

## **Arive Capital Markets Regulation Best interest Disclosure/General Conflict of Interest**

This disclosure summarizes the important information concerning the scope and terms of the services we offer through our broker dealer and details the material conflicts of interest that arise through our delivery of these services. Please review this information carefully, along with any applicable account agreement(s), disclosure documentation and our Customer Relationship Summary (“Form CRS”).

Please carefully review and consider the information in each section below.

### **Brokerage Services, Products and their Related Fees**

Arive Capital Markets, (“Arive,” the “firm,” “we,” “us” or “our”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) ([www.sec.gov](http://www.sec.gov)) pursuant to the Securities and Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) ([www.finra.org](http://www.finra.org)) and Securities Investor Protection Corporation (“SIPC”) ([www.sipc.org](http://www.sipc.org)). We offer products and services to you through Registered Representatives (“RRs”). These RRs are all FINRA-registered representatives (RRs) authorized to offer securities brokerage products. What we are offering to you is guidance, informed by industry experience and knowledge, regarding the investments and/or strategies that are best suited to help you meet your financial goals.

In providing this guidance, whether with respect to brokerage, we are obligated to act in your best interest. However, as is the case no matter which financial services company you choose, our interests are not always the same as yours. We and our RRs have business and financial interests “that might incline (us or our RRs)—consciously or unconsciously—to make a recommendation that is not disinterested.” For instance, and as discussed later, Arive has corporate affiliates that issue private placements and investment products sold by RRs. Sales of these offerings serve the interests of the affiliated companies’ corporate parent and, accordingly, create a conflict of interest for Arive and its RRs.

As a broker dealer, we offer full-service and self-directed brokerage services that include buying and selling securities. We provide the ability to execute the purchase and sale of various types of securities and investments on your behalf. We all offer investment recommendations and strategy recommendations.

You will pay a fee whenever you buy or sale an investment, this is referred to as commission. Fees for certain investments, such as bonds, may be part of the price you pay for the investment (called either a mark-up or mark-down). In addition to our principal fees and costs, there are common fees and cost which may be applicable including: custodian fee, account maintenance fees, postage fees. For detail information about our fees and charges, refer to the Arive Fee Schedule. This fee schedule can also be found on [www.arivecapital.com/RegBI](http://www.arivecapital.com/RegBI).

### **Cash Brokerage and Margin Brokerage Accounts**

Cash Account- Purchase paid in full at time of purchase.

Margin Account – refer to our Margin Disclosure form. This form can also be found on our website

(Under REG BI- Relationship Summary, General Conflicts of interest Disclosure and Related Materials) Arive Margin Disclosure.

### **Brokerage Account Types**

Account types offered by the firm, Individual, Joint, Custodial, Estate, Trust, partnership, retirement accounts, and any others as applicable.

### **Incidental Brokerage Services, Recommendations and Account Monitoring**

Incidental services offered by the firm, may include recommendations to buy, sell or hold; securities or investment strategy recommendations and recommendation specific to IRA Rollovers.

Recommendations (that the client can accept or NOT) are made in the client's best interest, based on Stated Investment Objectives, Risk Tolerance, Liquidity needs, time horizon, financial needs, and other financial Info.

Account Monitoring- We do Not offer account monitoring.

### **Clearing Services**

All clearing services are offered through Axos Clearing.

### **Understanding Risk**

While we will take reasonable care in developing and making recommendations to you, securities involve risk and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment or investment strategy will perform as anticipated. Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide those documents to you or help you find them.

Please be aware this document is only a summary; it does not include everything you may wish to know about our products, services, fees, or conflicts. But in addition to the matters summarized, this disclosure cites other sources (including hyperlinks, if you are online) where you can get additional information relevant to your investment decisions which, taken together, provide you with information to help you make informed investment decisions—and to recognize, we hope, the value of the guidance and knowledge our RRs have devoted their careers to sharing with you. Please note if you do not have online access, you may obtain all of the materials referenced in this disclosure by contacting your RR or calling 718-887-9911.

### **Account Minimums and Activity Requirements**

We do not require a minimum dollar amount to open and maintain a brokerage account. However, some products, including Private Placements may have minimums, please refer to the investment prospectus/offering document for specific information.

### **Equities**

We offer access to Exchange and Nasdaq Securities.

### **Debt Securities**

Corporate, US Gov't and Municipal are part of our product offering. Each may be traded on a agency (commission) or principal (mark up/down) basis.

### **Mutual Funds**

Mutual funds offered by Arive are made available through Axos Clearing.

- Clients should see the respective product's prospectus for exact details of fees/cost
- Class A shares charge upfront fees and have lower expense ratios, so they are better for long-term investors.
- Class A shares also reduce upfront fees for larger investments, so they are a better choice for wealthy investors.
- Class B shares charge high exit fees and have higher expense ratios, but they convert to A-shares if held for several years.
- Class C shares have higher expense ratios than A-shares and small exit fee, which is usually waved after one year.
- Class C shares are popular with retail investors, and they best for short term investors.

### **Derivatives**

Options- Options allow investors to hedge risk or to speculate by taking additional risk. Buying a call or put option obtains the right but not the obligation to buy (call options) or to sell (put options) shares or futures contracts at a set price before or on an expiration date. They are traded on exchanges and centrally clearing, providing liquidity and transparency, two critical factors when taking derivative exposure.

Warrants- A Stock warrant gives the holder the right to buy a stock at a certain price at a Predetermined date. Similar to call options, investors can exercise stock warrants at a fixed price. When issued, the price of the warrant is always higher than the underlying stock but carries a long-term exercise period before they expire. When an investor exercises a stock warrant the company issues new common shares to cover the transaction, as opposed to call options where the call writer must provide the shares if the buyer exercises the option.

### **Alternative Investment Information**

Arive offers a variety of alternative investments such as REITs, DST and closed end funds. Commission and/or fees vary per investment. Please consult the individual investment prospectus.

### **Private Placement**

Clients are offered a variety of private placements either directly with the issuer or through our Affiliate Alexander Capital Ventures (ACV).

## **Our Compensation and Conflicts of Interest**

### **Compensation We receive from Clients**

- Transaction-based commission- The Firm does not charge more than 2.5% per transaction
- Markups and markdowns from principal transactions
- Account maintenance and other administrative fees

### **Compensation We receive from Third Parties**

- Revenue Sharing- Clearing firm, mutual fund companies, product sponsors etc.
- Trail Compensation; 12b-1 fees
- Additional Compensation from Product Sponsors or other Third Parties-like gifts, non-cash comp, reallowance, training/education support, etc
- We receive margin/and sweep/bank deposit/ and other float compensation from our clearing firm.

### **Compensation and Conflicts of Interest Related to Our Affiliates**

- We receive placement fees from Alexander Capital Ventures, LLC.

### **Compensation Received by Registered Representatives**

- % or revenue generated from sales of products/services
- Upfront transaction-based compensation
- Trial payments
- Deferred compensation
- Recruitment compensation- may receive higher payouts, lowered transaction cost and override

Investment philosophy, and general basis for recommendations.

The firm's primary target market is high income and high net worth retail and accredited investors who are generally seeking and willing to sustain substantial volatility of principal and assume a high level of risk in pursuing higher returns with an emphasis on aggressive investments that assume above average risk with the hope of achieving commensurate gains. Our retail platform includes traded investments, investment funds and products, and investment strategies believed to be in the best interest of the firm's customer base.

We require our financial professionals to have a reasonable basis, taking into account the potential risks, rewards, and costs associated with a recommendation, to believe that each recommendation made to a retail customer is in the retail customer's best interest, and does not place the interest of the broker-dealer ahead of the interest of the retail customer at the time the recommendation is made.

In determining whether our financial professional's recommendation is in the retail customer's best interest, we consider the retail customer's individual investment profile, which includes but is not limited to the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other information that the customer may disclose to us or to the RR in connection with a recommendation.

You may verify licensing and other information about your RR on FINRA's BrokerCheck site (<https://brokercheck.finra.org>).

For more detail on Sec Regulation Best Interest see:  
<https://www.sec.gov/regulation-best-interest>