

SIEBERT FINANCIAL CORP  
Form DEF 14A  
April 30, 2018  
**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant  
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

**Siebert Financial Corp.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Notice & Proxy Statement, Annual Report is/are available at [www.proxyvote.com](http://www.proxyvote.com).

**SIEBERT FINANCIAL CORP.**

**120 Wall Street**

**New York, New York 10005**

**(212) 644-2400**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 15, 2018**

**Dear Shareholders:**

Notice is hereby given of the 2018 Annual Meeting of Shareholders of Siebert Financial Corp., a New York corporation, at the offices of Gusrae Kaplan Nusbaum PLLC, 120 Wall Street, New York, NY 10005, on Friday, June 15, 2018 at 10:00 a.m., local time. The meeting's purpose is to:

1. Elect five directors.
2. Consider any other matters that are properly presented at the Annual Meeting and any adjournment thereof. You may vote at the Annual Meeting if you were one of our shareholders of record at the close of business on Wednesday, April 18, 2018.

For your convenience, you may attend the Annual Meeting in person or through a webcast. You may attend the webcast of the meeting via the Internet at [www.virtualshareholdermeeting.com/SIEB2018](http://www.virtualshareholdermeeting.com/SIEB2018) when you enter your 16-digit control number included with the Notice of Internet Availability or proxy card. Instructions on how to attend and participate in the Annual Meeting via the webcast are posted at [www.virtualshareholdermeeting.com/SIEB2018](http://www.virtualshareholdermeeting.com/SIEB2018). You will be able to vote your shares while attending the Annual Meeting by following the instructions on the website.

Along with the attached Proxy Statement, we are also enclosing a copy of our Annual Report to Shareholders, which includes our financial statements.

To assure your representation at the meeting, please vote by Internet or telephone or sign and mail the enclosed proxy as soon as possible. We have enclosed a return envelope, which requires no postage if mailed in the United States. Your proxy is being solicited by the Board of Directors. Shareholders who attend the Annual Meeting may revoke their proxy and vote their shares in person.

**PLEASE VOTE—YOUR VOTE IS IMPORTANT**

Andrew H. Reich  
*Secretary*

New York, New York  
April 30, 2018

**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE  
2018 ANNUAL MEETING:**

**This Notice and Proxy Statement, our Proxy Card and our Annual Report also are available at [www.proxyvote.com](http://www.proxyvote.com) by entering the 16 digit control number found on the enclosed Proxy Card.**

**SIEBERT FINANCIAL CORP.**  
**120 Wall Street**  
**New York, New York 10005**  
**(212) 644-2400**

**PROXY STATEMENT FOR THE 2018 ANNUAL MEETING OF  
SHAREHOLDERS TO BE HELD ON JUNE 15, 2018**

**INFORMATION ABOUT THE ANNUAL MEETING AND VOTING**

- Annual Meeting:** June 15, 2018 10:00 a.m., local time Gusrae Kaplan Nusbaum PLLC  
120 Wall Street  
New York, NY 10005
- Record Date:** Close of business on Wednesday, April 18, 2018. If you were a shareholder at that time, you may vote at the meeting. Each share is entitled to one vote. On the record date, we had 27,157,188 shares of our common stock outstanding and entitled to vote. Of those shares, 17,414,577 shares are controlled by a group consisting of Gloria E. Gebbia, one of our directors, Kennedy Cabot Acquisition, LLC, a Nevada limited liability company, of which Gloria E. Gebbia is the managing member and three of Gloria E. Gebbia's sons. Proxy materials are expected to be mailed or available to shareholders beginning on or about April 30, 2018.
- Quorum:** The holders of a majority of the outstanding shares of our common stock, present in person or by proxy and entitled to vote, will constitute a quorum at the meeting. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum.
- Agenda:**
1. Elect five directors.
  2. Any other proper business. However, we currently are not aware of any other matters that will come before the meeting.
- Attending the Annual Meeting:** You may attend the Annual Meeting in person or through a webcast. You may attend the webcast of the meeting via the Internet at [www.virtualshareholdermeeting.com/SIEB2018](http://www.virtualshareholdermeeting.com/SIEB2018) when you enter your 16-digit control number included with the Notice of Internet Availability or proxy card. Instructions on how to attend and participate in the Annual Meeting via the webcast are posted at

[www.virtualshareholdermeeting.com/SIEB2018](http://www.virtualshareholdermeeting.com/SIEB2018). You will be able to vote your shares while attending the Annual Meeting by following the instructions on the website.

**Vote Required:**

In the case of Proposal 1, the five nominees for director who receive the most votes will be elected. If you withhold authority to vote for any nominee on your proxy card, your vote will not count either for or against the nominee.

**Broker Non-votes:**

Broker non-votes are shares held by brokers or nominees which are present in person or represented by proxy, but which are not voted on a particular matter because instructions have not been received from the beneficial owner. Under the rules of the Financial Industry Regulatory Authority (or *FINRA*), member brokers generally may not vote shares held by them in street name for customers unless they are permitted to do so under the rules of any national securities exchange of which they are a member. Under the rules of the New York Stock Exchange, New York Stock Exchange-member brokers who hold shares of our common stock in street name for their customers and have transmitted our proxy solicitation materials to their customers, but do not receive voting instructions from such customers, are not permitted to vote on non-routine matters.

Broker non-votes count for quorum purposes, but we do not count broker non-votes as votes for or against any non-routine proposal. Under the New York Stock Exchange rules, the proposal relating to the election of directors is deemed to be a non-routine matter with respect to which brokers and nominees may not exercise their voting discretion without receiving instructions from the beneficial owner of the shares.

**Proxies:**

Please vote; your vote is important. Prompt return of your proxy will help avoid the costs of re-solicitation. Unless you tell us on the proxy card to vote differently, we will vote signed returned proxies FOR each of the Board of Directors' nominees for director.

If any nominee cannot or will not serve as a director, your proxy will vote in accordance with his or her best judgment. At the time we began printing this proxy statement, we did not know of any matters that needed to be acted upon at the meeting other than those discussed in this proxy statement. However, if any additional matters are presented to the shareholders for action at

the meeting, your proxy will vote in accordance with his or her best judgment.

**Proxies Solicited By:** The Board of Directors.

**Revoking Your Proxy:** You may revoke your proxy before it is voted at the meeting. Proxies may be revoked if you:

1. deliver a signed, written revocation letter, dated later than the proxy, to Andrew H. Reich, Secretary, Siebert Financial Corp., 120 Wall Street, New York, New York 10005;

2. deliver a signed proxy, dated later than the first proxy, to Mr. Reich at the address above; or

3. attend the Annual Meeting and vote in person or by proxy. Attending the meeting without doing more will not revoke your proxy.

**Cost of Solicitation:** We will pay all costs of soliciting these proxies, e s t i m a t e d a t approximately \$7,000 in the aggregate. Although we are providing these proxy materials, our directors, officers and employees may also solicit proxies by telephone, facsimile, mail or personal contact. These persons will receive no compensation for their services, but we may reimburse them for

reasonable out-of-pocket expenses. We will also furnish copies of solicitation materials to fiduciaries, custodians, nominees and brokerage houses for forwarding to beneficial owners of our shares of common stock held in their names, and we will reimburse them for reasonable out-of-pocket expenses.

**Your Comments:**

Your comments about any aspects of our business are welcome. Although we may not respond on an individual basis, your comments help us to measure your satisfaction, and we may benefit from your suggestions.



## PROPOSAL NO. 1

### ELECTION OF DIRECTORS

**Generally:** Our Board of Directors nominated the five directors identified for election at the 2018 Annual Meeting. All of the nominees for election as director are currently serving as our directors. All of the nominees have consented to be named and have indicated their intent to serve if elected. If elected, each director will hold office until the next annual meeting or until the director's successor has been duly elected. All our directors, other than Gloria Gebbia and Andrew H. Reich, are independent directors within the meaning of Rule 5605(a)(2) of The Nasdaq Stock Market.

**Nominees: Gloria E. Gebbia** Gloria E. Gebbia has served as a member of our Board of Directors since December 16, 2016. Ms. Gebbia is the managing member and owner of 49% of the member interests of Kennedy Cabot Acquisition, LLC, a Nevada limited liability company that owns 3,827,283 shares of our common stock.

*Specific experience, qualifications, attributes or skills:*

Ms. Gebbia's business experience includes 17 years in banking and 5 years as executive producer of a syndicated television program called Talk of the Town. Ms. Gebbia is also an owner of StockCross Financial Services, Inc. ( StockCross ), a global financial services company. Additionally, Ms. Gebbia also serves as the President of Associates for Breast and Prostate Cancer Research, a non-profit organization that raises funds for the John Wayne Cancer Institute, which has under Ms. Gebbia's leadership raised over \$16 million for breast and prostate cancer research.

**Charles A. Zabatta** Charles A. Zabatta has served as a member of our Board of Directors since December 16, 2016. From 2011 to 2016 he provided consulting services to StockCross acting as its head of Corporate Development.

Age 75  
Director

*Specific experience, qualifications, attributes or skills:*

Mr. Zabatta has and continues to have a distinguished and successful career, predominately in the financial service industry, including holding various positions with the New York Stock Exchange, Paine Webber, Securities Settlement Corp., Josephthal Lyon & Ross, Kennedy Cabot & Co. and TD Waterhouse. Mr. Zabatta's creative business skills have been instrumental in several acquisitions of small to midsize companies, in various industries. Mr. Zabatta currently advises on capital raising, general business structure and management. Previously, Mr. Zabatta has served as a member of the board of Knight Capital and Kennedy Cabot & Co. Currently, Mr. Zabatta serves on the board of Paraco Gas Corporation, a large privately held independent energy company in the northeast. Mr. Zabatta holds a BA in industrial psychology from Iona College.

**Francis V.** Francis V. Cuttita has served as a member of our Board of Directors since December 16, 2016. Mr. Cuttita is a Senior Partner of Cuttita, LLP, a New York based law firm.

**Cuttita**  
Age 49  
Director

*Specific experience, qualifications, attributes or skills:*

Mr. Cuttita has over 24 years of practicing law, and in the areas of real estate and business transactions, media, sports and entertainment. Mr. Cuttita's list of

clients include Fortune 100 corporations, CEOs, hedge fund managers, legendary professional athletes, entertainment icons and Grammy award winning musicians. Mr. Cuttita also serves as an advisor to several national financial, insurance and sports businesses and is an active supporter and member of various nonprofit organizations. Mr. Cuttita graduated from Swarthmore College and received his law degree from Fordham University School of Law.

**Andrew H. Reich** Andrew H. Reich has served on our Board of Directors since December 16, 2016. Since 2002, Mr. Reich has held various executive positions in StockCross and from 2015 until December 16, 2016, he served as StockCross' Chairman.  
Age 62  
Director

*Specific experience, qualifications, attributes or skills:*

Mr. Reich is the owner of Aarianna Realty Inc., a real estate company, has previously served as the CFO of Gebbia Holding Co., a holding company for Ms. Gebbia's family through 2014 and as CFO of Park Wilshire Insurance Company ( Park Wilshire ), a privately held insurance company from 2010 to 2016. Park Wilshire was acquired by the Company in March 2018 and Mr. Reich resumed serving as Park Wilshire's CFO. Mr. Reich has more than 20 years of experience in the financial industry, including more than fourteen years in various senior management roles at StockCross. Mr. Reich holds an MBA from the University of Southern California and a BBA from the Bernard Baruch College.

**Jerry M. Schneider** Jerry M. Schneider has served as a member of our Board of Directors and Chairman of the Audit Committee since December 29, 2016. From January 2011 to November 30, 2017, Mr. Schneider was a Partner Emeritus and Senior Consultant at Marks Paneth LLP.  
Age 73  
Director

*Specific experience, qualifications, attributes or skills:*

Mr. Schneider is a certified public accountant and has over 40 years of relevant accounting experience. Mr. Schneider is licensed to practice public accounting in New York and Florida and is a member of the American Institute of Certified Public Accountants, the New York State Society of Certified Public Accountants and the Florida Society of Certified Public Accountants. Mr. Schneider was the Managing Partner of Schneider & Associates LLP, a CPA firm with approximately 20 professional staff and was the driving force in that firm's growth and development until it merged with Marks Paneth LLP in 2008. Mr. Schneider is also a member of the board of directors of Promethium, Inc., a development stage blockchain based digital security platform. Mr. Schneider's practice was concentrated in the areas of business planning, high net worth individuals, manufacturing, retailing, securities broker-dealers, the hospitality industry and private educational institutions. Mr. Schneider received a BBA in public accounting from Pace College in 1967.

**THE BOARD OF DIRECTORS DEEMS THIS PROPOSAL NO. 1 TO BE IN THE BEST INTEREST OF SIEBERT FINANCIAL CORP. AND ITS SHAREHOLDERS AND RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR.**

## CORPORATE GOVERNANCE

**Board Meetings:** The Board of Directors held 5 regular meetings and 2 special meeting during 2017. Each incumbent director attended at least 75% of his or her Board of Directors meetings and all of his or her committee meetings.

**Controlled Company:** We are a Controlled Company as defined in Rule 5615(c)(1) of The Nasdaq Stock Market because Gloria E. Gebbia, Kennedy Cabot Acquisition, LLC, a Nevada limited liability company of which Gloria E. Gebbia is the managing member, Richard Gebbia, John M. Gebbia and David Gebbia, control as a group more than 50% of our voting power for the election of directors. As a Controlled Company we are not required to have a majority of our Board of Directors comprised of independent directors, a compensation committee comprised solely of independent directors or a nominating committee comprised solely of independent directors.

**Audit Committee of the Board of Directors:** The Audit Committee of our Board of Directors consists of Mr. Schneider, Chairman, Mr. Zabatta and Mr. Cuttita. The Board of Directors has determined that Mr. Schneider, Mr. Zabatta and Mr. Cuttita is each an independent director within the meaning of Rule 5605(a)(2) of The Nasdaq Stock Market and within the meaning of the applicable rules and regulations of the Securities and Exchange Commission. The Audit Committee held 6 meetings during 2017. The Board of Directors has determined that Mr. Schneider qualifies as an audit committee financial expert under the applicable rules of the Securities and Exchange Commission.

The Audit Committee was established to (i) assist the Board of Directors in its oversight responsibilities regarding the integrity of our financial statements, our compliance with legal and regulatory requirements and our auditor's qualifications and independence, (ii) prepare the report of the Audit Committee contained herein, (iii) retain, consider the continued retention and terminate our independent auditors, (iv) approve audit and non-audit services performed by our independent auditors and (v) perform any other functions from time to time delegated by the Board of Directors. The Board of Directors has adopted a written charter for the Audit Committee, which is available on the website of Muriel Siebert & Co., Inc. at:

<https://www.siebertnet.com/company/governance/siebert-financial-corp/audit-committee-charter>

**Compensation Committee of the Board of Directors:** The Compensation Committee of our Board of Directors consists of Mr. Zabatta and Mr. Cuttita. The Compensation Committee reviews and determines all forms of compensation provided to our executive officers and directors. The Compensation Committee will administer a stock option and other employee benefit plans if and when adopted. The Compensation Committee does not function pursuant to a formal written charter and as a Controlled Company we are not required to comply with The NASDAQ Stock Market's independence requirements. The Compensation Committee held no meetings during 2017.

The Compensation Committee will evaluate the performance of our executive officers in terms of our operating results and financial performance and will determine their compensation in connection therewith.

In accordance with general practice in the securities industry, our executive compensation includes base salaries, an annual discretionary cash bonus, and stock options and other equity incentives that are intended to align the financial interests of our executives with the returns to our shareholders.

There were no material increases in compensation to our sole executive officer in 2017.

As part of its oversight of the Company's executive compensation, the Compensation Committee will consider the impact of the Company's executive compensation, and the incentives created by the compensation awards that it administers, on the Company's risk profile. In addition, the Compensation Committee will review the Company's compensation policies and procedures, including the incentives that they create and factors that may reduce the

likelihood of excessive risk taking, to determine whether they present a significant risk to the Company.

**Nominating Committee of the Board of Directors:** The Nominating Committee of the Board of Directors consists of Mr. Zabatta and Mr. Cuttita. The Nominating Committee does not function pursuant to a formal written charter and as a Controlled Company we are not required to comply with The NASDAQ Stock Market's independence requirements. The Nominating Committee did not meet in 2017.

The purpose of the Nominating Committee is to identify individuals qualified to become members of our Board of Directors and to recommend to the Board of Directors or the shareholders that such individuals be selected for directorship. In identifying and evaluating nominees for director, the Nominating Committee considers each candidate's experience, integrity, background and skills as well as other qualities that the candidate may possess and factors that the candidate may be able to bring to the Board of Directors. We do not have a formal policy with regard to the consideration of diversity in identifying director nominees. However, the Board of Directors believes that it is essential that its members represent diverse viewpoints, with a broad array of experiences, professions, skills, geographic representation and backgrounds that, when considered as a group, provide a sufficient mix of perspectives to allow the Board of Directors to best fulfill its responsibilities to the long-term interests of our shareholders.

The Nominating Committee will consider shareholder nominees for election to our Board of Directors. In evaluating such nominees, the Nominating Committee will use the same selection criteria the Nominating Committee uses to evaluate other potential nominees.

**Indemnification of Officers and Directors:** We indemnify our executive officers and directors to the extent permitted by applicable law against liabilities incurred as a result of their service to us and against liabilities incurred as a result of their service as directors of other corporations when serving at our request. We have a director's and officer's liability insurance policy, underwritten by Illinois National Insurance Company, a member of the American International Group, Inc., in the annual aggregate amount of \$5 million dollars. As to reimbursements by the insurer of our indemnification expenses, the policy has a \$250,000 deductible; there is no deductible for covered liabilities of individual directors and officers.

Pursuant to the terms of the Acquisition Agreement, we obtained a director's and officer's liability policy for the Prior Board of Directors in the aggregate amount of \$15 million.

**Annual Shareholders Meeting Attendance Policy:** It is the policy of our Board of Directors that all of our directors are strongly encouraged to attend each annual shareholders meeting. All of our directors attended the 2017 annual meeting of shareholders.

**Code of Ethics:** We have adopted a Code of Ethics for Senior Financial Officers applicable to our chief executive officer, chief financial officer, treasurer, controller, principal accounting officer, and any of our other employees performing similar functions. A copy of the Code of Ethics for Senior Financial Officers is available on our website:  
<https://www.siebertnet.com/company/governance/siebert-financial-corp/siebert-financial-officers>



**Board Leadership Structure and Board of Directors:** Our Board of Directors does not have a chairman nor a lead independent director. The Company believes this structure allows all of the directors to participate in the full range of the Board's responsibilities with respect to its oversight of the Company's management. The Board of Directors has determined that this leadership structure is appropriate given the size of the Company, the number of directors overseeing the Company and the Board of Directors' oversight responsibilities.

The Board of Directors intends to hold at least four regular meetings each year to consider and address matters involving the Company. The Board of Directors also may hold special meetings to address matters arising between regular meetings. These meetings may take place in person or by telephone. The independent directors also regularly meet in executive sessions outside the presence of management. The Board of Directors has access to legal counsel for consultation concerning any issues that may occur during or between regularly scheduled Board meetings. As discussed above, the Board has established an Audit Committee, a Compensation Committee and a Nominating Committee to assist the Board in performing its oversight responsibilities.

**The Board of Directors' Role in Risk Oversight:** Consistent with its responsibility for oversight of the Company, the Board of Directors, among other things, oversees risk management of the Company's business affairs directly and through the committee structure that it has established. The principal risks associated with the Company are risks related to securities market volatility and the securities industry, lower price levels in the securities markets, intense competition in the brokerage industry, extensive government regulation, net capital requirements, customers' failure to pay, investment banking activities, an increase in volume on our systems or other events which could cause them to malfunction, reliance on information processing and communications systems, continuing changes in technology, dependence on the ability to attract and retain key personnel, the ability of our principal shareholder to control many key decisions and there may be no public market for our common stock.

The Board of Directors' role in the Company's risk oversight process includes regular reports from senior management on areas of material risk to the Company, including operational, financial, legal, regulatory, strategic and reputational risks. The full Board of Directors (or the appropriate committee) receives these reports from management to identify and discuss such risks.

The Board of Directors periodically reviews with management its strategies, techniques, policies and procedures designed to manage these risks. Under the overall supervision of the Board of Directors, management has implemented a variety of processes, procedures and controls to address these risks.

The Board of Directors requires management to report to the full Board of Directors on a variety of matters at regular meetings of the Board of Directors and on an as-needed basis, including the performance and operations of the Company and other matters relating to risk management. The Audit Committee also receives reports from the Company's independent registered public accounting firm on internal control and financial reporting matters. These reviews are conducted in conjunction with the Board of Directors' risk oversight function and enable the Board of Directors to review and assess any material risks facing the Company.



**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table lists share ownership of our common stock as of April 18, 2018. The information includes beneficial ownership by each of our directors and the named executive officers, all directors and executive officers as a group and beneficial owners known by our management to hold at least 5% of our common stock. Except as indicated in footnotes to this table, we believe that the shareholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them based on information provided to us by these shareholders. Percentage of ownership is based on 27,157,188 shares of common stock outstanding on April 18, 2018.

| <b>Name and Address of Beneficial Owner<sup>(1)</sup></b>  | <b>Shares of<br/>Common<br/>Stock</b> | <b>Percent<br/>of Class</b> |
|--|---------------------------------------|-----------------------------|
| <b>Named Executive Officers and Directors</b>  |                                       |                             |
| Gloria E. Gebbia   | 17,414,577 <sup>(2)</sup>             | 64.1 %                      |
| Andrew H. Reich  | 589,232                               | 2.2 %                       |
| Francis V. Cuttita   | 160,000                               | *                           |
| Charles A. Zabatta   | 266,449                               | 1.0 %                       |
| Jerry M. Schneider   | 1,500                                 | *                           |
| Directors and named executive officers as a group (5 persons)  | 18,431,758 <sup>(2)</sup>             | 67.9 %                      |
| <b>Other 5% Shareholders</b>   |                                       |                             |
| Richard S. Gebbia<br>c/o StockCross Financial Services, Inc.<br>9464 Wilshire Blvd.<br>Beverly Hills, CA 90212 | 2,608,319                             | 9.6 %                       |
| John M. Gebbia<br>c/o StockCross Financial Services, Inc.<br>9464 Wilshire Blvd.<br>Beverly Hills, CA 90212    | 1,804,519                             | 6.6 %                       |
| Kennedy Cabot Acquisition, LLC<br>24005 Ventura Blvd<br>Suite 200<br>Calabasas CA 91302                        | 3,827,283                             | 14.1 %                      |
| t0.com, Inc. <sup>(3)</sup><br>29 Broadway, 30 <sup>th</sup> Floor<br>New York, NY 10006                       | 1,377,295                             | 5.1 %                       |

\*Less than 1%

<sup>(1)</sup> Unless otherwise indicated, the business address for each individual is c/o Siebert Financial Corp., 120 Wall Street, New York, NY 10005.

<sup>(2)</sup> Includes 3,827,283 shares of our common stock owned by Kennedy Cabot Acquisition, LLC, 2,608,319 shares owned by Richard S. Gebbia, 1,804,519 shares owned by John M. Gebbia and 1,319,025 shares owned by David Gebbia, Gloria E. Gebbia's sons, and 147,631 shares of our common stock owned by a family trust and certain other members of Gloria E. Gebbia's family.

The information shown in the table above and disclosed in this footnote was obtained from the Schedule 13G filed with the SEC by Overstock.com, Inc., Medici Ventures, Inc., t0.com, Inc., Patrick M. Byrne, High Plains (3) Investments, LLC and Haverford Valley, L.C. on February 26, 2018, which reported that each such reporting person has shared voting and dispositive power with respect to such shares.

**EXECUTIVE OFFICERS**

Set forth below is certain information concerning the executive officer of the Company.

| <b>Name</b>     | <b>Age</b> | <b>Position</b>  |
|-----------------|------------|--|
| Andrew H. Reich | 62         | Executive Vice President, Chief Operating Officer, Chief Financial Officer and Secretary |

Mr. Reich has served as Executive Vice President, Chief Financial Officer and Assistant Secretary of the Company and Chief Executive Officer of MSCO since December 16, 2016. Prior thereto, Andrew H. Reich served in a variety of executive positions with StockCross Financial Services, Inc. ( StockCross ), a global financial services company, since 2002 and from 2015 until his resignation effective as of the Closing Date, he served as the Chairman of StockCross. Additionally, Mr. Reich is the owner of Aarianna Realty Inc., a real estate company, has previously served as the CFO of Gebbia Holding Co., a holding company for Gloria E. Gebbia's family since 2013 and as CFO of Park Wilshire Insurance Company ( Park Wilshire ), a privately held insurance company from 2010 to 2016. Park Wilshire was acquired by the Company in March 2018 and Mr. Reich resumed serving as Park Wilshire's CFO. Mr. Reich has more than 20 years of experience in the financial industry, including more than fourteen years as senior management of StockCross. Mr. Reich holds a MBA from the University of Southern California and a BBA from the Bernard Baruch College.

**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table shows, during the years ended December 31, 2017 and 2016, the annual compensation paid to or earned by our current Executive Vice President, Chief Operating Officer and Chief Financial Officer (the Named Executive Officer ) and our former executive officer.

| <b>Name and principal position</b>   | <b>Year</b> | <b>Salary (\$)</b> | <b>Bonus (\$)</b> | <b>Non-Equity Incentive Awards</b> |                               | <b>Non-qualified Deferred Compensation</b> |                   | <b>All Other Compensation (\$)</b> | <b>Total (\$)</b> |
|--|-------------|--------------------|-------------------|------------------------------------|-------------------------------|--|-------------------|------------------------------------|-------------------|
|  |             |                    |                   | <b>Stock Option Awards (\$)(1)</b> | <b>Plan Compensation (\$)</b> | <b>Earnings (\$)</b>                       | <b>Other (\$)</b> |                                    |                   |
| Andrew H. Reich <sup>(2)</sup><br><i>Executive Vice President,<br/>Chief Operating Officer<br/>and Chief Financial<br/>Officer</i> | 2017        | \$ 208,462         | \$ 25,000         | —                                  | —                             | —  | —                 | —                                  | \$ 233,462        |
|  | 2016        | —                  | —                 | —                                  | —                             | —  | —                 | —                                  | —                 |
| Joseph M. Ramos, Jr. <sup>(3)</sup>  | 2017        | —                  | —                 | —                                  | —                             | —  | —                 | —                                  | —                 |
|  | 2016        | \$ 378,000         | \$ 100,000        | —                                  | —                             | —  | —                 | —                                  | \$ 478,000        |

(1) Represents the dollar amount recognized for financial statement reporting in accordance with ASC Topic 718.

(2) Mr. Reich was named to the positions of Executive Vice President, Chief Operating Officer and Chief Financial Officer effective December 16, 2016.

(3) Mr. Ramos resigned as Executive Vice President, Chief Operating Officer and Chief Financial Officer, effective December 16, 2016.

**Grants of Plan-Based Awards**

No options were granted to purchase our common stock or other equity awards under our 2007 Long-Term Incentive Plan to any of our Named Executive Officers in 2017. This plan has been terminated.

**Outstanding Equity Awards at December 31, 2017**

As of December 31, 2017, the Company had no outstanding equity awards.

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## Termination of Employment and Change-in-Control Arrangements

### Employment Agreements

We are not a party to an employment agreement with any Named Executive Officer. All of our Named Executive Officers are employees at will.

### Option Agreements

As of December 31, 2017, we had no option agreements with our Named Executive Officers.

### Compensation of Directors

In December 2017, the annual fee payable to all directors for service on our Board of Directors was set at \$75,000, members of the Audit Committee will receive up to an additional \$50,000. Mrs. Gebbia and Mr. Reich will not be compensated as Board Members in 2018. Director's fees and expenses are paid periodically.

The following table discloses the cash, equity awards, and other compensation earned, paid, or awarded, as the case may be, to each of the Company's directors during the fiscal year ended December 31, 2017.

| Name               | Fees<br>Earned<br>or Paid<br>in Cash<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$) | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) | Nonqualified<br>Deferred<br>Compensation<br>Earnings<br>(\$) | All Other<br>Compensation<br>(\$) | Total<br>(\$) |
|--------------------|--|-------------------------|--------------------------|---|--|-----------------------------------|---------------|
| Gloria E. Gebbia   | \$ 25,000                                    | —                       | —                        | —   | —  | —                                 | —\$ 25,000    |
| Andrew H. Reich    | \$ 25,000                                    | —                       | —                        | —   | —  | —                                 | —\$ 25,000    |
| Francis V. Cuttita | \$ 25,000                                    | —                       | —                        | —   | —  | \$ 100,000                        | \$ 125,000    |
| Charles A. Zabatta | \$ 25,000                                    | —                       | —                        | —   | —  | \$ 80,000                         | \$ 105,000    |
| Jerry M. Schneider | \$ 40,000                                    | —                       | —                        | —   | —  | —                                 | —\$ 40,000    |

**Transactions with Related Persons:** As discussed in the Company's Form 10-K provided with this Proxy Statement, on December 16, 2016, Kennedy Cabot Acquisition, LLC ( KCA ) acquired a total of 19,987,283 shares of our common stock, representing over 90% of our outstanding common stock, for a total purchase price of approximately \$7.8 million. At the time of the acquisition, Gloria E. Gebbia was the managing member and the holder of a majority of the outstanding voting member interests of KCA. She is also one of our Directors and a nominee for Director.

As disclosed in a Current Report on Form 8-K, filed on June 28, 2017, the Company, our wholly owned subsidiary, Muriel Siebert & Co., Inc. ( MSCO ) and StockCross Financial Services, Inc. ( StockCross ), entered into an Asset Purchase Agreement, dated June 26, 2017 (the Agreement ), pursuant to which MSCO acquired certain retail broker-dealer assets of StockCross (the Assets ). StockCross is a self-clearing discount broker that has many business lines that are similar to MSCO's. StockCross is an affiliate of the Company which is controlled by the Gebbia family.

The Asset acquisition was completed during the last quarter of 2017 and as consideration for the Assets, we issued 5,072,062 shares of our restricted common stock to StockCross. The shares of restricted common stock issued to StockCross are subject to a two year lock-up period during which StockCross may not sell or transfer the shares except to its shareholders provided that any

such shares transferred to StockCross' shareholders remain subject to the lock-up restrictions.

In connection with the Asset acquisition, MSCO and StockCross entered into a clearing agreement pursuant to which StockCross acts as one of MSCO's clearing brokers, with respect to certain accounts transferred from StockCross to MSCO in the Asset acquisition.

In connection with the Acquisition, we engaged Manorhaven Capital, LLC ( Manorhaven ), a registered broker-dealer to provide a fairness opinion regarding the value of the Assets. Manorhaven is under common control with the Company's counsel Gusrae Kaplan Nusbaum PLLC who represented all of the parties to the transaction. Gloria E. Gebbia, along with other members of the Gebbia family, control StockCross.

**Audit  
Committee  
Report to  
Shareholders:**

The Audit Committee has reviewed and discussed with management the audited financial statements for the fiscal year ended December 31, 2017. The Audit Committee has also discussed with our independent registered public accounting firm the matters required to be discussed by Auditing Standards No. 16, adopted by the Public Company Accounting Oversight Board (United States) regarding, Communications with Audit Committees, including our critical accounting policies and our interests, if any, in off balance sheet entities. Additionally, the Audit Committee has received the written disclosures and representations from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board (United States) regarding Communication with Audit Committees concerning Independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ended December 31, 2017 be included in Siebert Financial Corp.'s Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Audit Committee,  
Jerry M. Schneider, *Chairman*  
Francis V. Cuttita  
Charles A. Zabatta

**Section 16(a)  
Beneficial  
Ownership  
Reporting  
Compliance:**

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission. These executive officers, directors and shareholders are required by the Securities and Exchange Commission to furnish us with copies of all forms they file pursuant to Section 16(a).

Based solely on a review of the copies of such reports furnished to the Company and representations made to the Company, the Company believes that during fiscal year 2017 all of the Section 16(a) filing requirements applicable to the Company's officers, directors and greater than 10% stockholders were filed in a timely manner.

**Householding:** If you share an address with another shareholder, only one copy of our Annual Report and proxy statement is being delivered unless we have received contrary instructions from you. We will promptly deliver a separate copy of either document to any shareholder upon written or oral request to our Secretary, Andrew H. Reich, at Siebert Financial Corp., 120 Wall Street, New York, New York 10005, telephone (212) 644-2345. If you share an address with another shareholder and (i) would like to receive multiple copies of the proxy statement or Annual Report to Shareholders in the future, or (ii) if you are receiving multiple copies and would like to receive only one copy per household in the future, please contact your bank, broker, or other nominee record holder, or you may contact us at the above address and phone number.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

On April 25, 2017, Baker Tilly Virchow Krause, LLP ( Baker Tilly ) was engaged as the Company s independent registered public accounting firm for the fiscal year ended December 31, 2017. Prior to that time,

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EisnerAmper served as our independent registered public accounting firm. A representative of Baker Tilly is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she desires to do so, and is expected to respond to appropriate questions from shareholders. The Company does not expect a representative of EisnerAmper to attend the Annual Meeting.

### **Change in Independent Registered Public Accounting Firm**

As reported in the Company's Current Report on Form 8-K filed with the SEC on April 27, 2017 (the **Form 8-K**), on April 25, 2017, the Company dismissed EisnerAmper as its independent registered public accounting firm. The decision to change independent registered public accounting firms was approved by the Audit Committee of the Company's Board of Directors. The audit reports of EisnerAmper on the consolidated financial statements of the Company as of and for the years ended December 31, 2016 and 2015, did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. During the two fiscal years ended December 31, 2016, and the subsequent interim period through April 25, 2017, there were no: (1) disagreements with EisnerAmper on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement, or (2) reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K). The Company provided EisnerAmper with a copy of the Form 8-K before it was filed, and requested that EisnerAmper furnish it with a letter addressed to the SEC stating whether it agrees with the statements made by the Company in the Form 8-K. EisnerAmper's letter addressed to the SEC was attached as Exhibit No. 16.1 to the Form 8-K.

As noted above and also as reported in the Form 8-K, on April 25, 2017, the Audit Committee of the Board of Directors of the Company engaged Baker Tilly as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2017. During the two fiscal years ended December 31, 2016, and the subsequent interim period through April 25, 2017, neither the Company nor anyone acting on its behalf consulted with Baker Tilly regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report or oral advice was provided to the Company that Baker Tilly concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

### **Independent Registered Public Accounting Firm Fees**

Our Audit Committee has determined that the services described below that were rendered by Baker Tilly are compatible with the maintenance of Baker Tilly's independence from our management.

#### ***Audit Fees***

The aggregate fees billed by Baker Tilly for professional services rendered for the 2017 audit of our annual financial statements and reviews of our quarterly financial statements were \$160,000 for the year ending December 31, 2017. EisnerAmper was paid \$239,000 for its audit of the Company's financial statements for the year ended December 31, 2016 and \$13,000 in 2018 for their consent for inclusion of the Company's audited 2016 financial statements.

#### ***All Other Fees***

Baker Tilly rendered no other products or services during the year ended December 31, 2017.

#### ***Tax Fees***

EisnerAmper LLP billed an aggregate fee of \$50,000 during the year ended December 31, 2016 for tax compliance services.

**Pre-Approval Policy**

The Audit Committee pre-approves all audit and non-audit services provided by our independent auditors prior to the engagement of the independent auditors with respect to such services. With respect to audit services and permissible non-audit services not previously approved, the Audit Committee has authorized the Chairman of the

Audit Committee to approve such audit services and permissible non-audit services, provided the Chairman informs the Audit Committee of such approval at the next regularly scheduled meeting. All Audit Fees , Tax Fees and All Other Fees set forth above were pre-approved by the Audit Committee in accordance with its pre-approval policy.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Review and Approval of Related Party Transactions**

As set forth in our Amended and Restated Audit Committee Charter, the Audit Committee is responsible for reviewing and approving all related party transactions.

Our Code of Ethics for Senior Financial Officers, applicable to our chief executive officer, chief financial officer, controller, treasurer, principal accounting officer and other employees performing similar functions, provides that our Senior Financial Officers should endeavor to avoid any actual or potential conflict of interest between their personal and professional relationships and requires them to promptly report and disclose all material facts relating to any such relationships or financial interests which give rise, directly or indirectly, to an actual or potential conflict of interest to the Audit Committee. The Code of Ethics also provides that no Senior Financial Officer should knowingly become involved in any actual or potential conflict of interest without the relationship or financial interest having been approved by the Audit Committee. Our Code of Ethics does not specify the standards that the Audit Committee would apply to a request for a waiver of this policy.

## **SHAREHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING AND COMMUNICATIONS**

If you wish to submit proposals to be presented at the 2019 Annual Meeting of Shareholders, the proposals must be received by us no later than January 23, 2019 to be included in our proxy materials for that meeting.

Shareholders who wish to communicate with the Board of Directors or an individual director should direct written correspondence to our Secretary, Andrew H. Reich, at our principal office at 120 Wall Street, New York, New York 10005. Any such communication must contain (i) a representation that the shareholder is a holder of record of our common stock, (ii) the name and address, as they appear on our books of the shareholder sending such communication and (iii) the number of shares of our common stock that are beneficially owned by such shareholder. The Secretary will forward such communications to the Board of Directors or a specified individual director to whom the communication is directed unless such communication is unduly hostile, threatening, illegal or similarly inappropriate, in which case the Secretary has the authority to discard the communication or take appropriate legal action regarding such communication.

## **OTHER MATTERS**

The Board does not know of any other matters to be presented at the meeting. If any additional matters are properly presented to the shareholders for action at the meeting, the persons named in the enclosed proxies and acting thereunder will have discretion to vote on these matters in accordance with their best judgment.

**YOU MAY OBTAIN A COPY OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017 FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WITHOUT CHARGE BY WRITING TO: ANDREW H. REICH, SECRETARY, SIEBERT FINANCIAL CORP., 120 WALL STREET, NEW YORK, NEW YORK 10005 OR CALLING (212) 644-2435.**

By Order of the Board of Directors

Andrew H. Reich

Secretary

Dated: April 30, 2018

**PLEASE VOTE BY INTERNET OR TELEPHONE OR COMPLETE,  
DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY  
IN THE ENCLOSED ENVELOPE.**

**PLEASE VOTE—YOUR VOTE IS IMPORTANT**

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