



September 9, 2023

Greetings:

The SEC adopted Regulation Best Interest ("Reg BI") under the Securities Exchange Act of 1934. Reg BI establishes a "best interest" standard of conduct for broker-dealers and associated persons when they make the recommendation of a security, an investment strategy involving securities, and an account type. This letter and the enclosures are in response to the enhanced regulation.

Reg BI will become effective on June 30, 2020. There is no action required on your part, but it is important to note that the information you provide to your Financial Professional throughout your relationship with Stonebridge Securities enables us to recommend investment choices that we believe are in your best interest. As a Stonebridge customer, understanding the fundamental types of services and products that we offer, as well as the different fees and conflicts of interest associated with them, will help you make informed investment decisions.

To help you familiarize yourself with this information, enclosed you will find our Customer Relationship Summary, which presents our primary service offerings, revenues we earn as a result of investment activity, as well as any conflicts of interest that may arise relative to your investment selections.

You will periodically receive this information from us, because we are committed to keeping you informed of the services and products we offer.

As you read over this information, feel free to ask us any questions you may have. We look forward to helping you pursue your investment goals.

Sincerely,

Stonebridge Securities LLC

## **Introduction**

Stonebridge Securities, LLC (Stonebridge) is a registered broker-dealer with the United States Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). Stonebridge Securities is not a registered investment advisor. As a broker-dealer offering a very limited selection of brokerage services to retail investors, our services and fees differ from that of an investment advisor and it is important that you understand the difference before electing to do business with us.

Free and simple tools are available to research firms and financial professionals as [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **Relationships and Services**

Stonebridge focuses on investment banking activities for companies and funds, which primarily involves raising capital for investment funds, or to fund new business plans or expansion of existing businesses. Some of our clients are in the energy and housing industries, which transactions may involve tax advantaged investments. On occasion, Stonebridge also assists certain clients with merger or acquisition (M&A) plans. Most of our work involves selling of securities but we also offer consulting services to our clients.

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

Our registered representatives introduce investors such as you to companies that are seeking to raise capital or be acquired. In the context of all services offered by broker-dealers, our service offerings are very limited in nature.

### **What are your Account Minimums and Other Requirements?**

- We do not open accounts with retail investors unless you are an accredited investor
- We have an account minimum of \$25,000
- We do not monitor accounts
- We do make recommendations

#### **Conversation Starters – Ask your registered representative:**

- Given my financial situation, should I choose a brokerage service? Why or why not?
- How will you choose investments to recommend to me?
- What is “due diligence”, and what type has been performed on this investment opportunity?
- What is your relevant experience, including your license, education, and other qualifications?  
What do these qualifications mean?

## **Fees, Costs, Conflicts, and Standard of Conduct**

### **What fees will I pay?**

Stonebridge does not charge fees or commissions to retail investors. Stonebridge receives its fees from our investment banking clients. Since our fees are often paid from the proceeds of a securities offering in which you invest, you could deem to have paid a portion of our fees indirectly. Stonebridge may receive fees paid in the form of cash or securities.

Since Stonebridge may be involved with multiple securities offerings contemporaneously which may have different compensation arrangements, we may have a conflict of interest by recommending one security over another.

**Conversation Starters – Ask your registered representative:**

- 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?
- Among these multiple investment opportunities, what is the difference in your compensation if I invest in one versus the others?

**What are your legal obligations to me when providing recommendations?  
How else does your firm make money and what conflicts of interest do you have?**

When we provide you with a recommendation, we must 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 because we make money when you purchase an investment, so our interests may conflict with your interests. You should ask us about these conflicts because they can affect our recommendations.

**Conversation Starters – Ask your registered representative:**

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

**How do your financial professionals make money?**

Your investment capital goes to the issuer, who in turn pays Stonebridge, which compensation may be in the form of cash or securities. From our compensation, we pay our registered representatives a portion.

**Disciplinary History**

**As a financial professional, do you have any legal or disciplinary history? For what type of product?**

**No.** Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Conversation Starters – Ask your registered representative:**

- As a financial professional, do you have any disciplinary history? If yes, for what type of conduct?

**Additional Information**

You may find additional information about Stonebridge and our services on our website at: [www.stonebridgesecurities.com](http://www.stonebridgesecurities.com) and also receive a copy of the relationship summary from a link at the bottom of our website.

You can find additional information about our firm's disciplinary history at FINRA's Broker Check portal [brokercheck.finra.org](http://brokercheck.finra.org) and searching for Stonebridge Securities, LLC.

To contact us by telephone to request up-to-date information or a copy of the relationship summary, please call (206) 770-9700.

**Conversation Starters – Ask your registered representative:**

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?