

## Introduction

B. Riley Wealth Management, Inc. (BRWM) is a full-service investment firm registered with the Securities and Exchange Commission as a broker-dealer and an investment adviser. The firm is also registered with FINRA as a broker-dealer, and is a member of FINRA and SIPC.

Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences.

Free and simple tools are available for you to use at [Investor.gov/CRS](https://investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

### Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

## What investment services and advice can you provide me?

B. Riley Wealth Management is a full-service investment firm offering both brokerage and investment advisory services to retail investors, including, but not limited to, buying and selling of securities, traditional investment accounts, retirement accounts, insurance products, securities based lending, syndicate offerings, research from third-parties and financial planning and consulting services.

We do not offer commodity products.

For more information on the full-range of services we offer, please visit our website at <https://www.brileywealth.com>.

## Brokerage Services

BRWM offers the following brokerage services to retail investors:

- Buying and selling of equities, mutual funds, exchange traded products, unit investment trusts, and fixed income products on a per trade commission basis.
- Access to Annuities and other Insurance products
- Access to Syndicate offerings
- Securities Based Lending/Margin
- Research prepared by third parties
- Alternative products

All brokerage transactions are at the full discretion of you, the client. We can recommend securities for you to buy or sell, however, the decision to buy or sell is ultimately yours. You are free to accept or reject any recommendation we make. Commissions will be charged per transactions. We will deliver a paper or electronic confirmation of each trade executed in your account. Account statements will be delivered to you no less than quarterly, in either paper or electronic format. We do not provide on-going monitoring of brokerage accounts.

We do not have an account minimum to open a brokerage account. Account minimums may apply to specific products, such as options. There are some limitations on the types of stocks, such as penny stocks or foreign stocks, which may not be available. Also, some leveraged or inverse Exchange Traded Products may not be available.

For more information on the full-range of services we offer, please visit our website at <https://www.brileywealth.com>.

## Investment Advisory Services

BRWM offers the following advisory services:

- Asset Management including Wrap Fee and Non-Wrap Fee programs
- Consulting Services
- Financial Planning

Investment Advisory accounts are monitored no less than annually as part of the investment advisory services BRWM provides.

Investment Advisory Services offers you the option of giving your financial advisor discretionary authority over your account or managing the account yourself. This decision is ultimately yours.

The Investment Advisory programs we offer have varying account minimum requirements, starting at \$10,000.

Additional detailed information regarding our advisory services and programs can be found in the Firm's ADV 2A - See Reference on Page 4. For more information on the full-range of services we offer, please visit our website at <https://www.brileywealth.com>.

### **Conversation Starter - ask your financial professional:**

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

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## What fees will I pay?

Fees are charged differently for Brokerage and Advisory accounts and services. The following sections outline the differences in brokerage and advisory fees.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

### Brokerage Service Fees

Opening a brokerage account means that you will pay a transaction-based fee, or commission, every time you buy or sell a security. Commissions are charged regardless of whether a trade is profitable. A variation of a commission is a markup or markdown. This is a charge for a security trade where we sell to you from our firm inventory or buy from you for our firm inventory. In this instance we are acting as a "principle". A markup is added to our cost and then the sales price to you is the sum of those items. Likewise, when we buy from you, the markdown is subtracted from the price we pay to you. There may also be other fees associated with each transaction, such as ticket charges passed on from our clearing firm.

For certain products, such as mutual funds and alternative investments, the fees are discussed and detailed in the "prospectus" or offering documents respectively. Certain products, such as mutual funds, pay fees directly to us. These fees are sometimes called "12b-1 fees".

Please make sure you understand what fees and costs you are paying.

If we lend you money to buy securities, sometimes called "margin", you will be charged interest. For more information about margin and the costs and risks of trading on margin, please see our website at <https://www.brileywealth.com>.

Because we earn money for transactions to buy and sell securities, and from lending money to buy and sell securities, the more you trade and the more you borrow, the more money we make. This may create an incentive for us to encourage or recommend you trade more frequently.

Other fees and costs are applicable to your brokerage account or accounts. These fees may include account maintenance fees, account inactivity fees and similar types of account fees. These fees are charged by our clearing firm.

For more information on fees you may pay, please visit our website at <https://www.brileywealth.com>.

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## Investment Advisory Services

Under the wrap fee programs, B. Riley Wealth Management charges a percentage fee on all Program Assets. The more assets there are in your advisory account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to increase the assets in your account.

The fee covers all expenses for brokerage, clearance, settlement, and custodial services as well as all investment advice. The Firm has a maximum allowable wrap fee of 2% per year in firm-sponsored programs. Certain First Clearing programs allow for a maximum fee up to 3%; however, the fee will be disclosed and acknowledged by you prior to account inception. Asset-based fees associated with the wrap fee program will include most transaction costs and fees to a broker-dealer or bank that has custody of these assets, and therefore are higher than a typical asset based advisory fee.

Your Advisory Agreement will state the specific Wrap Fee applicable to your Account. The fee will be charged and collected every 3 months on all Program Assets in each account. The fee for the WSI Wrap Program is billed in arrears based upon the value of the assets in the account on the last business day of March, June, September, and December or other such period agreed upon by you and your Advisor. The fee for the WAM Program, ARP Program and Non-Wrap Investment Management relationships is billed in advance based upon the value of the assets in the account on the first business day of January, April, July and October or other such period agreed upon by you and your Advisor.

The Firm may offer significantly lower commissions or more favorable Wrap Fee arrangements for friends, relatives, or others with whom the Firm or Advisor has established personal or family relationships

Please note if a Sub-Adviser is engaged, your fees may be higher than the fees you would have paid if it had not been engaged. Sub-Advisers may not be willing to negotiate their fees, and the Firm is not authorized to negotiate their fees.

The Wrap Fee does not cover amounts charged for any of the following (Excluded Items): internal fees or expenses which may be associated with the Account's investments (including without limitation, internal operating or investment expenses of mutual funds, unit investment trusts, or electronically traded funds); fees imposed by mutual funds for short-term trading (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time; any mark-up, mark-down, or dealer spread (whether to the Firm, Custodian or other broker-dealers) related to any Account investment; offering discounts and related fees in connection with underwritten public offerings of securities (of which the Firm, our affiliates or Custodian may be underwriters); costs to third parties for transactions not executed through Custodian; floor brokerage or exchange fees; fees for wire transfers; costs for exchanging currencies; margin interest; interest for non-purpose loans with the account(s) used as collateral; taxes; postage and handling fees; or other expenses incurred with respect to any investments made for the Account. All the Excluded Expenses will be direct or indirect expenses borne by the Account and will be in addition to the Wrap Fee. In addition to the Wrap Fee, you will also be responsible for any other fees and charges described in the Advisory Agreement, as well as any fees charged pursuant to the agreement with a Sub-Adviser.

Additional detailed information regarding our advisory services fees can be found in the Firm's ADV 2A.

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## Other Fees and Costs

There are sometimes other fees related to doing business with our firm. The most common type fees are listed below.

- Account maintenance fees – some accounts charge an annual fee, subject to waiver when certain conditions are met.
- Custodian fees – our clearing firm may pass on fees for holding certain assets in a brokerage account.
- 12b1 fees – these fees are built-in to mutual funds and are paid to our firm by the mutual fund company.
- Annuity Sales Charges and Surrender Charges – sales charges are built-in to the purchase of an annuity and are paid to our firm by the annuity company. Surrender charges may be incurred if an annuity is surrendered within a certain timeframe.
- Standard banking fees – accounts utilizing the banking feature could incur fees for checkbook order and insufficient funds.
- Account Transfer fees – most accounts are subject to an industry standard transfer fee when processing a transfer to another firm.

### Conversation Starter - ask your financial professional:

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

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## What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

### Standard of Conduct

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

## Examples of Ways We Make Money and Conflicts of Interest

Some of the ways that we do our business create conflicts of interest with your investment objectives. Two examples of conflicts of interest mentioned above are heightened trading activity and principal trades. We will discuss several other examples. Our affiliate, B. Riley FBR, offers new issue stock and bonds. Our parent company will make more money selling a new issue through us to you. We also share in revenue generated by our clearing firm on money market balances. This would create an incentive to NOT recommend trades.

For additional information about potential conflicts of interest, please see our Form ADV at <https://adviserinfo.sec.gov/firm/summary/2543> or Regulation Best Interest disclosure at <https://brileywealth.com/legal-disclosures/>.

### Conversation Starter - ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

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## How do your financial professionals make money?

Our financial professionals are compensated by receiving a portion of the revenue generated from securities transactions and advisory services. Certain mutual funds will pay 12b-1 fees to the Firm which are then paid in part to the individual financial professional. The portion of the revenue paid to the financial professional can increase based upon the total of revenue generated. Newly hired financial professionals can receive a bonus for successfully transferring customer assets to B. Riley Wealth Management and/or by meeting specific revenue goals. We do not permit sales contests. We do have an annual meeting for our highest producers.

For more information, please see our website at <https://www.brileywealth.com>.

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## Do you or your financial professionals have legal or disciplinary history?

Yes, BRWM and some of our financial professionals do have legal and/or disciplinary history.

Additional information can be found on FINRA's broker check link <https://www.brokercheck.finra.org/> which is a free tool to research the background and experience of financial brokers, advisers and firms.

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## Where can I find additional information?

You can always ask your financial professional for more information and request a copy of this relationship summary at 800-726-0557.

### Conversation Starter - ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?

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## References

ADV 2A

<https://adviserinfo.sec.gov/firm/summary/2543>

Regulation Best Interest Disclosure

<https://brileywealth.com/legal-disclosures/>