

Part 2A of Form ADV: Firm Brochure  
Item 1 Cover Page

**Rosecliff Capital Advisory LLC**

767 5<sup>th</sup> Avenue  
New York, New York 10022  
**CRD No. 305951**

This brochure provides information about the qualifications and business practices of Rosecliff Capital Advisory LLC. If you have any questions about the contents of this brochure, please contact us at (212) 621-9643 and/or [eichner@rosecliffcapital.com](mailto:eichner@rosecliffcapital.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Rosecliff Capital Advisory LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching the firm's CRD No. 305951.

Rosecliff Capital Advisory LLC's registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: December 25, 2020

## Item 2 Material Changes

Last Annual Update: N/A

### Summary of Material Changes

This section will be updated as required in the event any material changes are made to the Rosecliff Capital Advisory LLC Firm Brochure (the “Brochure”):

- There are no material changes to report at this time.

### Delivery Requirements

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 120 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at (212) 621-9643 or email at [eichner@rosecliffcapital.com](mailto:eichner@rosecliffcapital.com).

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## Item 4 Advisory Business

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### FIRM DESCRIPTION

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Rosecliff Capital Advisory LLC (hereinafter referred to as “Rosecliff Capital”, “we,” “us,” or “our firm”) is a New York Limited Liability company with its principal office located in New York, New York. The sole owner and Managing Member of the firm is Michael Caso. The Chief Compliance Officer is Stewart Eichner.

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

Rosecliff Capital is a newly established investment adviser with no assets under management. Clients may request more current information at any time by contacting our firm.

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### ADVISORY PROGRAMS

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Rosecliff Capital provides investment management and financial planning services to our clients. In connection with our advisory services, Rosecliff Capital provides advice with respect to a broad range of asset classes, including, but not limited to, equities (common stocks and equivalents), mutual funds, exchange traded funds, and fixed income instruments. Our advice is generally limited to these types of investments, but we reserve the right to advise or not advise our clients on certain investments should we deem it appropriate based on their particular circumstances.

Rosecliff Capital’s advisory services are tailored to the needs of our clients based on their individual investment objectives, risk tolerance, cash or income needs, and any investment restrictions. Although Rosecliff Capital seeks to accommodate any reasonable investment restrictions or guidelines set by our clients, we may decline to accommodate certain investment restrictions that are incompatible with our investment philosophy or that may have an adverse effect on our ability to manage your account.

Rosecliff Capital enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our advisory (the “Investment Management Agreement”) or financial planning services (the “Financial Planning Agreement”). The Investment Management Agreement and Financial Planning Agreement each sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Investment Management Agreement and Financial Planning Agreement may be terminated by either party in writing at any time by giving thirty (30) days signed written notice to the other party.

Our advisory services are offered through certain individuals who are associated with Rosecliff Capital as its investment adviser representatives (“advisors”).

Our advisors offer the advisory service described below to our clients:

**Investment Management.** Rosecliff Capital provides investment management services in which clients grant our firm the ability to utilize discretion in managing the Client’s investment account. Specifically, the client grants our firm full power to direct, manage, and change the investment and reinvestment of the assets in the account, the proceeds and any additions. Our authority over the client’s investments includes discretionary authority to purchase and sell securities for the client’s account, to submit aggregated trade orders for the client and others in order to obtain best execution, and to give instructions concerning these transactions to the qualified custodian with which the client’s account(s) are held. We are not required to first consult with the client before placing any specific order or obtain specific authorization from the client for each specific transaction. Rosecliff Capital receives discretionary authority from our clients through our Investment Management Agreement at the outset of our advisory relationship. We do not manage accounts on a non-discretionary basis.

**Wrap Fee Programs.** Rosecliff Capital is the sponsor and portfolio manager for the Rosecliff Capital Advisory Program, listed on our Form ADV Part 1, Schedule D. Wrap fee programs offer comprehensive advisory and brokerage services for a single “wrap fee” based on a percentage of assets under management.

Clients should carefully review the relevant Form ADV Part 2A, Appendix 1 or program brochure of the wrap fee program sponsor (the “Wrap Brochure”) regarding wrap fee program terms, conditions and fees, and consider the potential advantages and disadvantages and overall appropriateness of the program in light of their particular circumstances, including whether the total cost of participating in the program would exceed the aggregate cost if the services were provided separately.

Rosecliff Capital may also provide a complimentary financial plan to certain prospective clients who are considering engaging our firm for investment management services. The financial planning services are offered to certain clients as part of Rosecliff Capital’s investment management service, at no additional charge, and include investment implementation. Rosecliff Capital would provide financial planning and consulting services where an advisor will work with clients to review their current financial position, stated goals and objectives and make recommendations on how clients can manage their financial resources based on an analysis of their individual needs. Recommendations may be in the form of a written financial plan or a verbal consultation based on the type of engagement. The client is under no obligation to act upon their advisor’s recommendations. If the client elects to act on any of our recommendations, the client is under no obligation to affect their transactions through our firm.

Clients should understand that information related to tax and legal consequences that is provided as part of the financial plan is for informative purposes only and should not be considered tax or legal advice. Clients should contact their tax and/or legal advisor for personalized advice.

**Important Note:** It is the client's responsibility to ensure that Rosecliff Capital is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

## Item 5 Fees and Compensation

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### ADVISORY FEES

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The following information describes how Rosecliff Capital is compensated for the investment advisory and financial planning services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Investment Management Agreement and/or Financial Planning Agreement with each client. Rosecliff Capital reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than are available from other firms for comparable services. Rosecliff Capital has the general discretion to waive all or a portion of our fees, but typically only exercises this discretion for our employees.

**Investment Management Fees.** In consideration for providing investment management services and pursuant to the Investment Management Agreement with the client, Rosecliff Capital charges an annual asset-based fee of up to 1.75% based on the client's assets under management ("AUM") as valued by the custodian. Fees are negotiated with each client based on a variety of factors, such as the amount of assets being managed, future deposits to the accounts under our management, the level and type of services provided and/or the nature of the relationship with the client.

Rosecliff Capital generally bills our asset-based fees on a quarterly basis in advance. In order to have our fees deducted from their accounts, clients must authorize the deduction of our fees from their managed accounts by the qualified custodian and choose the method by which our fees will be calculated. Clients may elect to have our advisory fees calculated by our firm or the qualified custodian and deducted from their accounts. The client makes this election when applying for their account at the qualified custodian or at any time or cancel the existing arrangement. All fees will be supported by an invoice to the client itemizing the fee.

**Wrap Fee Program Fees.** Please review the relevant Form ADV Part 2A, Appendix 1 or program brochure (the "Wrap Brochure") regarding wrap fee program fees.

**Additional Fees and Expenses.** Clients, who do not participate in a wrap fee program, will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker- dealer or qualified custodian through which account transactions are executed. For more information on our brokerage practices, please refer to Item 12 (Brokerage Practices) of this Brochure.

The fees that clients pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (described in each fund's prospectus) to their shareholders. The fees charged directly by mutual funds and exchange traded funds will typically include a management fee and other fund expenses.

To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by mutual funds, exchange traded funds, our firm and others.

**Termination.** The Investment Management Agreement or Financial Planning Agreement with our clients may be terminated by either party at any time upon thirty (30) days written notice. Upon termination of our status as the client's investment adviser, Rosecliff Capital will not take any further action with respect to the client's account(s) unless specifically notified by the client in writing. Clients will be responsible for instructing their custodian and monitoring their account for the final disposition of assets.

**Refunds.** Upon receipt of a proper notice of termination from the client, as described in the Investment Management Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination. Any prepaid unearned fees will be promptly refunded based on the number of days remaining in the quarter after the termination date.

**Brokerage Commissions.** Rosecliff Capital does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

Any material conflicts of interest between clients and Rosecliff Capital or our employees are disclosed in this Brochure. If at any time, additional material conflicts of interest develop, Rosecliff Capital will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

## Item 6 Performance-Based Fees

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### PERFORMANCE BASED FEES

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Rosecliff Capital does not charge our clients fees based on a share of capital gains on or capital appreciation of the assets in their accounts.

## Item 7 Types of Clients

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### TYPES OF CLIENTS

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Rosecliff Capital offers investment advisory services to a diversified group of clients including individuals, high net worth individuals, trusts, estates, charitable/non-profit organizations, and corporations and other business entities. Client relationships may vary in scope depending on what type of account is selected and in length of service.

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### ACCOUNT REQUIREMENTS

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Rosecliff Capital generally requires a \$100,000 minimum account size. Rosecliff Capital may, in its sole discretion, raise or lower the minimum requirement with respect to certain clients.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

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### METHODS OF ANALYSIS

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The securities analysis methods employed by Rosecliff Capital may include fundamental analysis. Our main sources of information include financial publications, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, and company press releases.

Our methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings and the economic factors that drive supply and demand for these securities. The fundamental analysis of a business involves analyzing its financial statements and health, management and competitive advantages, and competitors in the market. It also focuses on the overall state of the economy, interest rates, political environment, and other macroeconomic drivers. Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market.

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### INVESTMENT STRATEGIES

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Rosecliff Capital provides individuals and other types of clients with a wide array of investment advisory services. We work with each client to identify their investment goals and objectives as well as risk tolerance and financial situation to create a well tailored investment strategy. Rosecliff Capital will construct, implement and monitor the portfolios to meet the objectives and risk tolerance of each client.

Strategies may include both long and short position purchases comprised of equities, mutual funds, exchange traded funds, and fixed income securities. We may utilize individual stocks, individual bonds and other types of investments, as appropriate, to meet the needs of specific clients. Rosecliff Capital's investment strategy is primarily long term focused, but we may buy, sell or reallocate positions that have been held less than one year to meet the objectives of the client or due to market conditions. These strategies may include short-term purchases, trading, margin transactions, and option writing (including covered/uncovered and/or spreading strategies).

The investment strategy for a specific client is based upon the objectives stated by the client during our initial consultations. The client may change these objectives at any time. Risk management is integrated into our process through the use of appropriate risk levels on each portfolio. The value of securities used in our strategies may go up or down in response to factors not within our control, including but not limited to the status of an individual company underlying a security, or the general economic climate. When investing for client portfolios, we seek to maintain discipline and objectivity by focusing on the client's financial goals and objectives.

For some Clients, it may be appropriate for them to invest in comingled privately offered funds. If we believe it is appropriate, we may recommend that a Client invest in such a fund, which may be a fund offered and managed by an affiliate of ours (each, a "Fund"). In such cases, the Client's consent will be secured prior to making an investment in a Fund; such consent may be evidenced by the Client's execution of appropriate Fund subscription documents. In the event that a Client invests assets from their account that we manage into a Fund offered by our affiliate, we would not charge any fees (including our asset management fee) on that portion of the Client's account that has been utilized to capitalize their interest in the Fund, although any investment in a Fund will be subject to the fees and expenses charged by our affiliate to all unaffiliated limited partners.

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## **RISK OF LOSS**

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Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities used in all of our strategies may go up or down in response to factors not within our control, such as but not limited to the status of an individual company underlying a security, or the general economic climate. There is no guarantee that any of the investment strategies that our firm employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

Risk management is integrated into our process through the use of appropriate risk levels on each portfolio, diversified allocation between assets and strategies, and when appropriate, limiting the risk of extreme market moves through hedges.

The investment risks described below may not be all-inclusive but should be considered carefully:

**Fundamental Analysis.** Fundamental Analysis concentrates on factors that determine the long-run or equilibrium intrinsic value of securities. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value or that the perceived value was deficient, incomplete, or affected by unforeseen factors. Our methods rely on the assumption that the companies whose securities we purchase and sell for our Clients, the rating agencies that review these securities (where applicable), and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

In addition to risks related to securities analysis, there are specific risks inherent to the types of securities our firm invests in. Our firm may invest in domestic equities, options, exchange traded funds, and fixed income, all of which may carry a variety of risks, as set forth here:

**Equities.** Equity, such as common stocks, represents ownership interest of the issuer. Equities can decline in value over short or extended periods as a result of changes in a company's financial condition, changes in the overall market, and economic and political conditions. Political risk may be of higher concern for foreign equities. Adverse changes in exchange rates may also lower returns on foreign equities.

**Fixed Income.** Fixed income securities pay a predetermined amount of cash by the issuer to the security holder. A risk associated with fixed income is that the issuer may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater is the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. The amount of decrease is more pronounced for higher duration fixed income (i.e. those making payments farther in the future). Higher duration fixed income will also typically exhibit higher price volatility. A nominal interest rate is the sum of a real interest rate and an expected inflation rate, and as such, for fixed real rates, rising inflation may lower the value of fixed income securities in addition to eroding the purchasing power of the fixed payments.

**Options.** An option is a contract giving the buyer the right, but not the obligation, to buy (in the case of a call option) or sell (in the case of a put option) the underlying asset at a specific price on or before a certain date. Option contracts reach a terminal value depending on the underlying security at an expiration date. There is a risk that the option may have no value at expiration, and the option holder loses the total amount invested. Options may involve certain costs and risks

such as liquidity, interest rate, market, credit, and the risk that a position could not be closed when most favorable. Trading halts in the underlying security, or other trading conditions (for example, volatility, liquidity, systems failures) may cause the trading market for an option (or all options) to be unavailable, in which case, the holder or writer of an option would not be able to engage in a closing transaction and an option writer would remain obligated until expiration or assignment. Even if the market is available, there may be situations when options prices will not maintain their customary or anticipated relationships to the prices of the underlying interests and related interests. Disruptions in the markets for the underlying interests could also result in losses for options investors. This is not intended to be an exhaustive presentation of all risks associated with trading options and clients should review the current Options Clearing Corporation (“OCC”) disclosure document “Characteristics and Risks of Standardized Options” and any options risk disclosures provided by the broker-dealer used for client trades.

**Exchange Traded Funds.** Exchange-traded funds (“ETFs”) are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

***Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.***

## Item 9 Disciplinary Information

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### REQUIRED DISCLOSURES

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Our firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the integrity of our management or the services we provide to our clients.

## Item 10 Other Financial Industry Activities and Affiliations

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### OUTSIDE BUSINESS ACTIVITIES

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Michael Caso, Managing Member of Rosecliff Capital Advisory LLC, is a Managing Partner at Rosecliff Venture Management LLC. Rosecliff Venture Management LLC is a registered investment adviser that manages private equity and venture capital funds. His role as Managing Partner is to make decisions on new investment opportunities and manage client relationships.

Stewart Eichner, Chief Compliance Officer of Rosecliff Capital Advisory LLC, is General Counsel and Chief Compliance Officer at Rosecliff Venture Management LLC. Rosecliff Venture Management LLC is a registered investment adviser that manages private equity and venture capital funds. Stewart's role is to design, structure and implement legal and compliance oversight to the firm.

Steven Venino, Investment Adviser Representative of Rosecliff Capital Advisory LLC, is a Senior Associate at Rosecliff Venture Management LLC. Rosecliff Venture Management LLC is a registered investment adviser that manages private equity and venture capital funds. His role as Senior Associate is to source, originate and analyze investment opportunities.

Neither Rosecliff Capital nor any of its employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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#### **AFFILIATED ENTITIES**

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Rosecliff Capital has relationships or arrangements with the following affiliated entity that may create a potential conflict of interest:

##### **Rosecliff Venture Management LLC**

Rosecliff Venture Management LLC, an SEC registered investment adviser, is affiliated with Rosecliff Capital through common ownership. This affiliation may cause a conflict of interest. An investor in one or more funds under management by Rosecliff Venture Management, LLC may become a Client of Rosecliff Capital by utilizing that adviser's financial planning services or entering into an investment management agreement or wrap fee agreement with Rosecliff Capital. Additionally, it is expected, but not required, that clients of Rosecliff Capital may become investors in funds under management by Rosecliff Venture Management if the Client accepts such a recommendation. In such cases, no fees would be charged by Rosecliff Capital on the amount of funds invested into Rosecliff Venture Management, although the funds would be subject to fees and expenses from Rosecliff Venture Management. Referrals to, from, and between us and Rosecliff Venture Management LLC can create a potential conflict of interest. Mr. Caso, as a managing member of both entities, has the ability to influence investment and accounting activities by keeping them all in-house. If this occurs, it can benefit Mr. Caso in receiving additional personal revenues. We recommend that when engaging Mr. Caso's professional services, you should consider this affiliation and that comparable or equivalent services may cost more or less if received through an independent option.

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#### **OTHER INVESTMENT ADVISERS**

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Rosecliff Capital does not have any business relationships with other investment advisers that create a material conflict of interest for our clients.

## Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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### CODE OF ETHICS

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Rosecliff Capital has adopted a Code of Ethics (the “Code”) that sets forth a standard of business conduct for our firm and all our associated persons. The purpose of the Code is to set out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for our firm and our associated persons to espouse in the interest of our clients and investor protection. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees of Rosecliff Capital are required to handle their personal securities transactions in such a manner as to avoid any actual or potential conflicts of interest or any abuse of position of trust and responsibility. Annually, we require all employees to certify that they have read, understand and will comply with the Code.

Clients and prospective clients may request a full copy of our firm’s Code of Ethics by contacting our firm at [eichner@rosecliffcapital.com](mailto:eichner@rosecliffcapital.com) or calling our firm at (212) 621-9643.

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### PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

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Rosecliff Capital and/or our advisors may recommend securities to our clients in which Rosecliff Capital and/or our advisors has a material financial interest.

Rosecliff Capital and/or our advisors may invest in the same securities that are recommended to and/or purchased for our clients. At no time, however, will our firm or our employees receive preferential treatment over our clients. In an effort to mitigate the inherent conflicts of interests involving employees’ personal trading activities, the Code requires that our employees report their personal securities transactions and holdings to our firm. We may also restrict or prohibit employees’ transactions in specific securities transactions if the employees’ transaction disadvantages the client. Rosecliff Capital and/or its employees or related persons may not engage in the purchase or sale of securities we have recommended to our clients at or about the same time a client buys or sells the same securities for its own account.

Rosecliff Capital has adopted procedures designed to assure that the personal securities transactions, activities and interests of Rosecliff Capital and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients.

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## PERSONAL TRADING

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Rosecliff Capital maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our firm or any access persons of our firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest between our firm and our clients.

## Item 12 Brokerage Practices

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### SELECTION OF BROKER-DEALERS

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Securities transactions are generally executed through Interactive Brokers, LLC. (“Interactive Brokers”), member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients’ assets and affects securities transactions for our investment management clients’ accounts. Rosecliff Capital is independently owned and operated and is not affiliated with or a related person of Interactive Brokers.

Rosecliff Capital considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. We believe that the commissions charged by Interactive Brokers are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to affect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

**Research and Other Soft Dollar Benefits.** Interactive Brokers offers products or services other than execution and custody that assist our firm in managing and administering client accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of our fees from clients’ accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Interactive Brokers.

Rosecliff Capital may also receive services from Interactive Brokers or its affiliates that are intended to help our firm manage and further develop our business. These services may include registration support through Greenwich Compliance, website design and technology support. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products may include such items as: client

reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

Rosecliff Capital does not participate in any commission-sharing arrangements or receive soft dollar credits as a result of utilizing Interactive Brokers' (or other broker-dealers') services. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the above mentioned products and services, and not solely on our clients' interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, in seeking best execution for our clients our firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

**Brokerage for Client Referrals.** Rosecliff Capital does not consider broker-dealer or third-party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

**Directed Brokerage.** While Rosecliff Capital generally recommends that clients direct transactions through certain broker-dealers, we generally do not have discretionary authority to determine the broker-dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions. In rare cases, where the client is not participating in the wrap fee program, the client may grant Rosecliff Capital discretion in choosing a broker-dealer.

Rosecliff Capital may utilize other broker-dealers when requested by the client. Such clients of Rosecliff Capital must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

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## TRADE AGGREGATION

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Investment decisions deemed appropriate for one client may also be deemed appropriate for other clients so that the same security may be purchased or sold at or about the same time for more than one client. When this is the case our firm may, but is not obligated to, aggregate similar trades for multiple clients and execute the trade as a single block.

When transactions are so aggregated, the securities purchased or sold will be allocated in a fair and equitable manner. Our trade allocation procedures seek to allocate investment opportunities among our clients in the fairest possible way taking into account their best interests. These procedures ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients. Nevertheless, there is no assurance that the aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that we may not aggregate trades in circumstances where it would be beneficial to do so.

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#### **TRADE ERRORS**

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From time to time, our firm may make a trade error when servicing a client's account. When a trade error occurs, we work with all relevant parties in the trading process to promptly correct the error while ensuring it does not disadvantage the client and provide compensation, if any is warranted.

### **Item 13 Review of Accounts**

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#### **ACCOUNT REVIEWS**

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Rosecliff Capital conducts account reviews on an ongoing basis for clients who engage us for our investment management services. The frequency of the review may be adjusted depending upon a variety of factors such as: the client's risk profile, activity in the account, economic and market conditions, and the client's preferences, if any. Additional reviews may be triggered by changes in the investment objectives or guidelines for a particular client or specific arrangements with the client.

Formal client review meetings are generally conducted on a regular basis at intervals mutually agreed upon by the advisor and the client, but no less than annually. During these reviews, any changes in the client's investment objectives are discussed so we can review our previous recommendations and make any necessary adjustments.

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#### **ACCOUNT REPORTS**

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Those clients to whom Rosecliff Capital provides investment management services may receive reports from our firm summarizing their account(s) and investment results. Reports may be furnished in writing or electronically as requested by the client. Clients are urged to compare the account statements they receive from their custodian to any written reports received from our firm and contact us with any questions they may have about their statement.

Clients have direct and continuous access to their account information and related documents via the password-protected website of the qualified custodian with which their accounts are held.

## Item 14 Client Referrals and Other Compensation

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### CLIENT REFERRALS

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Rosecliff Capital does not compensate third-parties (or “solicitors”) to promote the investment advisory services offered by our firm. If solicitors are utilized, they would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

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### OTHER COMPENSATION

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Rosecliff Capital does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services, with the exception of research or execution-related products or services that may be provided by the broker-dealer(s) that we use to execute client transactions. Please refer above to Item 12 of this Brochure for additional information on these products or services.

## Item 15 Custody

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### CUSTODY OF CLIENT FUNDS AND SECURITIES

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Interactive Brokers, Rosecliff Capital’s preferred qualified custodian, maintains custody of client funds in separate brokerage account(s) for each client under the client’s name. Rosecliff Capital personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account. Interactive Brokers sends an account-opening letter to each client at their physical mailing address after the account is approved.

Clients can access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers’ website, [www.interactivebrokers.com](http://www.interactivebrokers.com). Clients should also expect to receive quarterly account summaries

from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by Rosecliff Capital. Any client that does not receive an account statement or summary from the qualified custodian should call our firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

In the event that a Client directs us to utilize a different qualified custodian, we would expect that such qualified custodian would provide similar account statements on similar recurring frequency as set forth above.

## Item 16 Investment Discretion

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### **DISCRETIONARY AUTHORITY**

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Rosecliff Capital manages client securities portfolios on a discretionary basis. Rosecliff Capital is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives Rosecliff Capital the authority to manage the client's investment assets at our firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This authorization will remain in full force and effect until we receive a written termination notice of the Engagement Agreement from the client.

## Item 17 Voting Client Securities

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### **AUTHORITY TO VOTE CLIENT PROXIES**

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Rosecliff Capital does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified custodian holding clients' assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. Rosecliff Capital does not offer clients any consulting assistance regarding proxy issues.

## Item 18 Financial Information

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### **REQUIRED DISCLOSURES**

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As previously discussed in this brochure, Rosecliff Capital may accept limited discretionary authority when providing investment management services if agreed upon in writing with the client. Rosecliff Capital does not require clients to prepay more than \$500 in fees six months or more in advance.

Rosecliff Capital does not require or solicit prepayment of fees from our clients.

Rosecliff Capital has no financial commitments that would impair our firm's ability to meet our contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.

