Regulation Best Interest Disclosure

Introduction
Adelphi Stock Brokers Inc. ("Adelphi," "we," "us," or "our") is a registered broker-dealer and a member of FINRA and SIPC.

This disclosure is provided to retail investors to help you understand:

- The **services** we offer
- The **fees and costs** you may pay
- The **conflicts of interest** that may exist when we make recommendations
- How we meet our obligations under Regulation Best Interest ("Reg BI").

When we make a recommendation to you, we are required to act in your **best interest** and not place our interests ahead of yours.

This document is supplemental to other disclosure documents you have previously received that also contain relevant and important information, such as the Form CRS, Customer Account Agreement, and Fee Schedule.

Our Relationship with You

Self-Directed Relationship
Most Adelphi customers use our self-directed platform, meaning:

- You make your own investment decisions
- We provide execution and access to markets
- We do not provided ongoing monitoring of your account.

Unless we explicitly agree otherwise, you should not expect us to:

- Continuously monitor your investments
- Provide ongoing advice.

When We Make Recommendations
We may provide recommendations in limited circumstances, such as:

- Private placements or capital markets offerings
- Certain securities transactions

When we do:

- The recommendation is evaluated at the time it is made
- We consider costs, risks, and reasonably available alternatives

Products and Services We Offer

1. Public Securities (Self-Directed)
You can trade:

- U.S. equities
- American Depository Receipts (ADRs)
- Exchange-traded funds (ETFs)

2. Private Placements / Capital Markets

We offer access to:

- Private placements
- Late-stage or pre-IPO opportunities
- Other alternative investments

These investments:

- Are not publicly traded
- Are typically illiquid
- Involve higher risk
- Are generally limited to accredited investors

Fees and Costs

1. Trading and Transaction Costs

You may pay:

- Commissions (Commission-free trading may be available for certain products). Even when commissions are zero, other costs still apply.
- Other fees may include:
    - Regulatory fees
    - Exchange fees
    - Clearing and settlement fees

2. Payment for Order Flow (PFOF)

We may receive compensation from market makers for routing your orders to them

- This is known as payment for order flow (PFOF)
- It creates a financial incentive to route orders to specific venues

We are obligated to seek best execution for your trade regardless of these arrangements.

3. Private Placement Fees

For capital markets offerings, we may receive:

- Placement fees (typically 3–5%)
- Expense reimbursements
- Other transaction-based compensation associated with capital raising activities

4. Ongoing Investment Fees (If Applicable)

For affiliated or sponsored investments:

- Management fees (typically 1–2%)
- Carried interest (typically 20%)

Other Account Fees

You may also incur:

- Account transfer fees
- Wire fees
- Margin interest (if applicable)

Conflicts of Interest

Conflicts of interest exist when we have a financial incentive that could influence our recommendations.

1. **Order Routing Conflict**

Because we receive PFOF:
We have an incentive to route orders to certain market makers

2. **Proprietary or Affiliated Offerings**

If we or our affiliates
- Sponsor
- Manage or
- Have an interest in an investment

We may receive management fees and/or carried interest or other fees. This creates a financial incentive to recommend those investments.

3. **Compensation Differences**

We may receive different amount of compensation based on:
The type of transaction activity recommended
Whether the investment is public or private (e.g., equities vs. private placements)

4. **Self-Clearing Model**

As a self-clearing firm, we can earn revenue from:
- Clearing services
- Custody of assets

How We Address Conflicts

We mitigate conflicts by:
- Maintaining policies and procedures designed to comply with Reg BI
- Supervising recommendations under FINRA Rule 2111 principles (as applicable)
- Disclosing material conflicts clearly
- Monitoring for best execution
- Supervision under FINRA Rule 3110

Risks You Should Consider

All Investments involve risk, including:
- Loss of principal
- Market volatility
- Liquidity constraints (especially in private placements)

Higher-Risk Investments

Private placements and pre-IPO investments involve:
- Limited liquidity
- Limited transparency
- Valuation uncertainty

Your Responsibilities

As a self-directed investor, you are responsible for:

- Making your own investment decisions
- Understanding risks and costs

Additional Information

You can find more information about us at:

- SEC (www.sec.gov)
- FINRA BrokerCheck (brokercheck.finra.org)

You may also request or access on our platform:

- Our Form CRS
- Additional disclosures about fees and conflicts

Questions or Complaints

If you have questions or concerns, please contact us at: compliance@adelphis.co

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