

Low-Priced Security Disclosure

ST Invest LLC

Low-Priced Securities - Penny and Sub-Penny Stocks

The term “penny stock” generally refers to low-priced (below \$5), speculative securities of small companies. While penny stocks generally are quoted over-the-counter, such as OTC Markets (OTCQX, OTCQB and the pink sheets, they may also trade on securities exchanges, including foreign exchanges). In addition, the definition of penny stock includes securities of certain private companies with no active trading market.

Penny stocks may trade infrequently – which means it may be difficult to sell penny stocks once you have them. Because it may also be difficult to find quotations for penny stocks, they may be impossible to accurately price. Investors in penny stocks should be prepared for the possibility that they may lose their whole investment.

Risks

Investments in low-priced securities are speculative and involve considerable risk. Low-priced securities often exhibit high price volatility and erratic market movements. When investors buy or sell these securities, they often affect the quoted price significantly. In some cases, the liquidation of a position in a low-priced security may not be possible within a reasonable period of time and can be subject to additional fees (read below Additional Fees section and see our Fee Schedule Disclosure).

It may be difficult to properly value an investment in a low-priced security. Reliable information regarding issuers of low-priced securities, their prospects, or the risks associated with investing in such securities may not be available. Certain issuers of low-priced securities have no obligation to provide information to investors. Some issuers register securities with the Securities and Exchange Commission (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 Securities and Exchange Commission (SEC). The SEC has not passed judgment upon the fairness, the merits, the 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.

Trading low-priced securities is subject to significant risks, and increasing regulatory requirements and oversight, and additional fees. At times quotes may not be available for low priced securities.

Fees

Low-priced securities are subject to settlement fees if they are not non-DTC eligible securities. The Depository Trust and Clearing Corporation (DTCC) provides clearing, settlement, and information services for certain securities. Certain low-priced securities are not DTC eligible or may have had their eligibility revoked. As a result, the settlement of these physical positions carry significant pass-through charges for our clearing firm, APEX Clearing Corp, 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 costs that APEX Clearing Corp passes through for clearing and execution.

While these fees are assessed against APEX and to ST Invest, they will be passed through to the investor trading in such securities. Many times, these fees are not fully known until after execution of a trade.

Asset Transfers

ST Invest LLC and APEX reserve the right to reject or reverse incoming transfers of any security that we decide not to or are unable to carry on behalf of the customer. Neither ST Invest LLC or APEX will be held liable for any fees or costs associated with the reject or reversal of transfer. Neither ST Invest LLC or APEX will be held liable for losses to the customer if the delivering firm rejects the reversal and the position(s) held through ST Invest LLC and APEX

Potential Investor Exposure and Liability

Please be aware DTC, APEX Clearing Corporation, or ST Invest LLC may remove securities deemed to be worthless, assess additional fees for the transfer and ship to another firm/the client or for their liquidation