to be a potential threat to investors. Potential reasons for a Caveat Emptor designation can include, but are not limited to, misleading and/or manipulative stock promotions, potential criminal or fraud investigations into insiders of the company, trading halts or suspensions due to concerns of investor wellbeing, or unreported or insufficient reports of Corporate Actions such as company name changes or reverse splits. Due to the advanced risk of customer harm associated with Caveat Emptor designated securities, Public does not allow opening transactions in those stocks. Public also prohibits the transfer of Caveat Emptor securities. If you hold a stock that later becomes designated as Caveat Emptor, that security will become restricted in that you may continue to hold the security or sell to close the position assuming there is an available market for it.

Once a stock satisfies the standards of the OTC or Pink Sheet listing, the Caveat Emptor designation will be removed by the OTC Markets Group.