

Fees and Expenses

New Issue Securities – The fees on new issue securities are paid by the Issuer, not the customer. Those fees may include sales credits to the registered representative and/or underwriting fees for bringing an issue to market.

Secondary Market Transactions – The customer **may** pay a mark-up or mark-down on transactions. The allowable mark-up/mark-down available to the registered representative varies. The number of bonds and the maturity date of the security are the primary drivers when determining the maximum allowable mark-up/mark-down a sales representative can charge. Principal transactions may also include spread generated from the time a particular security is purchased into the Firm's inventory until it is sold. This spread is profit (loss) derived by the trading desk price movements of securities in inventory. Securities with greater amounts of risk tend to have greater price volatility. Additionally, periods of increased market volatility tend to increase the volatility of prices on securities of all risk profiles.

Variable Rate Demand Notes (Bonds) – Variable rate demand notes ("VRDNs") are securities that reset the interest rate to a prevailing market rate at various intervals. As an example, the interest rate paid by the issuer may be recalculated every 7 or 30 days until maturity. VRDNs pay remarketing trailer fees to the remarketing agent (the firm tasked with establishing the market clearing interest rate) and potentially to the registered representative who sold the security. Terms and conditions vary, but these fees can be found in the Official Statement, Placement Memorandum, or Remarketing Agreement for the VRDN, if available.

Auction Rate Securities ("ARS") – ARS are similar to VRDNs except interest rates are reset using a Dutch Auction. The issuer still pays any fees associated with the auction. The fees may include fees to the Auction Agent, the Auction Participants, and/or the registered representative. Terms and conditions vary, but these fees can be found in the Official Statement, Placement Memorandum, or Program Agreement Dealer Agreement for the ARS, if available.

Money Market – The Firm currently offers one money market for the clients to place the cash balances from their account if they desire. The money market pays a 12b-1 fee based on the terms of the prospectus.

Roosevelt & Cross does not typically charge for most other services provided (e.g. wire transfers, custodial fees, etc.). Should a service fee be necessary for a particular circumstance those fees will be provided to you before the service is rendered.