



BROKER-DEALER SOLUTIONS PROVIDER TO CAPITAL GUARDIAN IN NEW STRATEGIC ALLIANCE

Capital Guardian's 35 Financial Advisors to Affiliate with Kovack's Broker-Dealer for All Commission Activities

Capital Guardian Positioned for Further Growth With Total Focus on Growing RIA Supporting High-Net-Worth Retail Clients in US and Overseas

Ft. Lauderdale, FL – September 27, 2017 – Kovack Securities, Inc., a privately-owned independent broker-dealer based in Fort Lauderdale, Florida, today announced a new strategic alliance with Capital Guardian, LLC, an independent broker-dealer and wealth management boutique based in Miami, FL.

Under this new alliance, Capital Guardian's 35 financial advisors will affiliate with the independent broker-dealer of Kovack Securities. Capital Guardian has dissolved its own broker-dealer platform and become an independent branch, or Super-OSJ (Office of Supervisory Jurisdiction), of Kovack Securities for all future brokerage activities. Including Capital Guardian's brokerage assets, Kovack Securities will support nearly \$10 billion in total advisory and brokerage client assets going forward.

Brian Kovack, Esq., President and Co-Founder of Kovack Securities, said, "In this era of surging industry consolidation, our strategic alliance with Capital Guardian underscores the value proposition Kovack Securities offers to firms that seek to operate scalably, while enjoying the benefits of ownership stability and the boutique service culture that only a well-resourced, family-owned firm with a national footprint can deliver. These benefits include our robust technology platform, which uses industry leader Folio Dynamics as our technology solution for advisory business. For Kovack Securities, we're excited about Capital Guardian's strategic advantages, including its base of international clients, which is rare within the independent financial advice industry, and provides our firm with unique opportunities to expand our presence overseas. We're excited to collaborate with the Capital Guardian team on future growth opportunities, and we look forward to utilizing this relationship as a template for similar strategic partnerships to come."

Capital Guardian's advisors will continue to conduct all fee-based advisory services and financial planning through Capital Guardian Wealth Management, LLC, the firm's rapidly growing independent, SEC-registered RIA, which will remain under its current ownership structure and brand. Also as part of this strategic alliance, Capital Guardian Wealth Management, as an independently owned and operated RIA, will enjoy access to certain industry-leading fee-based



advisory wealth management solutions and platforms available exclusively through Kovack Securities.

In the coming weeks, Capital Guardian's leadership team and advisors will continue its consolidation of all global operations to its Miami headquarters, and fully focus on growing Capital Guardian Wealth Management by expanding and deepening its engagement with high net worth, family office and retail investors in key wealth centers throughout the world.

Justin Lowe, Chairman of Capital Guardian Holding, LLC, the parent company of Capital Guardian LLC and Capital Guardian Wealth Management, said, "Our strategic alliance with Kovack Securities enables our team to focus on our core strength: Delivering fee-based boutique financial advice and comprehensive planning for our domestic and international clients leveraging the additional resources of Kovack. Outsourcing our broker-dealer functions to Kovack Securities and their best-in-class technology platform will enable us to focus our efforts on accelerating the growth of our wealth management business and independent RIA firm, Capital Guardian Wealth Management, while maintaining world-class broker-dealer capabilities through Kovack."

Greg Hogan, Executive Managing Director of Capital Guardian Holding, commented, "We were thrilled to connect with Kovack Securities, which provides the perfect balance of boutique service, significant scale and capabilities. Of critical importance to us, Kovack also understands and embraces the international dimension of our business and go-forward strategy. Without question, we felt from our first meeting that the people, culture and values of Kovack Securities were a great fit for our team. Looking ahead, we believe there is an unprecedented opportunity for Capital Guardian Wealth Management to align the power of boutique independent and objective financial advice with a truly global approach to client relationship acquisition and service."

Mr. Hogan continued, "We are pleased to say, in fact, that this enhanced focus on our strategic vision for the future has already generated a substantial increase in the number of high-quality recruiting opportunities in the Capital Guardian pipeline, with advisors across the full spectrum of advisory business models – from wirehouses to independents and financial institution affiliated advisors – expressing a surge of interest in joining our platform."

Dr. Ronald Kovack, Chairman and Co-Founder of Kovack Securities, agreed: "From the outset, both teams quickly realized what a strong fit this is. Our relationship is a win-win, in that it helps fuel the ongoing growth of Kovack Securities, providing us with an avenue to expand our client base globally, while providing the Capital Guardian team the opportunity to concentrate on their core global wealth management strengths."



The alliance with Capital Guardian is Kovack Securities' latest strategic move to accelerate its ongoing growth. In May, the company completed an asset purchase agreement with TKG Financial ("TKG"), an independent broker-dealer and financial advisory firm based in Santa Barbara, California, under which TKG became a super-OSJ of Kovack Securities, continuing to operate under its own brand and leadership team. TKG's seven independent financial advisors, collectively supporting over \$200 million in client assets, transitioned to Kovack Securities and its RIA, Kovack Advisors, as part of the transaction.

About Kovack Securities

Kovack Securities is a privately owned, national, full-service independent broker-dealer based in Fort Lauderdale, Florida, that operates in tandem with its affiliated registered investment adviser (RIA) platform, Kovack Advisors. Founded in 1997, the firm supports approximately 400 affiliated independent financial advisors across the country, who provide objective financial planning and investment management services on a fee and brokerage basis to mass affluent and high net worth retail investors as well as company retirement plans of all sizes. Kovack Securities and Kovack Advisors together focus on providing successful and experienced financial advisors with the services, tools, resources and training to grow and succeed as independent business owners in the retail financial advice industry. As of June 2016, the financial advisors affiliated with Kovack Securities collectively support nearly \$10 billion in total brokerage and advisory client assets. For more information, please visit www.kovacksecurities.com.

About Capital Guardian

Capital Guardian Wealth Management, LLC provides holistic wealth planning and management services to clients across the United States. It provides investment opportunities from various domestic and international money management firms, mutual fund companies, as well as asset categories, including managed futures, non-registered real estate investment trusts, hedge funds, private equity, and other alternative investments. The company was incorporated in 2008, was previously based in Charlotte, North Carolina and is now headquartered in Miami, Florida. For more information, please visit www.capitalguardianllc.com.