



Ladenburg Thalmann & Co. Inc. (“LTCO”)

EQUITY ORDER HANDLING PRACTICES & DISCLOSURES

Ladenburg Thalmann & Co. Inc.
640 Fifth Ave 4th Floor
New York, NY 10019

General Information

EXECUTING BROKER INFORMATION

Full Legal Name: LADENBURG THALMANN & CO. INC.
CRD#: 505 & SEC#: 8-17230

Tax ID: 13-2700032

Organized: State of Delaware, 12/3/1971

Fiscal Year End: December

Legal Address: 640 5th Avenue, 4th Floor New York, NY 10019

Website: <https://www.ladenburg.com/>

Operations Email: institutionalops@ladenburg.com

Operations Contact: (212) 409-2047 or (212) 409-2019

Trading Desk Contact: (212) 409-2011 or (212) 891-5289

LEI: 2549000V3L2KK4L76W91

Alert Acronym: LADENNY

MPID/IMID: LTCO

CTM BIC (US): LTCOCTMXXXX

CLEARING INFORMATION

Clearing Firm: NATIONAL FINANCIAL SERVICES, LLC
CRD#: 13041 & SEC#: 8-26740

Legal Address: 499 Washington Blvd Jersey City, NJ 07310

Tax ID: 04-3523567

DTC#: 0226

Agent: 94181

Institutional ID: 94181

NFS BIC (US): NFSCUS33

SELF-REGULATORY ORGANIZATIONS

FINRA	FINRA	10/16/1936
AMEX	NYSE American LLC	02/25/1988
ARCA	NYSE Arca, Inc.	06/22/2006
CHX	NYSE Chicago, Inc.	09/04/1975
NSDQ	Nasdaq Stock Market	07/12/2006
NYSE	New York Stock Exchange	11/17/1982

Securities Investor Protection Corporation

Ladenburg Thalmann & Co. Inc. is a member of Securities Investor Protection Corporation (“SIPC”). The SIPC telephone number is (202) 371-8300 and the website address is www.sipc.org.

Privacy Disclosure

<https://www.ladenburg.com/disclosures/privacy-disclosure>

Introduction

Ladenburg Thalmann & Co. Inc. (“LTCO”) is a full-service broker dealer headquartered in midtown New York City. Our clients are primarily characterized as Professional Clients. The vast majority of our clients are all institutions, of which are SEC regulated entities, hedge funds, and a small segment of retail cash accounts. LTCO maintains a fully disclosed clearing relationship as an introducing broker with National Financial Services, LLC (“NFSC”). The LTCO equity trading desk facilitates high-touch institutional orders typically greater than 10,000 shares or \$200,000 or more in market value at the relationship level. Majority of all retail order flow is transacted by each respective financial professional via National Financial Services, LLC trading platform (“Wealthscape”) at the account level.

Trading Platforms

Institutional Trading Desk utilizes an order management system called, (“TRAFIX”)

<https://trafix.com/oms.html>

Retail Trading Unit utilizes National Financial Services, LLC trading platform, (“Wealthscape”)

<https://www.wealthscape.com/>

Purpose

This policy attempts to provide a general description of its equity order handling and execution practices of orders which in turn may NOT be fully representative of how certain orders are handled and executed.

Scope of the Policy

This policy applies to the handling and execution of orders received from professional clients conducted on the LTCO institutional equity trading desk (“Trading Desk”) and among registered representatives who receive orders on behalf of clients (“Retail”). All securities, including listed securities, transactions in OTC securities, and securities listed on foreign exchanges.

Best Execution

LTCO represents our obligation to seek the most advantageous execution terms reasonably available under the circumstances when executing a transaction on your behalf. There are a number of factors that are considered when your order is placed into our trust, such as:

1. Price
2. Size of the order
3. Speed of execution
4. Likelihood of execution (liquidity)
5. Cost
6. Type of order

Best Execution Monitoring and Review

LTCO subscribes to third party “broker neutral” electronic communication networks and primary exchange \$2 brokers to facilitate the execution of client orders.

We monitor the effectiveness of our execution arrangements and assess on a regular basis whether the venues we have selected provides the best possible result for orders executed on your behalf. Below are the factors LTCO uses as part of our reasonable diligence

1. Customer needs and expectations
2. Ensuring execution took place within the protected NBBO at the time of execution

3. Opportunities for potential price improvement
4. Expectation order will be fully or partially executed
5. Speed of execution
6. Costs

As part of our best execution practices, we currently use [Trading Technologies International Inc.](#), a third-party vendor, to provide us with a comprehensive analytics platform. By combining their analytics with our “regular & rigorous review” of execution quality, helps us to use reasonable diligence to ascertain the best market for the subject security. What we mean by best market is that the subject security that is being traded results in favorable pricing to the customer under prevailing market conditions.

Order Receipt (Automated and Manual)

LTCO accepts client orders electronically or manually. An electronic order is typically received via FIX protocol and manual orders are typically received via phone or other compliance approved method of communication. Receipt of customer orders must be acknowledged by a Ladenburg financial professional using approved channels of communication and/or received electronically to be considered for execution. LTCO will have no responsibility for any such order that breaches this protocol.

Solicited vs. Unsolicited

Unless an order is specifically represented as solicited, orders will be treated as unsolicited.

Order Modification or Cancellation

As a client of LTCO you may request to cancel or modify a previously accepted order that is unexecuted or partially executed. LTCO in its sole discretion has the right to accept or reject any order cancellation or modification requests. Prior to accepting a cancellation or modification request, we must wait for confirmation from any away market centers we are using to facilitate your order.

Directed Orders

LTCO may receive unsolicited “directed orders” with specific instructions to route an order to a particular market center or exchange for execution. Although directed orders are not subject to our best execution policy; LTCO has the responsibility to process that order promptly and according to your instruction. If the order was directed to another FINRA member broker-dealer, the receiving broker-dealer would be required to meet the order handling requirements of Rule 5310.

Order Routing Best Practices

If client has not instructed their order to be sent to a specific market center for execution LTCO would make the routing decisions with regard to that order. Routing decisions would be based on a number of different factors not limited to customer needs and expectations, opportunities for potential price improvement, expectation order will be fully or partially executed, speed of execution, and the associated costs. LTCO may in its discretion choose to internalize orders executing all or a portion of an order against its principal book. Orders that are routed to external market centers for execution are facilitated through the use of electronic communication networks (“ECN”), exchanges, and floor brokers.

Order Types Held or Not-Held

A “not-held” order is an un-priced order and therefore does not have price protection. LTCO may execute trades for itself or for other clients at prices which the “not-held” order you have placed could be executed. “Not-held” orders give us the price and time discretion which allows us to act in your best interest by working your order to obtain the best possible price. “Not-held” orders are exempt from SEC Order Handling Rules. Unless otherwise instructed on an order-by-order basis, all orders received by LTCO will be treated as market “not-held” orders.

A “held” order requires LTCO to immediately execute or route the order upon receipt at prevailing and available market prices. The SEC has indicated that a “must display the order as soon as is practicable after receipt which, under normal market conditions, would require display no later than 30 seconds after receipt”. LTCO is not permitted to exercise judgement when handling these types of orders.

All orders placed directly in the customer’s account using **Wealthscape** are treated as market or limit “held” unless otherwise specified to be worked as “not-held.” If the order is chosen to be worked “not-held” that order is directed to National Financial Services, LLC equity trading desk which is subject to their own order handling policies and procedures. Orders

routed for execution via this platform are subject to review for execution quality.

Primarily all orders placed in **TRAFIX** are market or limit “not-held” orders and marked as such. In the event we receive market or limit “held” orders electronically they are routed for execution within the NBBO immediately without delay.

Order Display Rule

The Display Rule requires market centers to display the full price and size of qualifying limit orders in their quotes, subject to certain enumerated exceptions. Once a customer limit order is obligated to be publicly displayed in accordance with the Display Rule, the Display Rule requires that such a customer limit order be displayed “immediately,” unless a specific exception to the rule applies.

Request for Quote (RFQ)

On occasion, LTCO receives large equity orders that would have a significant impact on price due to lack of available liquidity and depth of the market. It is up to LTCO to determine when these market conditions exist and whether the customer is likely to benefit from a bidding process. LTCO utilizes TradeWeb which is a RFQ platform that helps us facilitate this bidding process. This platform is not linked to our trading platform, therefore, the RFQ is not immediately actionable. Upon selection of a response, LTCO routes the customer order to the FINRA Member offering the best price.

Personnel

The institutional trading desk can be contacted by email using trading@ladenburg.com or using the following phone numbers below. All other retail trading inquiries should be directed to your dedicated financial professional. If you are unsure and need someone to service your account, please contact the Branch Manager.

Director of Trading	Eric Novotny	(212) 409-2011
VP, Trading	Patrick O’Hagan	(212) 409-2049
Co-CEO, Trading Desk Supervisor, Principal Operations Officer	Michael Gideon	(212) 409-2019
Branch Office Manager	Margaret Boyd	(212) 891-5264
Chief Compliance Officer	Brian Spatola	(561) 620-2105

Customer Complaints

Brian Spatola
Chief Compliance Officer
Ladenburg Thalmann & Co. Inc.
2255 Glades Road, Suite 324A
Boca Raton, FL 33431
compliance@ladenburg.com
(561) 620-2105

Extended Hours Trading Disclosure

The growth of extended hours trading provides retail customers with greater opportunities to trade securities and manage their portfolios, and in so doing, provides access to markets that were previously limited to institutional customers. Participation in extended hours trading may offer certain benefits to retail customers but entails several material risks. Depending on the extended hours trading environment, these risks may include:

- A. Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- B. Risk of Higher Volatility: Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

- C. Risk of Changing Prices: The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
- D. Risk of Unlinked Markets: Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system that you would in another extended hours trading system.
- E. Risk of News Announcements: Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside the regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect of the price of a security.
- F. Risk of Wider Spreads: The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

List of Execution Venues

Outlined below is the most current list ([latest disclosure dated 07/24/2023](#)) of available trading venues where the LTCO high- touch trading desk may direct your order for execution. We have pre-established agreements with each venue that specifically outline the fee/rebate schedule.

ELECTRONIC COMMUNICATION NETWORKS (ECN)

<u>Venue</u>	<u>Full Name</u>	<u>CRDID</u>	<u>Algo</u> ¹	<u>Exchange</u>	<u>ECN</u>
CPEM	CLEARPOOL EXECUTION SERVICES, LLC	168490	Yes	No	Yes
MTRX	MATRIX EXECUTIONS, LLC	38455	Yes	No	Yes
GSCO	GOLDMAN SACHS & CO. LLC	361	Yes	No	Yes
INET	NASDAQ EXECUTION SERVICES, LLC	7270	No	No	Yes
NFSC	NATIONAL FINANCIAL SERVICES, LLC	13041	Yes	No	Yes
OTCX	OTC LINK ECN	153944	No	No	Yes

MARKET MAKERS (LIQUIDITY PROVIDERS)

<u>Venue</u>	<u>Full Name</u>	<u>CRDID</u>	<u>Algo</u>	<u>Exchange</u>	<u>ECN</u>
CDRG	CITADEL SECURITIES LLC	116797	No	No	No
GSCO	GOLDMAN SACHS & CO. LLC	361	No	No	No
JANE	JANE STREET CAPITAL, LLC	103782	No	No	No

FLOOR BROKERS

<u>Venue</u>	<u>Full Name</u>	<u>CRDID</u>	<u>Algo</u>	<u>Exchange</u>	<u>ECN</u>
BT	TRADEMAS INC.	130030	No	No	No
CHBC	PENSERRA SECURITIES, LLC	145994	No	No	No
ROSN	ROSENBLATT SECURITIES, INC	18377	No	No	No

EXCHANGES

<u>Venue</u>	<u>Full Name</u>	<u>CRDID</u>	<u>Algo</u>	<u>Exchange</u>	<u>ECN</u>
NYSE	NEW YORK STOCK EXCHANGE	n/a	No	Yes	No
AMEX	NYSE AMERICAN LLC	n/a	No	Yes	No
ARCA	NYSE ARCA INC	n/a	No	Yes	No

¹ FINRA Rule 1220(b)(4)(a) defines Trading Algorithmic Strategy as "an automated system that generates or routes orders (or order-related messages) but shall not include an automated system that solely routes orders received in their entirety to a market center."

Payment for Order Flow Disclosure (SEC Rule 607)

Ladenburg Thalmann & Co. Inc. ("LTCO") may receive payments for placing non-marketable limit orders ("posting liquidity") on ECN's or Exchanges that are ultimately executed. Typically, however, such payments are significantly lower than the fees paid to such venues for "taking liquidity," so any payments simply serve to offset some of the transaction fees that would otherwise be incurred. The source and amount of any compensation received in connection with a specific transaction and any additional information concerning order flow payment, including both "held" and "not-held" order flow will be disclosed upon written request. LTCO may internalize customer order flow to offer opportunities for price improvement. The internalization of customer order flow may provide lower costs and revenue opportunities to LTCO that otherwise may not have been available had the order flow been routed to another market center, market participant, dealer, or exchange.

LTCO does not accept payment for order flow and orders are 100% non-directed.

Order Routing Disclosure

Execution Quality & Order Routing Disclosure (SEC Rule 605 & 606)

In accordance with SEC Rule 605, the firm compiles and publishes a monthly report regarding the execution quality provided by its trading desk of orders in equities in which we are a market maker. This report is available at <https://www.abelnoser.com/605-ladenburg.html> within one month after the end of the month addressed in the report.

In accordance with SEC Rule 606, the firm compiles and publishes a quarterly report regarding its routing of non-directed customer orders in national market system securities and listed options. This report is available at <https://www.abelnoser.com/606-ladenburg.html>

Customers may request a written copy of the report free of charge (a request can be sent via email to compliance@ladenburg.com). In addition, customers may request the firm to furnish a report identifying the venue to which their orders in national market system securities and listed options were routed for execution in the six months prior to the request, whether the orders were directed orders or non-directed orders, and the time of the transactions, if any, resulting from such orders.

Validation of Vendor Reporting Posted on Ladenburg's Behalf

A quarterly zoom call is pre-scheduled with our vendor Trading Technologies to discuss the creation of Ladenburg's 605/606 reports prior to public display. During the course of this meeting Ladenburg evaluates the data for accuracy and completeness. Any potential issues are discussed internally and if corrective action is needed it is escalated accordingly.

Restricted and Control Securities

Restricted securities are securities acquired in unregistered, private sales from the issuing company or from an affiliate of the issuer. Investors typically receive restricted securities through private placement offerings, Regulation D offerings, employee stock benefit plans, as compensation for professional services, or in exchange for providing "seed money" or start-up capital to the company. SEC Rule 144(a)(3) identifies what sales produce restricted securities.

Control securities are those held by an affiliate of the issuing company. An affiliate is a person, such as an executive officer, a director or large shareholder, in a relationship of control with the issuer. Control means the power to direct the management and policies of the company in question, whether through the ownership of voting securities, by contract, or otherwise. If you buy securities from a controlling person or "affiliate," you acquire restricted securities, even if they were not restricted in the affiliate's hands.

Sales of securities that are offered pursuant to an effective registration statement filed with the Securities and Exchange Commission must be accompanied by or preceded by a registration statement. Under certain conditions, restricted and control securities may be sold to the public.

Unless we expressly agree otherwise in advance of any transaction, it is our expectation that you will not send LTCO orders to sell securities that are restricted or control securities or offered pursuant to an effective registration statement such that LTCO would be required to deliver a prospectus to its counterparties.

In the event that we expressly agree to accept such orders, we will first determine whether we can appropriately handle the transaction in compliance with relevant laws and regulations. We will likely contact the issuer, their counsel and the transfer

agent and will typically ask you the following types of questions:

1. How long have you held the securities?
2. How did you acquire the securities?
3. Have you recently sold, or do you intend to sell additional securities of the same class?
4. Have you solicited or made arrangements for the solicitation of buyers of your securities or made payments to any other persons in connection with the transactions?

Because securities that are, or at one time were, restricted frequently bear a legend on the certificates that serves to restrict their transfer, clearance, and settlement such transactions may be delayed beyond the normal settlement cycle. Under these circumstances, orders may be required to be marked short. Proper marking of such orders will allow for additional time beyond the normal settlement cycle to make delivery, while improperly marked orders put you at risk of being bought-in.

As with all transactions, LTCO reserves the right to refuse to accept orders and may cancel trades to the extent we are able if we suspect the transaction involves the types described above and you have not cooperated in informing LTCO of the nature of the transactions in advance and provided appropriate information to help us ensure we can handle the transactions in compliance with applicable regulations. As a risk control procedure LTCO documents the receipt of all securities via DWAC, DRS, and DTC free receive using a "Securities Received Worksheet."

Canadian International Disclosure

In order to comply with the securities laws in Ontario, Canada we are notifying you of the information set out below. Please note that the disclosure being provided in this notice will apply to all future distributions for which LTCO acts as a Canadian placement agent.

1. LTCO is not registered in the jurisdiction of Canada and is not a securities dealer in Ontario.
2. The firm's principal place of business is located in New York, NY (USA).
3. There may be difficulty enforcing legal rights against the firm because all or substantially all of LTCO assets are situated outside of Canada.
4. The name and address of its agent for service of legal process is:

C/O Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, Toronto ON M5J 2Z4 Canada

Net Trading for Institutional Accounts

For institutional clients that do not pay a disclosed commission for executed "not held" orders, LTCO may execute such "not held" orders on a "net" basis. Prior to acting in this capacity LTCO will require you to agree in writing by signing "Net Trading Disclosure Letter." Annually thereafter LTCO will resend the agreement for negative consent. When executing "not held" orders on a "net" basis, LTCO will accumulate a position in a principal account to fill your order and then execute your order at a price(s) that is above its average accumulation cost in the case of a buy order or below its average accumulation cost in the case of a sell order. The difference between our average cost to accumulate a position to fill your "not held" order and the price reported to you and the consolidated tape is compensation to LTCO for the execution of your order. The amount of this compensation is not separately disclosed on confirmations. Details regarding the individual executions used to fill your order(s) are available upon request. If you object to our handling your orders on a net basis as described above, please send an email to compliance@ladenburg.com and a representative will contact you to discuss alternative compensation arrangements.

Proprietary Trading

FINRA Rule 5270 generally prohibits LTCO from trading for its own account when in possession of material, non-public information concerning an imminent client block transaction. The rule sets forth three categories of permitted transactions that we may engage in, while in possession of such information:

- 1) transactions unrelated to the customer block order;
- 2) transactions to fulfill or facilitate the execution of the block order, and;
- 3) transactions that are executed on a national securities exchange and comply with the marketplace rules.

In order to provide immediate liquidity, LTCO may trade as principal in fulfilling your order. In order to manage risk, LTCO may trade at the same time and at the same price level when handling your order.

SEC Rule 15c3-5 (Market Access)

LTCO has developed controls which will reject or block orders that exceed previously defined trading risk parameters.