

Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Aegis Capital Corp. If you have any questions about the contents of this brochure, please contact us at: 212-813-1010, or by email at: info@aegiscap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Aegis is available on the SEC's website at www.adviserinfo.sec.gov

November 31, 2014

Aegis Capital Corp.

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The Firm has been involved in regulatory matters in the normal course of business.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 212-813-1010 or by email at:

info@aegiscap.com.

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Advisory Business

Firm Description

Aegis Capital Corp., ("Aegis") was founded in 1984.

In connection with its Advisory Business, Aegis is in the business of selling annuities, insurance, stocks, bonds, mutual funds, investment banking and other commissioned products. While Aegis Capital Corp. earns income from its Fee Accounts through a quarterly asset-based fee, it may charge a commission to cover the cost of acquisition or sale of securities in a client's account.

Investment advice is an integral part of financial planning. In addition, Aegis advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Although investment advice is provided, the client makes the final decision on investment selection. Aegis does not act as a custodian of client assets. The client always maintains asset control. Aegis places trades for clients under a limited power of attorney.

Periodic account reviews are communicated clients to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

The principal owner of Aegis is Mr. Robert J. Eide.

Types of Advisory Services

Aegis provides investment supervisory services, also known as asset management services, manages investment advisory accounts and furnishes investment advice through consultations

As of November 31, 2014 Aegis manages approximately \$259,539,633 in assets for approximately 737 clients. Approximately \$104,249,633 is managed on a discretionary basis, and \$259,539,558 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Advisory Service Agreement

Most clients choose to have Aegis manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes cash flow and investment management.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the

client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Asset Management

Assets are invested in no-load or low-load mutual funds and exchange-traded funds. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities and interests in partnerships.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Aegis in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Aegis will refund any unearned portion of the advance payment.

Aegis may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Aegis will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Aegis bases its fees on a percentage of assets under management.

If the transaction costs are charged to the client then;

On the first \$250,000 of assets the fee is 2.50%, on the next \$750,000 the fee is 2.25% and any assets over \$1,000,000 the fee is 2.00%.

If the transaction costs are charged to the advisor then;

On the first \$250,000 of assets the fee is 3.00%, on the next \$750,000 the fee is 2.75% and any assets over \$1,000,000 the fee is 2.50%.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a

designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Aegis, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Aegis.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Aegis reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Aegis' judgment, to providing proper financial advice.

If a contract is terminated in the middle of a billing quarter, a pro-rated fee, based upon the number of trading days in the quarter, will be refunded to the customer's account.

Aegis does not receive compensation in any fee based accounts for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Aegis does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

Aegis generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

Aegis does not require a minimum account size to enter into an agreement with a client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by third-parties, corporate rating services, timing services, annual reports, prospectuses, and filings with the Securities and Exchange Commission, the World Wide Web and company press releases.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its management employees have not been involved in any legal or disciplinary events that are material to a client's or prospective client's evaluation.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Aegis is registered as a securities broker-dealer with the Financial Industry Regulatory Authority.

Affiliations

Aegis is dually registered as an investment advisor and securities broker- dealer. Aegis does not have any other arrangements that are material to its advisory business or its clients with a related person who is an investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Aegis Capital has a simple, basic Code of Ethics, which is disseminated to all affiliated personnel and any client or prospective client upon request. Activities by anyone, from senior management to clerical staff, violating this Code of Ethics will not be tolerated. Every aspect of our business will be conducted in a fair, lawful and ethical manner. Sufficient internal controls have been implemented to ensure that all reasonable efforts are taken at all times to deter and detect any activities which do not meet the highest standards of ethical behavior. Senior management is committed to working with Compliance and all registered individuals to ensure the existence and awareness of a strong and committed compliance culture. Our leadership will consistently be such that we will instill ethical behavior throughout the firm and make it known that anyone acting in a manner less than what is expected will be sanctioned or terminated. Strict compliance with all laws and regulations governing the securities industry is paramount. Senior management will continue to ensure that the procedures in place are acceptable in terms of making determinations regarding the

qualifications, experience and training of all individuals prior to assigning them any supervisory responsibilities.

Participation or Interest in Client Transactions

Aegis and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Firm's Written Supervisory Procedures.

Personal Trading

The personal trading is reviewed by the Branch managers at the various location, ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Brokerage Practices

Selecting Brokerage Firms

Aegis uses its broker-dealer as a brokerage firm to service its clients trading execution. Aegis does not recommend a specific custodian.

Best Execution

Aegis reviews the execution of trades at each custodian each quarter. The review is documented in the Firms Written Supervisory Procedures. Trading fees charged by the custodians is also reviewed on a quarterly basis.

Review of Accounts

Periodic Reviews

Account reviews are performed regularly by a registered branch principal and account reviews may be performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. The written updates may include a net worth statement, portfolio statement and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

Aegis has been fortunate to receive many client referrals over the years. The referrals came from current clients, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Aegis does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Aegis.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

Aegis accepts discretionary authority to manage securities accounts on behalf of clients. Aegis has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Aegis consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

Limited Power of Attorney

If a trading authorization is given, a limited power of attorney is executed for this purpose. A limited power of attorney is signed so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

Aegis does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, Aegis will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

Aegis does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Aegis does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

Business Continuity Plan

General

Aegis has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The business continuity plan can be found on the Aegis website (www.aegiscapcorp.com).

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

Aegis maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

Aegis is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.