



Regulation Best Interest Disclosure

This guide summarizes important information concerning the scope and terms of the brokerage services we offer and describes 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) and disclosure documentation you may receive from us.

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. Our affiliates, GAMCO Asset Management Company, Inc. and Keeley-Teton Advisers, LLC are each registered with the SEC as an investment adviser, providing investment advisory services to retail customers. For more information on their investment advisory services and how they differ from our brokerage services, please review our Customer Relationship Summary (or Form CRS) available at <https://www.gabellisecurities.com>. Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

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

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Brokerage Services

When you establish a brokerage account with us, you are able to buy, sell and hold investments within your account. The primary service we provide is our trading capability as an introducing broker. We initiate purchases and sales on your behalf and as directed by you and then such purchases and sales are executed in your account held at the clearing firm described below.

Clearing Services

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

Cash Brokerage and Margin Brokerage Accounts

We 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 are able to borrow part of the purchase price from our clearing firm. 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. 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 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 and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact your associated person.

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). You should refer to our account agreement(s) for more information concerning available account types or speak with an associated person.

Incidental Brokerage Services, Recommendations and Account Monitoring

In relation to your brokerage account, we may also provide incidental services to our trading services, such as providing you with research reports and making recommendations to buy, sell, or hold securities or other assets. Any such recommendations will be made orally to you.

When we act in a brokerage capacity, it is important that you understand the nature of the relationship between you and your broker. When one of our teammates associated person makes 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 have the authority to accept or reject any recommendation.

We do not agree to enter into a fiduciary relationship with you and, as such, it is your responsibility to monitor the investments in your brokerage account. We encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with one of our teammates about whether an investment advisory services relationship is more appropriate for you, understanding that such a relationship may result in higher fees.

Please also consider that from time to time we will at our discretion 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 activities 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 may review such information and reports with you and provide you with investment recommendations, but we are not under a specific obligation to do so.

Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose all amounts deposited in your brokerage account. Further, some investments involve more risk than other investments. Higher-Risk investments generally 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 your 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 brokerage account 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 "Growth and Income" investors holding some higher-risk investments, and finally "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 "Conservative" to "Moderate" to "Aggressive," and finally "Trading and Speculation." See the **chart below** for details.

Investment Objective	Investment Objective Description	Risk Tolerance	Risk Tolerance Definition
Income	Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.	Conservative	Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.
		Moderate	Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
		Aggressive	Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth & Income	Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.	Conservative	Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
		Moderate	Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
		Aggressive	Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth	Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.	Conservative	Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns.
		Moderate	Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
		Aggressive	Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.
Trading and Speculation	Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.		

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. 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 permits you to earn a return on uninvited 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) and the Cash Sweep Program Disclosure Statement, available upon request. Please review that Disclosure Statement carefully.

Account Minimums and Activity Requirements

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.

You should also understand that our associated persons are permitted to establish their own minimum account balance requirements

for the brokerage accounts they service. For example, a dedicated associated person could choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your associated person.

Brokerage Service and Products

We are a full-service brokerage firm that provides a large variety of services and products to our clients, including research and advice, retirement and education planning and wealth management. Through our associated persons, we are able to provide you with recommendations tailored to help meet your investment needs.

We offer products such as stocks, exchange traded products, closed end funds, rights, warrants, bonds and mutual funds. Your associated person can provide you with further details on specific products offered.

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 for trades you decide to enter into, such as buying and selling stocks, bonds, exchange traded products (ETPs), mutual funds, 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." Transaction- Based fees are based on a host of factors, including, but not limited to:

- 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 can be waived under certain conditions.

How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and can impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs)

We have a standard commission schedule for stocks, rights, warrants and exchange traded funds. Associated persons are able to, with limited discretion, adjust commission rates based on a variety of factors including but not limited to length of relationship, account or household size and services provided. You should discuss commission rates with your associated person.

Debt Securities

For debt securities, including preferred securities and CDs, we will apply a charge (*i.e., markup*).

Mutual Funds

We currently offer mutual funds varying in share class structure and investment style. If you invest in mutual funds, we will receive direct and indirect compensation in connection with such mutual fund investments, as described below.

Cash Sweep Program/Bank Deposit Sweep/Other Float Compensation

We do not receive revenue for your cash credit balances. Interest paid to us is reduced by any amount the Clearing Agent credits to your accounts including any amounts required by applicable law.

Training and Education

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our associated persons. These meetings or events are held to educate associated persons on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our associated persons with providing services to the plan.

Occasionally, product providers will reimburse us for expenses incurred by individual branch offices in connection with conducting training and educational meetings, conferences, or seminars for associated persons and participants. Also, associated persons may receive promotional items, meals or entertainment or other non-cash compensation from product providers.

Associates are prohibited from receiving any cash or non-cash compensation from a vendor that will influence their investment related recommendations.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with associated persons; these relationships could lead to sales of that particular company's products.

Your associated person can provide you with additional information regarding training and education compensation.

Operational Fees

We do not charge operational fees. Our Clearing Agent does charge operational fees which in some cases are shared with us. These fees may be passed to you. Examples of operational fees include, but not limited to:

- Account Fees
- Physical Securities Safekeeping Fees
- Returned Deposit Checks
- Wire Transfers
- ACAT delivery
- IRA Termination
- Postage & Handling

Trade Corrections

When we become aware of a trade error, we will correct it promptly without creating any disadvantage to you. If we are at fault for the error, the error will be settled out of our own account, not using client brokerage or funds, in order to place you in such a position as if the error never occurred ("making you whole"). If the Clearing Agent is at fault for the error, the Clearing Agent is responsible for making you whole.

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.

Brokerage – Excluded Advisory Assets

As described above, our brokerage services differ from advisory services offered through our affiliates. However, in some instances our affiliates will allow an advisory client to trade what are referred to as “excluded assets” within their advisory services account. Excluded assets are not subject to our affiliates advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse 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.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our teammates, 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 money managers, and other third parties as described above. Securities rules allow for us, our associated persons, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our associated persons 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. We will provide additional information related to our conflicts of interest in the following sections. 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.

We routinely review and assess the materiality of all conflicts present within our firm. On an annual basis, our conflicts are reviewed by Senior Management of the firm to ensure all conflicts are avoided, disclosed and mitigated.

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, variable annuities, 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 associated person 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 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 Related to Our Affiliates

Brokerage recommendations can include a recommendation to invest in a product or service that is managed, issued or sponsored by us or our affiliates. We and our affiliates will receive additional compensation or economic benefits from investments by you in such products, including, but not limited to, management fees, incentive fees, service fees and revenue sharing arrangements. The compensation received by us and our affiliates related to these products and services may be greater than similar products or services provided by parties that are not affiliated with us. Thus, we have an incentive to recommend investments in proprietary/affiliated products.

The Research We Provide

We publish institutional research on approximately 250 companies globally with an emphasis on small & mid-cap ideas. Our core competencies include Aerospace & Defense, Automotive Aftermarket, Food & Beverage, Gaming & Lodging, Industrials, Media, Specialty Chemicals, Telecom, and Utilities. We publish daily research notes and full reports utilizing our proprietary Private Market Value (PMV) with a Catalyst™ methodology. We host annual research conferences and numerous non-deal roadshows throughout the country.

Compensation Received by Associated Persons

In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments.

Additional Resources

Form CRS

<https://www.adviserinfo.sec.gov/IAPD/default.aspx>

Legal Disclosures

<https://gabellisecurities.com>

Margin Disclosure

<https://gabellisecurities.com>