

## SUPPLEMENTAL CONFLICTS DISCLOSURE

This Supplemental Conflicts Disclosure provides information about the business practices, compensation and conflicts of interest related to Ladenburg Thalmann & Co Inc. (referred to as “we,” “us,” or “the firm”). Additional information about the firm and our financial professionals is available on FINRA’s website at <http://brokercheck.finra.org>.

### INTRODUCTION

Ladenburg Thalmann & Co Inc. is a broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). Our financial Professionals may also be dually registered with Ladenburg Thalmann Asset Management (“LTAM”) a registered investment Advisory firm registered with the SEC.

As part of our regulatory obligations, the firm is required to provide full and fair disclosure of material facts related to our conflicts of interest. We use a layered disclosure approach to disclose these conflicts in various documents, most of which are provided over the course of a client’s relationship with us and are also found at [www.Ladenburg.com/disclosures](http://www.Ladenburg.com/disclosures). There are, however, several conflicts that we would like to describe in this Supplemental Conflicts Disclosure that are not specifically disclosed elsewhere.

To mitigate potential conflicts of interest, the firm maintains policies and procedures to reasonably ensure all recommendations are made in the client’s best interest.

### CONFLICTS OF INTEREST

- **General Securities:** A financial professional can offer various types of services and products, and the compensation the financial professional earns differs depending on the type of service or product recommended. If a recommendation was made to liquidate certain products in order to purchase other products, a conflict can arise. For example, a financial professional can make a recommendation to liquidate an insurance product to purchase general securities that will generate compensation, but is not in the client’s best interest. Similarly, a financial professional can make a recommendation to liquidate general securities to purchase insurance products, and there is a conflict if the recommendation was made solely to generate compensation and was not in the best interest of the client.
- **Exchange Traded Funds (ETFs) vs. Mutual Funds:** The firm offers various mutual funds and ETFs, some of which have similar or identical investment strategies but differing fee structures. For example, a mutual fund that is designed to track an index of securities, such as the S&P 500 Index, may have higher or different types of fees than an ETF that is designed to track the same index. Whether a fund or ETF is more expensive than another fund or ETF with a similar or identical investment strategy may depend on factors such as length of holding, size of the initial investment and other factors. Both the firm and the financial professional may earn more compensation for one fund or ETF over another, giving the firm and the financial professional an incentive to recommend the product that pays more compensation to us. In addition, the firm’s

financial professionals may recommend mutual fund products, ETFs and interval funds that are products of LTAM, our affiliate investment advisory firm.

- **Mutual Fund – Share Classes:** A financial professional can offer various types of mutual funds, some of which offer different types of shares, known as "classes." Each class invests in the same portfolio of securities and has the same investment objectives and policies, but the fees and commissions generated by mutual fund sales can vary by the share class of a particular fund. For example, certain mutual fund share classes, often known as Class A shares, charge an initial sales commission and ongoing trail. Other mutual fund share classes, often referred to as Class C shares, pay an ongoing level trail payment. Depending on the length of the holding period for the mutual fund, and other factors, one share class may be less expensive to the investor than another, and the financial professional may earn more or less compensation for one share class than another.
- **Mutual Funds – Asset Classes:** Asset allocation involves dividing an investment portfolio among different asset categories, such as stocks, bonds, and cash. The process of determining which mix of assets to hold in your portfolio is a very personal one. The asset allocation that works best for you at any given point in your life will depend largely on your time horizon and your ability to tolerate risk. A financial professional can offer various types of mutual funds, across asset classes. Higher commissions can lead financial professionals to influence asset allocations recommendations. For example, a financial professional can make a recommendation to allocate a higher percentage of your portfolio to stocks due to higher initial commission offered for mutual funds in that asset category compared to bonds.
- **Trading Ahead:** Financial professionals may recommend securities to you or buy or sell securities for your account at or about the same time they may buy or sell the same securities in their own account. The firm maintains policies and procedures to avoid, detect, and correct conflicts of interest that may arise if you and the financial professional (including related persons) invest in the same security on the same side of the market on the same day.
- **Syndicate Offerings:** The firm's financial professionals may sell syndicate offerings of issuers where the firm's investment banking department was the underwriting manager or co-manager. Therefore, the firm may have earned investment banking revenue directly from the issuer. The trade confirmation that you will receive for such transactions will clearly disclose the relationship in which the firm acted.
- **Market Making Stocks:** The firm's trading desk also consists of market makers. The firm makes a market in approximately 100 stocks. When you enter an order for a stock in which we make a market, you may be buying from or selling to the market making inventory account of the firm. This conflict is fully disclosed on the trade confirmation for your transaction and indicates the capacity in which the firm acted.