

**RAM FINANCIAL LLC**  
**MARGIN DISCLOSURE STATEMENT**

*FINRA Rule 2264*

## **Margin Risk Disclosures**

Ram Financial LLC (“Ram Financial,” “we,” “us,” “our”) is furnishing this document to provide you with basic facts about purchasing securities on margin and to alert you to the risks involved with trading in a margin account. Before trading in a margin account, you should carefully review this Margin Disclosure Statement, your Apex Customer Margin Account Agreement, and our Day Trading Risk Disclosures. Contact us at support@aries.com with any questions or concerns regarding your margin account.

When you purchase securities, you may pay in full or borrow part of the purchase price from our clearing firm, Apex Clearing Corporation (“Apex”). If you choose to borrow funds, you will open a margin account. The securities purchased serve as collateral for the loan. If the securities in your account decline in value, so does the value of the collateral, and as a result, we or Apex can take action—such as issuing a margin call and/or selling securities in your account—to maintain the required equity.

**It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:**

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities purchased on margin may require you to provide additional funds to Ram Financial or Apex to avoid a forced sale of those securities or other securities in your account.
  - **Ram Financial or Apex can force the sale of securities in your account.** If the equity in your account falls below the maintenance margin requirements under the law, or Ram Financial’s or Apex’s higher house requirements, your securities can be sold to cover the margin deficiency. You will also be responsible for any shortfall in the account after such a sale.
  - **Ram Financial or Apex can sell your securities without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities unless it has contacted them first. This is not the case. While most firms will attempt to notify customers of margin calls, they are not required to do so. Even if Ram Financial or Apex has contacted you and provided a specific date to meet a margin call, either may still take immediate action to protect its financial interest, including selling securities without notice.
  - **You are not entitled to choose which security is liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, Ram Financial or Apex has the right to decide which security to sell to protect its interests.
  - **Ram Financial or Apex can increase its house maintenance margin requirement at any time and is not required to provide you advance written notice.** These changes often take effect immediately and may result in a maintenance margin call. Your failure to satisfy the call may cause Ram Financial or Apex to liquidate or sell securities in your account.
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- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available under certain conditions, you do not have a right to the extension.
- **Dividend payments on loaned securities are treated as substitute payments.** The IRS requires broker-dealers to treat dividend payments on loaned securities positions as a “substitute payment” in lieu of a dividend. A substitute payment is not a “qualified dividend” and is taxed as ordinary income.
- **Your voting rights may be limited.** Industry regulations may limit, in whole or in part, your ability to exercise voting rights of securities that have been lent or pledged to others. You may receive proxy materials indicating voting rights for fewer shares than are in your account, or you may not receive any proxy materials.

## Margin Credit Terms & Policies

The following disclosure of Margin Credit Terms and Policies is required by the Securities and Exchange Commission and is part of your [Apex Customer Margin Account Agreement](#). It describes the terms under which Apex extends credit and charges interest and how your obligations are secured by property in your account. Ram Financial or Apex reserves the right to amend these terms at any time.

### Interest Charges

Apex charges interest on a daily basis on the credit it extends to you. The rate of interest charged by Apex is set by Ram Financial. Your daily interest charges are calculated by multiplying your “Daily Adjusted Debit Balance” by the “Daily Margin Interest Rate.” The Daily Margin Interest Rate is subject to change at any time. For current margin interest rates, please refer to the [Ram Financial Fee Schedule](#).

Your Daily Adjusted Debit Balance is generally the actual settled debit balance in your margin account, increased by the value of securities held short and reduced by the amount of any settled credit balance carried in your cash account. It is recalculated each day by adjusting your previous day’s balance by any debits and credits to your account and by changes in the value of short positions. If your Daily Adjusted Debit Balance is reduced because you deposit a check or other item that is later returned unpaid, your account may be adjusted to reflect the interest charges incurred.

Apex reserves the right to charge interest on debit balances in your cash account. Periodically, you will receive a comprehensive statement showing account activity, including applicable interest charges, interest rates, and adjusted daily debit balances.

### Daily Margin Interest Rate

The Daily Margin Interest Rate is based on a 360-day year and is calculated each day by dividing the applicable margin interest rate by 360. Note that the use of a 360-day year results in a higher effective rate of interest than if a 365-day year were used.

Ram Financial and Apex set the Base Rate at our discretion with reference to commercially recognized interest rates, industry conditions relating to the extension of margin credit, and general credit market conditions. Your margin interest rate will be adjusted automatically and without notice to reflect any change in the Base Rate. If your interest rate increases for any

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reason other than a change in the Base Rate, Ram Financial or Apex will give you written notice at least 30 days prior to that change.

### **Compounding Interest Charges**

Apex compounds interest on a daily basis. Interest charges accrue to your account each day and are included in the next day's opening debit balance. The interest rates described above do not reflect the compounding of unpaid interest charges; the effective interest rate, taking into account such compounding, will be higher.

### **Initial Margin Requirements**

The Federal Reserve Board and various stock exchanges determine margin loan rules and regulations. When you purchase securities on margin, you agree to deposit the required initial equity by the settlement date and to maintain your equity at the required levels. The maximum amount currently available for common stock (equity) securities is 50% of the value of marginable securities purchased in your margin account; different requirements apply to non-equity securities, such as bonds or options.

If the market value of stock held as collateral increases after you have met the initial margin requirements, your available credit may increase proportionately. Conversely, if the market value decreases, your available credit may proportionately decrease.

Initial margin requirements may change without prior notice. Ram Financial or Apex may impose more stringent requirements at any time and without prior notice on positions that, in our sole discretion, involve higher levels of risk—for example, thinly traded, speculative, or volatile securities, or concentrated positions.

You may purchase only certain securities on margin or use them as collateral in your Margin and Short Account. Most stocks traded on national securities exchanges and some over-the-counter (OTC) securities are marginable. At our or Apex's discretion, we reserve the right not to extend credit on any security.

Equity securities with a market value of less than \$3 per share may not be purchased on margin or deposited as margin collateral. If a security's market value drops below \$3 per share, it will not be assigned any value as collateral to secure your margin obligations.

### **Margin Maintenance Requirements**

You must maintain a minimum amount of equity in your account to collateralize your outstanding loans and other obligations. Margin maintenance requirements are set:

- By the rules and regulations of the New York Stock Exchange, the American Stock Exchange, and other regulatory agencies to whose jurisdiction Ram Financial or Apex are subject; and
- According to Ram Financial's or Apex's sole discretion and judgment.

You agree to maintain in your Margin and Short Account collateral of the type and amount required by applicable exchange rules, federal regulations, and this Credit Terms & Policies section, or as otherwise required by Ram Financial or Apex. Margin maintenance requirements may change without prior notice.

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Ram Financial or Apex may issue a “margin call” (a notification to deposit additional collateral) if your account equity falls below the margin maintenance requirement. The most common reasons are a decrease in the value of long securities held as collateral or an increase in the value of securities held short.

As a general guideline and when it is practicable to do so, Ram Financial or Apex may (but are not required to) issue a margin call when the equity in your Margin and Short Account falls below a predetermined percentage of the market value of assets at risk (that is, the sum of the market values of the long and short equity security positions) in your account. The amount of additional collateral required is usually sufficient to raise your equity to minimum standards.

Ram Financial or Apex retain absolute discretion to determine whether, when, and in what amounts additional collateral will be required. A higher level of equity may be required if, for example, an account contains:

- Only one security or a large concentration of one or more securities; or
- Low-priced, thinly traded, or volatile securities; or
- Collateral that is or becomes restricted, non-negotiable, or non-marginable.

Ram Financial or Apex also may consider market conditions and your financial resources.

## **Contact Information**

For questions or concerns regarding your margin account, margin calls, or current equity requirements, please contact us:

**Email:** [support@aries.com](mailto:support@aries.com)

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