



**COWEN PRIME SERVICES LLC  
COWEN AND COMPANY LLC  
CLIENT RELATIONSHIP SUMMARY**

**Dated: June 22, 2020**

*Introduction*

**Cowen Prime Services LLC** (“CPS”) is registered as a broker-dealer and an investment adviser with the United States Securities and Exchange Commission (“SEC”) and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). CPS does business as an investment advisor under the name **Cowen Prime Advisors** (“CPA”). **Cowen and Company LLC** (“CWC”) is a registered broker-dealer with the SEC and a member of FINRA. CWC and CPS are affiliated entities under common control.

Brokerage and investment advisory services and fees differ. It is important that retail investors understand the differences, which are summarized here and further explained in referenced filings and disclosure materials. In addition, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

We offer limited brokerage services to retail investors. It is important to note that CPS and CWC primarily service institutional (i.e. non-retail) investors. CPS is a “prime” brokerage firm that primarily services hedge funds and other sophisticated, institutional clients. CWC is an investment bank that provides brokerage services primarily to institutional clients. The brokerage services that CPS and CWC offer retail clients is limited in nature, and in the case of CWC, only available to retail clients in extremely rare circumstances.

Account Minimums: In general, CPS and CPA require a minimum deposit of \$500,000 in assets to open an account, but we may waive that requirement at any time in our discretion. CWC does not have an account minimum.

*Advisory Services (CPA)*

CPA generally offers investment advisory services consisting of discretionary account management, which means that you give our investment advisers the authority to transact in your account in accordance with a defined investment strategy and written agreement. We will monitor your account performance on a periodic basis, and there is no additional fee or charge associated with our account monitoring service. Specific information about the investment strategies utilized by our investment advisers is available in their individual Forms ADV, available at: <https://adviserinfo.sec.gov/firm/summary/153397>.

*Brokerage Services (CPS and CWC)*

CPS offers brokerage services to retail investors that consist of both non-discretionary and limited discretionary brokerage accounts. In a “non-discretionary” relationship, we may recommend investments for your Account, but you make the final decision to buy, sell or hold them. With a “limited discretionary” relationship, you agree that your financial professional may transact in specific investments without your consent before each trade. In general, our brokerage professionals recommend investments and investment strategies in equity securities such as common stocks and, on occasion, option transactions. From time to time, we may voluntarily review the holdings in your brokerage account; however, we do not provide an ongoing monitoring service.

Limitations on CPS Brokerage Services: We generally do not recommend investments in mutual funds, exchange traded funds, annuities or complex products. In addition, your financial professional can only recommend services and products for which the financial professional is properly licensed. For example, certain of our financial professionals are licensed to provide brokerage services but not investment advisory services. Additionally, if your financial professional is not licensed to recommend certain types of investments for which additional licensing is required (such as municipal bonds, commodities futures, or

off-exchange foreign exchange transactions), he or she cannot recommend those securities or related strategies even if purchasing such securities or taking advantage of such strategies is in your best interest. Accordingly, you should discuss with your financial professional whether he or she is licensed to provide you with the investment advice that is appropriate for your financial needs.

CWC only permits retail investors affiliated with current investment banking corporate clients to open brokerage accounts for which CWC acts solely as an “order-taker” in conjunction with investment banking offerings of the corporate client. CWC does not offer or provide any recommendations or financial advice to retail investors.

**Conversation Starters: 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?**

*What fees will I pay?*

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.

#### ***Advisory Services (CPA)***

- **Advisory Fees:** A quarterly fee for investment advisory services that includes the cost of trade execution in your account. Advisory fees range from 0.50% to 2.00% per year, and vary based upon the amount you have invested in an advisory program and the type of advisory program you use.
- **Brokerage Commissions:** A charge for each transaction in your account. Commissions charged to advisory clients generally range between \$0.0075 per share to \$0.05 per share, the rate varying for several reasons, including, but not limited to: the price of the security, the liquidity of the security, the market where the security is traded, extraordinary charges or the management fee charged. Note that your CPA investment adviser will not receive any part of the commissions charged for the transactions in your advisory account.

In addition, advisory clients will be responsible for the payment of charges and fees separately charged by any third-party broker or custodian or by other third parties, unless mutually agreed upon. These charges may include transaction fees, ticket charges, SEC fees, exchange fees, custodial fees, management fees charged by advisers to mutual funds, closed-end funds and exchange traded funds, odd-lot differentials, wire transfer and electronic fund transfer processing fees, and other fees charged by third parties. While neither CPS, CWC nor any of our financial professionals receive any part of such fees or charges, our clearing agent refunds us certain “Business Development Credits” for maintaining assets, including client assets, with them. Please refer to CPA’s Forms ADV for more information: <https://adviserinfo.sec.gov/firm/summary/153397>.

#### ***Brokerage Services (CPS and CWC)***

- **Brokerage Commissions:** A charge for each transaction in your account. Commissions vary based on factors including the type of security and size of the transaction, and are generally negotiable. Our financial professionals charge commissions of either (i) \$0.15 to \$5.00 per share; or (ii) an overall percentage of the transaction amount, but generally not more than 1.8%.
- **Account Maintenance Fees:** A flat fee paid on an annual basis for maintaining your account with our clearing agent.

- **Margin Interest:** A percentage rate applied daily to any margin debit balance in your account, generally equal to a benchmark rate plus a specific amount, described in your margin account agreement. These charges represent the cost of borrowing money through us to purchase securities in your account.

In addition, you will pay transfer and electronic fund transfer fees, postage, foreign currency exchange fees, deferred sales charges, and other fees and taxes on brokerage accounts and securities transactions, as described in account agreements and other materials that will be provided to you with our recommendations. While CPS generally does not recommend open-ended or closed-end mutual fund or exchange traded funds, such funds charge internal management fees and other fund expenses, which are disclosed in each fund's offering materials.

**Conversation Starter: Help me understand how these fees and costs might affect my investments. For example, if I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

*What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

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.

- **Affiliate Brokerage Transactions:** Advisory clients of CPA should understand that CPS may execute transactions in your advisory account as a registered broker-dealer. In the event that CPS does execute such transactions, CPS can retain any commissions earned on those transactions and will not credit those commissions against our fees. Such commissions, as well as the asset-based fees we charge, will be shared with those of our advisory personnel who manage portfolios under any of our advisory programs. Presently, CPS does not retain any such commissions paid by CPA retail client advisory accounts.
- **Business Development Credits:** On a quarterly basis, our clearing agent may refund a portion of our clearing charges to CPS so long as we maintain a threshold level of assets, including client assets, with the clearing agent. We have received these refunds or "business development credits" in the past and stand to receive them in the future. The business development credits create a conflict of interest in that they incentivize us to maintain a relationship with and direct assets, including client assets, to our clearing agent.
- **Revenue Sharing and Credit Interest:** When advisory clients of CPA open a new account, we typically recommend a "sweep option" to hold funds awaiting investment into either cash or money market funds. Certain money market funds pay a distribution or "12b-1 fee" to both our clearing agent and CPS at an amount that varies depending on the amount of our client assets invested in such funds with our clearing agent. Because certain money market funds do not pay a 12b-1 distribution fee, we have an incentive to recommend those that do pay such fees because it increases the compensation paid to us, although the financial professional does not share in those fees. In addition, we are eligible to receive credit interest from our clearing agent when we recommend cash as the sweep option instead of a money market fund.

The Firm manages these and other potential conflicts through a robust supervisory program that includes, among other things, the requirement that all of our employees abide by the Firm's Code of Ethics.

Please refer to CPA's Forms ADV for more information: <https://adviserinfo.sec.gov/firm/summary/153397>.

**Conversation Starter: 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?*

**Advisory Services (CPA):** Our registered investment advisors are compensated based upon the advisory fees applied to the assets in your investment advisory accounts. Because we receive more fees when you invest a greater amount of assets with us, we have an incentive to encourage you to transfer or rollover assets that may be held in accounts with other financial institutions or retirement programs with your employer. Note that, even though you will pay a commission for each transactions in your advisory accounts with us, your CPA investment adviser will not receive any part of the commissions charged for the transactions in your advisory account.

**Brokerage Services (CPS and CWC):** CPS and CWC brokerage representatives are primarily compensated through sharing in the brokerage commissions charged for each transaction in your account. Because each transaction in your brokerage account results in a new commission, we have an incentive to recommend that you trade often. In addition, our brokerage representatives receive a production payout based upon the amount of revenue generated by the representatives' clients in a given billing cycle.

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

Yes. For the most current records of legal or disciplinary history of our firm and financial professionals, please use the resources available at [Investor.gov/CRS](https://www.investor.gov/CRS).

**Conversation Starter: As a financial professional, do you have any disciplinary history? For what type of conduct?**

*Additional Information*

You can find additional information about our firm, our financial professionals and the services we offer by calling (646) 562-1010 and requesting up-to-date information for any of the categories reflected in this client relationship summary, or by referring to our public filings available at [Investor.gov/CRS](https://www.investor.gov/CRS).

**Conversation Starter: 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?**