REGULATORY DISCLOSURES – Roth Capital Partners, LLC

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, client identification, business continuity, order routing and investor protection.

In accordance with these various regulatory requirements and industry best practices, Roth Capital Partners (“Roth” or the “Firm”), is providing the following regulatory disclosures to its clients.

- USA Patriot Act/Anti-Money Laundering Procedures and Customer Identification Program:
- Regulation S-P – Roth Privacy Statement
- ANNUAL MARGIN DISCLOSURE STATEMENT
- Execution Quality and Order Routing
- SEC Rule 606
- Payment for Order Flow
- Held or Not Held Orders
- Business Continuity Plan Disclosure Statement
- FINRA’s BrokerCheck Program
- Information on the Securities Investor Protection Corporation (“SIPC”)
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USA Patriot Act/Anti-Money Laundering Procedures and Customer Identification Program:

The USA PATRIOT Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism) was enacted to strengthen the United States government’s ability to combat terrorist financing and money laundering. The USA PATRIOT Act requires financial institutions to obtain, verify, and record information that identifies each person or entity with a relationship at a financial institution. 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. While we may be required to disclose this information pursuant to applicable laws, rules or regulations, it will otherwise be retained in confidence according to our Privacy Policy.

As required by federal law, if Roth is unable to verify your identity, we will not be able to open an account or establish a relationship with you. Roth 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 Roth’s Operations Department at the above address.
Roth recognizes that you expect your personal information to be handled in a professional, confidential manner and we have, therefore, adopted the following policies to safeguard your privacy and to explain the circumstances under which we may collect, maintain and use any non-public personally identifiable information that you may provide us.

We collect information about you to help us serve your financial needs, provide customer service, offer new products or services, and fulfill legal and regulatory requirements. The type of information we collect may include:

- Information we receive from you on applications or other forms (for example, your name, address, social security number, assets and income);
- Information about your transactions with us or others (for example, your account balance, payment history, parties to transactions); and
- Information that we receive from a consumer reporting agency (for example, your creditworthiness and credit history).

We do not share non-public personal information about you with unaffiliated third parties with whom we have no contractual business relationship for their independent use unless (1) you give us permission, (2) it is necessary to complete a transaction on your behalf, (3) it is necessary to protect against fraud, comply with a subpoena or other court order or is otherwise required or permitted by law. We do not sell information about you to outside unaffiliated companies.

Further, we restrict access to your personal and account information to those employees who need to know that information to provide products or services to you and maintain strict physical, electronic, and procedural safeguards to guard your nonpublic personal information.

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

We reserve the right to change these privacy policies at any time.
• **ANNUAL MARGIN DISCLOSURE STATEMENT**

Roth Capital Partners, LLC is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account, as required by FINRA Rule 2264. Before trading stocks in a margin account, you should carefully review the margin agreement provided to you. Also, please consult with your account representative regarding any questions or concerns you may have with your margin account(s).

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Roth’s clearing firm (the “Clearing Firm”). If you choose to borrow funds from the Clearing Firm, such borrowing will be facilitated through your margin account with the Clearing Firm. The securities purchased in a margin account serve as collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the Clearing Firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the Clearing Firm, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin.

These risks include the following:

• **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the Clearing Firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).

• **The Clearing Firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or the firm’s higher “house” requirements, the Clearing Firm can sell the securities or other assets in any of your accounts held at the Clearing Firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

• **The Clearing Firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm who makes a margin loan must contact them in order for a margin call to be valid, and/or that a firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

• **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** All securities held in a margin account serve as collateral for a margin loan. As a result, the firm has the right to decide which securities to sell in order to protect its interests.
• The Clearing Firm can increase its “house” maintenance margin requirements at any time and is not required to provide you advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the Clearing Firm to liquidate or sell securities in your account(s).

• You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.
• **Execution Quality and Order Routing**

**SEC Rule 605**

In accordance with SEC Rule 605 of Regulation NMS requires market centers that trade National Market System (NMS) securities to make available to the public monthly electronic reports that include uniform statistical measures of execution quality of “covered orders”. The SEC requires that the disclosure of a market center’s order execution information be made available free and readily accessible to the public via a web site. Information regarding Roth Capital Partners’ most recent monthly SEC Rule 605 quality of executions information is available at:
• **SEC Rule 606**

Under SEC Rule 606 (a) Roth must provide quarterly, aggregated public disclosure of their routing and handling of orders submitted on a held basis in a covered (NMS) stock. To obtain a copy of Roth’s 606(a) report use the link available on the internet at [www.roth.com](http://www.roth.com) and in hard copy for those who do not have access to the internet.

In addition, SEC Rule 606(b) requires that Roth, upon request of its customer, provide customer-specific disclosures related to the routing and execution of the customer’s NMS stock orders submitted on a not held basis for the prior six months, subject to two de minimis exceptions. The purpose of the report is to provide the public with information on how broker-dealers route their customers' orders and to enable customers (and others) to evaluate order routing practices. The Rule was adopted by the SEC to enhance market transparency and foster competition among market participants. In addition to quarterly reports (when applicable), information about the routing of individual customer orders is available to customers, upon request, for the prior six months' trading activity.

All customer inquiries regarding order routing should be directed to:

Roth Capital Partners, LLC  
Chief Compliance Officer  
888 San Clemente Drive  
Newport Beach, CA  92660  
(949)720-5700
• **Payment for Order Flow**

In accordance with Securities and Exchange Commission regulations, this paragraph describes Roth Capital Partners, LLC’s (“Roth”) payment for order flow practices. The determination as to where to route orders is based on several factors subject to the overriding consideration that customers receive best execution. All orders are exposed to the possibility of price movement, so that all such orders potentially can be executed at prices superior to the best bid or best offer. Payment for order flow may include any cash or non-cash compensation received by a broker dealer from another broker dealer, national securities exchange, registered securities association or exchange member in exchange for sending customer orders to such entities for execution.

Roth on some occasions receives payment for order flow. In some cases, it is possible that the credits/rebates offered to Roth by a market center may exceed the charges/fees assessed over a period; such cases constitute payment for order flow.

**Determining Where To Route Client Orders**

Roth may, depending on several factors, route a client’s order to source additional liquidity in efforts to achieve best execution on behalf of such client. The following is a list of examples of such factors: (i) the character of the market for the security (e.g., price, volatility, and relative liquidity); (ii) the size and type of transaction; (iii) accessibility of the quotation, and (iv) the terms and conditions of the order as communicated by the client. Roth may route a client order to other broker-dealers (including market makers), ATSs or dark pools, and to national securities exchanges for execution.
• Held or Not Held Orders

This will confirm our understanding of the manner in which you want Roth Capital Partners, LLC (“Roth”) to handle orders you may place. Absent specific instructions to the contrary, we understand that when you place an order with us, you are directing that we handle your order on a “not held” basis, which means you are giving us discretion to exercise our brokerage judgment to seek to obtain the best execution for your order. “Held” orders do not permit us to exercise discretion in handling your order. Depending on whether your order is a market order or limit order, “held” orders obligate us to execute your market order immediately at the then-prevailing market price or your limit order at your limit price (or better), which may not necessarily be the best price that can ultimately be obtained. “Not held” orders give us the flexibility and discretion to act in your best interest by working your order to seek to obtain the best execution possible. Roth believes that by exercising appropriate judgment and discretion with respect to your order, it can achieve the best execution possible under the circumstances. Therefore, unless you give us specific instructions to treat such an order differently at the time you place the order, we will treat the order as “not held” and will work that order accordingly. In addition, where an order is executed in more than one transaction, our policy is for the confirmation of such transactions to indicate an average price instead of the price of each partial execution. Should you not agree with our treatment of your orders as “not held” or our practice of providing average price confirmations please contact your registered representative.
• Business Continuity Plan Disclosure Statement

Roth Capital Partners, LLC ("Roth") has developed a Business Continuity Plan to address how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, Roth will have to be flexible in responding to actual events as they occur. With that in mind, Roth is providing you with this information regarding its business continuity plan.

Contacting Roth: If after a significant business disruption you cannot contact us as you usually do at (949) 720-5700, you should call our alternative number (949) 375-0579 or go to our web site at www.roth.com. If you cannot contact us through either of those means, you should contact the applicable clearing firm. For institutional accounts, the clearing firm is BofA Securities (“BOFA”), a subsidiary of Bank of American Corporation and its telephone number is 646-743-0110. For retail accounts, the clearing firm is RBC Correspondent Services, a division of RBC Capital Markets, LLC (“RBC CS”). RBC CS can be reached online at www.rbccorrespondentservices.com. Please contact your applicable clearing firm for instructions on how you can enter orders, access your funds and other account related information.

Our Business Continuity Plan: Roth plans to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the business disruption.

Our business continuity plan addresses the following areas: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Roth's clearing firms, BOFA and RBC CS, back up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firms that their objective is to restore their own operations and be able to complete existing transactions and accept new transactions and payments as quickly as possible. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions: Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within one day. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and
resume business within three days. In either situation, we plan to continue in business, transfer
operations to our clearing firm if necessary, and notify you through our web site www.roth.com
or our customer emergency number, (949) 375-0579. If the significant business disruption is so
severe that it prevents us from remaining in business, we will assure our customer's prompt
access to their funds and securities.

For more information: If you have questions about our business continuity planning, you
can contact Kristin LaMarche at 949-720-7147 or klamarche@roth.com.
• **FINRA’s BrokerCheck Program**

As a member of the Financial Industry Regulatory Authority (FINRA), Roth Capital Partners, LLC would like to inform you of the availability of a FINRA Investor Brochure that includes information describing FINRA’s BrokerCheck program. The BrokerCheck program provides certain information about the disciplinary history of FINRA Members and their associated personnel. For more information, you may contact the FINRA Regulation BrokerCheck hotline at 1-800-289-9999 or visit the FINRA Web Site at [www.finra.org](http://www.finra.org).

We would also like to provide you with the following contact information should you wish to file a complaint with Roth Capital Partners. All complaints should be directed to the Roth Capital Partners Compliance Department at the following address:

**Roth Capital Partners**  
Attn: Compliance Department  
888 San Clemente Drive  
Newport Beach, CA 92660

You may also contact the compliance department by calling (949) 720-5700. Please ask the receptionist to direct your call to a compliance officer.
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 clients of failed brokers or dealers who are members of the SIPC. Roth Capital Partners, LLC is a member of the SIPC. Information on SIPC and the SIPC Brochure is available at either [www.sipc.org](http://www.sipc.org), or by contacting SIPC at (202) 371-8300, or by sending an email request to asksipc@sipc.org.