

REGULATORY DISCLOSURE STATEMENT

The U.S. Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority, Inc. (“FINRA”), and other regulators have various rules and regulations that require broker-dealers to disclose certain policies and procedures including, but not limited to, customer identification, business continuity, order routing and investor protection.

In accordance with these various regulatory requirements and industry best practices, and to give its customers transparency into the Firm’s policies and procedures, CF Secured, LLC. (“CF Secured” or the “Firm”) is providing the following regulatory disclosures to its customers.

New Account Opening – Verifying Your Identity

To assist the government’s fight against the funding of terrorism and to prevent money laundering activities, federal laws and regulations require financial institutions to obtain and verify information that identifies each client who opens an account.

When opening an account, the Firm is required to obtain your name, address, tax information and other information and documentation that will be utilized to verify your identification. For accounts other than natural persons (e.g.: a corporation, partnership or trust) the Firm will request identifying documents evidencing the existence of the entity, such as articles of incorporation, a government-issued business license, a partnership agreement or a trust agreement. The Firm may also request to see a valid government issued form of identification evidencing nationality or residence and bearing a photograph such as a driver’s license, passport or other identifying documents for the Control persons or beneficiaries of the account.

As required by federal law, if the Firm is unable to verify your identity, CF Secured. will not be able to open an account or establish a relationship with you. CF Secured. reserves the right to request additional information or documentation at any time at its sole discretion. Material changes in account information should be forwarded in writing to CF Secured’s Compliance Department at the address below.

Portfolio Margin and Regulation T Requirements

The terms on which firms can extend credit for securities transactions are governed by federal regulation and by the rules of FINRA and the securities exchanges. Some securities cannot be purchased on margin, which means they must be purchased in a cash account, and the customer must deposit 100 percent of the purchase price.

Regulation T

Generally, under Regulation T, firms can lend a customer up to 50 percent of the total purchase price of a margin security for new, or initial, purchases.

FINRA and exchange rules supplement requirements of Regulation T by placing “maintenance” margin requirements on customer accounts. Under these rules, the customer’s equity in the account must not fall below 25 percent of the current market value of the securities in the account.

Portfolio Margin

Where a customer has been approved for a Portfolio Margin (“PM”) account, the customer’s margin rate will depend on the make-up of its portfolio and may be subject to change as the methodology to calculate the margin rate will depend on risk factors such as volatility of each stock and concentration.

To conduct necessary due diligence, CFS may reach out for additional documentation from a customer seeking approval for a PM account.

Day Trading

Pursuant to FINRA Rule 4210, generally a customer seeking to engage in day trading activities¹ must maintain a minimum of \$5 million in its account.

Settlement of Securities Transactions

The SEC requires broker-dealers to settle most securities transactions within two business days (“T+2”) of their execution date. These include transactions for stocks, bonds, options (exercise and assignment), rights, warrants, municipal securities, Exchange Traded Funds (ETFs), Exchange Traded Products (ETPs), American Depositary Receipts (ADRs), certain mutual funds, and limited partnerships that trade on an exchange. The T+2 requirements do not apply to certain other categories of securities, such as exempted securities. The shortened settlement aligns the U.S. settlement cycle with the settlement cycles in other (non-U.S.) markets.

When a customer buys a security, CF Secured must receive payment from the customer no later than two (2) business days after the trade is executed. When a customer sells a security, the customer must deliver the security to CF Secured no later than two (2) business days after the sale.

Transactions in Restricted Stocks & Microcap/Low-Priced Securities

A customer must inform CF Secured prior to sending any security which is deemed to be “restricted” under Rule 144 of the Securities Exchange Act of 1933, as amended, and the customer agrees that any such order shall be effected only in accordance with the policies and requirements prescribed from time to time by CF Secured (including, but not limited to, execution of appropriate documentation and receipt of opinion of counsel).

CF Secured reserves the right to reject all or any orders or positions on a customer-by-customer and/or symbol-by-symbol basis at any time and for any reason related to its risk controls, whether financial, regulatory or other, as determined by CF Secured in its sole discretion. The aforementioned right applies to, but is not limited to, low-priced securities such as nanocap and microcap, shell-company, caveat emptor, and similar securities. In addition, for customer orders in which upon settlement the shares will not settle in an electronic manner (such as shares held in physical certificates), CF Secured reserves the right to cancel or reject such trades. CF Secured may at its discretion choose to accept settlement of physical shares only upon agreed terms, in which its counterparty clearly identified prior to, or at the time the order was received, that settlement would not occur in an electronic manner.

¹ Except day trading activities that are part of a hedge strategy designed to reduce or offset a material portion of the risk in the account or comply with the provisions of FINRA Rule 4210(f)(8)(B).

Commission Sharing/Referral Fees

The Firm from time to time may enter into an arrangement with broker-dealers and/or affiliates; whereby the entities may share in transaction-based compensation charged on transactions or pay fees to registered representatives who refer potential customers for prime brokerage services.

Options

Options involve risk and are not suitable for all investors. There is no guarantee that the option strategies promoted will accomplish the stated objectives. Options trading is considered speculative and may result in the loss of a portion of or all of your initial investment and/or funds in excess of the principal invested. Prior to buying or selling an option, you should read “Characteristics and Risks of Standardized Options”, which is known as the options disclosure document (ODD). Electronic copies of the ODD and any supplements are available on the Options Clearing Corporation website, which is located at the following link: <http://www.optionsclearing.com/about/publications/character-risks.jsp>.

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

- The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.
- As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
- Uncovered option writing is thus suitable only for a knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer’s options position, your CF Secured representative may request significant additional margin payments. If you do not make such margin payments, CF Secured may liquidate stock or option positions in your account, with little or no prior notice in accordance with your margin agreement.
- For combination writing, where an investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
- If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
- The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.
- You are expected to have read and clearly understand the ODD. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This chapter does not address all of the risks entailed in writing uncovered options.

FINRA BrokerCheck

FINRA BrokerCheck is a free tool that assists investors by providing background and regulatory information on current and former FINRA member firms and registered representatives. This information can be obtained at www.brokercheck.finra.org or by calling the FINRA BrokerCheck Hotline toll-free number at 1-800-289-9999. A copy of an investor brochure that includes information describing FINRA BrokerCheck can be obtained by calling the FINRA BrokerCheck Hotline number or accessing the FINRA website.

Information on the Securities Investor Protection Corporation (“SIPC”)

SIPC was created by the Securities Investor Protection Act of 1970 (“SIPA”) and its primary purpose is to provide protection within the limits of the SIPA to securities customers of failed brokers or dealers who are members of the SIPC. CF Secured is a member of the SIPC. Information on SIPC and the SIPC Brochure is available at either www.sipc.org, or by contacting SIPC at (202) 371-8300, or by sending an email request to asksipc@sipc.org.

Customer Privacy Notice and Privacy Statement

CF Secured’s Customer Privacy Notice is available at: <http://www.cantor.com/customer-privacy-notice/> and Privacy Statement is available at: <https://www.cantor.com/privacy-statement/>

Business Continuity Plan

CF Secured’s Business Continuity information is available at: <https://www.cantor.com/wp-content/uploads/2016/07/Group-Business-Continuity-Plan-Summary-2022.pdf>

Statement of Financial Condition – SEC Rule 17a-5(c)

In accordance with Securities Exchange Act Rule 17a-5(c), CF Secured LLC makes its Statement of Financial Condition available free of charge at the following link: <https://www.cantor.com/disclosures/>

The most recent audited statement filed is available for inspection at the principal office of CF Secured and at the New York Regional Office of the SEC.

Customer Complaints

In accordance with SEC Rule 17a-3(a)(18)(ii), please be advised that any complaints may be directed to the following:

**CF Secured, LLC.
110 East 59th Street, 21st Floor
New York, NY 10022
Attention: Chief Compliance Officer**

Questions

Should you have any questions or require any additional information regarding this statement, please contact your client sales representative or the Compliance Department at (212) 938-5000.