

# Basic Brokerage Account Agreement and Disclosure Document

Account(s) carried by First Clearing. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

# Client Agreement

## I. GENERAL ACCOUNT TERMS AND CONDITIONS

### INTRODUCTION

This is your Client Agreement ("Agreement"). It is the contract that contains the terms and conditions governing the securities account ("Account") you have opened with your broker ("Introducing Firm"). First Clearing\* ("Clearing Firm") will carry the Account and extend credit on any margin purchases. Certain terms and conditions in this Agreement and disclosures apply to that relationship only. Please read this Agreement carefully. If you are not willing to be bound by these terms and conditions, you should not apply for a securities account nor should you sign the Signature Page. Your signature on the Account Application confirms that you have read, understand, and agree to the terms of this Agreement and that you have received the relevant disclosures. Except as to the terms and conditions between you and Clearing Firm relating to the carrying relationship with and the extension of credit by the Clearing Firm, you hereby agree that Clearing Firm and its agents are third party beneficiaries of this Agreement and that the terms and conditions hereof, including the arbitration provision, shall be applicable to all matters between you and either Introducing Broker and Clearing Firm or their respective agents.

**THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE LOCATED ON PAGE 1, PARAGRAPH 5. THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.**

In consideration of Introducing Firm accepting and Clearing Firm carrying your Account, you hereby consent and agree to the foregoing and to the following:

### 1. DEFINITIONS

Throughout this Agreement, "**you**," "**your**," "**Client**," and "**the undersigned**" refer to the person(s) whose signature(s) appear(s) on the Signature Page and all others who are legally obligated on this Account. "**We**," "**our**," "**ours**," and "**us**" refer to Introducing Firm, its subsidiaries and affiliates, its officers, directors, agents, and employees. "**Clearing Firm**" refers to First Clearing, its officers, directors, agents, and employees. Where the context requires, the singular shall be the plural and the plural shall be the singular.

As set forth in the Designation of Responsibilities letter provided to you with your new account disclosures, you understand the role and services provided by Introducing Firm and Clearing Firm, respectively, and agree that this Agreement inures to the benefit of both firms and their affiliates as applicable.

For purposes of this Agreement, "**securities and/or other property**" means, but is not limited to, money, securities, financial instruments, and commodities of every kind and nature, and related contracts and

options, distributions, proceeds, products, and accessions of all property. This definition includes securities and/or other property currently or hereafter held, carried or maintained by us or Clearing Firm, in our or Clearing Firm's possession and control, for any purpose, in and for any of your Accounts now or hereafter opened, including any account in which you may have an interest.

"**Available Funds**" is defined as the sum of money market funds and free credit balances, plus funds receivable from settled sales and the loan value available to you on marginable securities if your Account is a margin account, minus any funds needed to pay for any open orders and any uncleared deposits. Funds deposited to your Account in the form of a personal check, cashier's check, money order, or automated clearing house transfer may not be withdrawn from your Account until said funds have been cleared by the appropriate bank, clearing house, or other financial institution.

### 2. REPRESENTATIONS BY ACCOUNT HOLDER

By signing the Signature Page, you warrant that all of the information on the Account Application was provided by you or at your discretion, that it is accurate and complete to the best of your knowledge and belief and that each of the following statements is accurate as to you and your Account; (a) you are of legal age to enter into contracts in the state of your domicile; (b) no one except those persons who have signed the Signature Page has any interest in the Account unless such interest is revealed in the title of the Account; and (c) unless you advise us to the contrary, in writing, and provide us with a letter of approval from your employer, where required, you represent that you are not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or a member of an exchange, or NASD.

We and our Affiliates shall have the right at our sole discretion to advocate judicially or administratively on your behalf where we suspect financial exploitation, dementia, or undue influence in the course of a transaction. Pending any judicial or administrative remedies, we shall have at our sole discretion the authority to pause or reject instructions for any such proposed transaction.

You further represent that if any of the representations contained herein is or becomes materially inaccurate, you will promptly notify us in writing.

### 3. SCOPE

This Agreement shall cover individually and collectively all Accounts that you may open or reopen with us, and shall inure to the benefit of our successors and assigns (whether by merger, consolidation, or otherwise) and we may transfer any of your Accounts to our successors and assigns, and this Agreement shall be binding upon your heirs, executors, administrators, successors, and assigns.

### 4. CONSENT TO VERIFICATION AND CREDIT INFORMATION

In accordance with federal law, Introducing Firm must make a reasonable determination and verification of Clients' profile information. Until verification is complete, Introducing Firm and/or Clearing Firm may not be able to service and maintain your Account. By signing the Signature Page, you consent to Introducing Firm and Clearing Firm obtaining background and/or credit reports necessary to comply with any federal or state statutes or industry regulation.

### 5. ARBITRATION

#### Arbitration Disclosures:

This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- All of the parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which the claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators typically will include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the client is excluded from the class by the court.

Such forbearance to enforce an

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**agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

**Arbitration Provision:**

**It is agreed that all controversies or disputes which may arise between you and Introducing Firm, Clearing Firm and any Sub-Advisor (and/or any other agent), (collectively, "us") concerning any transaction or the construction, performance or breach of this Agreement or any other agreement between us, whether entered into prior to, on, or subsequent to the date of this Agreement, including any controversy concerning whether an issue is arbitrable, shall be determined by arbitration conducted before, and only before, an arbitration panel set up by the Financial Industry Regulatory Authority, ("FINRA"), in accordance with its arbitration procedures. Any of us may initiate arbitration by filing a written claim with FINRA. Any arbitration under this Agreement will be conducted pursuant to the Federal Arbitration Act and the Laws of the State of New York.**

**The state or federal statute of limitations, statute of repose, non-claim statute or any other time bar that would be applicable to any claim filed in a court of competent jurisdiction shall be applicable to any claim filed in arbitration.**

**6. JOINT ACCOUNTS**

In general, if this is a Joint Account, each signer ("Joint Owner") of this Agreement agrees that all Joint Owners are jointly and severally liable for all obligations arising under the Agreement. Each Joint Owner agrees that each other Joint Owner shall have the authority to give instructions to us regarding the Joint Account, to communicate and receive information from us concerning the Joint Account, to receive on behalf of the Joint Account securities and/or other property and to dispose of same, to make on behalf of the Joint Account agreements relating to any of the foregoing matters, and to terminate or modify or waive any of the provisions of such agreements and generally to deal with us on behalf of the Joint Account, all without providing notice to the other Joint Owners.

Each Joint Owner agrees that we are authorized to follow the instructions of any other Joint Owner in every respect concerning the Joint Account and to make deliveries to any Joint Owner, or upon instructions by any Joint Owner, of any securities and/or other property in the Joint Account, and to make payments to any Joint Owner, or upon orders of any Joint Owner, of any or all monies at any time or from time to time as such Joint Owner may order and direct, even if such deliveries and/or payments shall be made to such Joint Owner personally, and not for the Joint Account.

Each Joint Owner agrees to hold us and our employees and agents harmless from and indemnify the same against any losses, cause of action, damages, and expenses (including attorneys' fees) arising from or as the result of us, our employees, or agents following the instructions of any Joint Owner. Each Joint Owner further agrees that we shall not be under any duty or obligation to

inquire into the purpose or propriety of any such demand for delivery of securities or payment of monies.

At any time, we may, at our sole discretion, require joint or collective action by both Joint Owners with respect to any matter concerning the Joint Account, including but not limited to the giving or cancellation of orders and the withdrawal of money or other property.

Notwithstanding any of the foregoing, we are authorized at our sole discretion and without liability because of fluctuating market conditions or otherwise, to do any one or more of the following: (i) select which instructions to follow and which to disregard; (ii) suspend all activity in the Joint Account, and refuse to buy, sell, or trade any securities and/or other property, and refuse to disburse any such securities and/or other property, except upon further written instructions signed by ALL the Joint Owners; (iii) close the Joint Account and send any and all securities and/or other property by ordinary mail to the address of record; or (iv) file an interpleader action in any appropriate court, in which event we shall be entitled to recover all costs including reasonable attorneys' fees in an amount set by the court. (You agree that filing of such an interpleader is an extraordinary event and will not be deemed a waiver of the right to arbitration under this Agreement.)

Each Joint Owner agrees that we may, at any time, suspend all activity in the Account pending instructions from a court of competent jurisdiction.

**Death of a Joint Owner.** You also agree that in the event of the death of any Joint Owner, the survivor or survivors will notify us immediately in writing that the Joint Owner has died. We may, before or after receiving this notice, take any actions, require any documents and inheritance or estate tax waivers, retain a portion of and/or restrict transactions in the Account if we deem these actions advisable in order to protect ourselves against any tax liability, penalty, or loss under any present or future laws or otherwise. The estate of the deceased Joint Owner and the surviving Joint Owners will continue to be jointly and severally liable to us for any net debit balance or loss in the Account resulting from the completion of transactions initiated prior to our receipt of the written notice of death of the deceased Joint Owner or incurred in the liquidation or the adjustment of the Joint Owners, and/or any third party interests.

In the event of the death of any party to a Joint Account held by spouses as tenants by the entirety or as a Joint Account with right of survivorship, you agree that the death of either of the Joint Owners shall vest the interest of the deceased tenant with the surviving tenant, who may continue to exercise full authority over the account, subject to our set-off against the account for any amounts owned by the decedent or any surviving Joint Owner.

In the event of the death of any party to a Joint Account held as tenants in common, you agree that in the percentage of ownership of the Account held by each of the Joint Owners as of the close of business on the date of the death of the deceased Joint

Owner (or on the next following business day if the date of death is not a business day) will be equal unless a different tenancy percentage is specified by the Joint Owners in the Account Application. You also agree that any taxes, costs, expenses, or other charges which become a lien against or become payable out of the Account as a result of the death of the deceased Joint Owner or through the exercise by his or her estate or representatives of any rights in the Account will, insofar as possible, be deducted from the interest in the estate of such Joint Owner.

If you designate your Account as a community property account, you agree that we will treat all property placed in the Account and any proceeds generated by the property in the Account as community property.

You understand that this designation is intended only for the convenience of the parties and is not intended in any way to change the substantive status of the ownership of the property or the proceeds thereof. You further authorize us to receive into the Account any securities and/or other property delivered to it by or for either Joint Owner without delineation as to actual ownership of the property.

In any situation where we cannot determine to our satisfaction the proper distribution of securities and/or other property from a Joint Account upon the death of one owner, we may, at our sole discretion, freeze the Account indefinitely pending a resolution deemed satisfactory to us, such as (without limitation) a binding agreement among all interested parties or a final decision of an arbitrator or court having jurisdiction over the matter.

Notwithstanding the governing law provisions of Section 25 of this Agreement, which shall govern the contractual obligations the parties under the Account, the legal ownership of your Account shall be governed by and implemented under the internal laws of your state of residence.

The authority conferred hereby shall remain in force until we receive written notice of revocation.

**7. CUSTODIAL ACCOUNTS**

If this is a custodial account, you understand that we will maintain an account established under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act for which you will act as custodian. You understand that you represent and warrant that the assets in the Account belong to the minor and all such assets will only be used by you for the benefit of the minor. You further understand that only one custodian is permitted to be named on the Account and that margin is not allowed in custodial accounts. As used herein, "you" or "your" shall refer to the custodian or to the minor as the context may require.

**8. THE ACCOUNT**

The Account is a cash and/or margin brokerage securities account that may be used to purchase or sell securities and/or other property.

All orders authorized by you for the purchase or sale of securities and/or other property, which may be listed on more than one exchange or market, may be executed on any exchange or market selected by us, unless otherwise specifically directed by you.

If we provide recommendations, you recognize that these recommendations are merely opinions because such suggestions deal with future developments that cannot be predicted with certainty. We are under no obligation to keep you informed about developments in the market concerning securities and/or other property, and you will be responsible for remaining informed as to those securities and/or other property.

**Purchases of Securities.** To process orders to purchase securities and/or other property, we require that your Account contain available funds equal to or greater than the purchase price of the securities and/or other property prior to the placement of an order. We may, in our full discretion, accept an order without sufficient funds in your Account with the understanding that payment will be submitted promptly. Any order inadvertently accepted and/or executed without sufficient funds in the Account will be subject, at our discretion, to cancellation or liquidation. If full funds are not available in the Account and an order is processed, your payment via wire or personal check, cashier's check, or money order must be promptly submitted to us to assure that such payment will be received by settlement date or, as market conditions warrant, your Account may be liquidated without prior notice to you.

**Sales of Securities.** You agree that you will not enter sell orders (except orders to sell "short" which are so designated by you and discussed below) unless the security which you are selling is long and in good deliverable form in your Account on or before placement of the order. Any sell order which is inadvertently accepted by us in the absence of securities long and in good deliverable form in your Account will be subject, at our discretion, to cancellation or buy-in.

**Short Sales.** When placing with us any order to sell short, you agree to designate it as such and authorize us to mark such order as "short." You understand that execution of such a "short sale" is contingent on our affirmative determination that we have made arrangements to borrow the necessary stock or we have obtained assurances that delivery can be made by the settlement date. When placing an order to "sell short against the box," you understand that you will borrow the necessary stock to make delivery on the settlement date and that your long position in such stock will be unavailable so long as such short position remains open.

**Cash Sweep Program.** Under the Cash Sweep Program (the "Sweep Program"), uninvested cash balances in your Account - for which no interest is otherwise earned or paid - are automatically swept into interest-bearing deposit accounts ("Bank Deposit Sweep") or, if available, money market mutual funds ("Money Market Funds") or such other sweep arrangements made available to you (collectively "Cash Sweep Vehicles"), until these balances are invested by you or otherwise needed to satisfy obligations arising in connection with your

Account. You authorize and direct us to invest or deposit free credit balances, including dividends, interest, or other cash we receive for your Account, in your Cash Sweep Vehicle within a reasonable time after receipt. *The Sweep Program is described more fully in the Cash Sweep Program Disclosure Statement, included herewith. You should read this carefully.*

**Restrictions on Trading.** You understand and agree that we may at any time, at our sole discretion and without prior notice to you, prohibit or restrict your ability to trade securities and/or other property, or to substitute securities, in your Account.

**Penny Stocks.** We discourage accounts that are solely established for the delivery and sales of over-the-counter bulletin board and pink sheet securities (non-listed equities). Accounts that are found to be used predominantly in this fashion may be subject to closure.

**Impartial Lottery Allocation System.** For securities that may be called in part, First Clearing uses an impartial lottery process to determine which securities will be called. For more information about the lottery process, please see [www.WellsFargoClearingServicesLLC.com](http://www.WellsFargoClearingServicesLLC.com) or contact your financial professional to receive a written copy of the procedures.

**Control or Restricted Securities.** Prior to placing an order in connection with any securities subject to Rule 144 or 145(d) of the Securities Act of 1933, you understand and agree that you must advise us of the status of the securities and furnish us with the necessary documents (including opinions of legal counsel, if requested) to clear legal transfer. You acknowledge that there may be delays involved with the processing of control or restricted securities, and that you will not hold us liable for any losses caused directly or indirectly with such delays. We or Clearing Firm may, at our or its sole discretion, require that control or restricted securities not be sold or transferred until such securities clear legal transfer.

**Order Placement.** You understand and agree that when orally placing a trade with a registered representative, either in person or via telephonic means, you agree to be bound to the oral confirmation repeated back to you, unless you object to such oral confirmation at the time of the order. You further understand and agree that we will not be held liable for any direct, indirect, incidental, special, or consequential damages that may result from your failure to object to an oral confirmation.

**Cancellation/Modification Requests.** You understand that any attempt to cancel or modify an order is merely a request to cancel or modify. All cancellation requests are accepted by us on a best efforts basis only. You understand and agree that when you place a request to cancel an order, cancellation of that order is not guaranteed.

**Corrected and Late Trade Reports.** From time to time we may receive late and/or erroneous trade reports from exchanges or market makers. You understand and agree that the status of orders which are not reported to you or which are reported as having expired, been cancelled, or been executed, may be changed in response to

such late reports in order to reflect what actually occurred in the marketplace with respect to such order.

## 9. RULES AND REGULATIONS

All transactions in your Account shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market, and its clearing house, if any, where the transactions are executed. Transactions shall also be subject to the provisions of federal and state securities laws, as amended, and to the rules and regulations of the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

You agree that we or Clearing Firm shall not be liable for any loss caused directly or indirectly by our or its compliance with such rules or regulations or by government restrictions, exchange or market rulings, suspensions of trading, war, acts of terrorism, or other conditions beyond our or its control.

## 10. LIEN

All of your securities and/or other property now or hereafter held, carried, or maintained by us or Clearing Firm in our or its possession and control for any purpose, in or for any Account that you have an interest, shall be subject to a lien for the discharge of any and all indebtedness or any other obligation you may have to us or Clearing Firm, and are to be held by us or Clearing Firm as security for the payment of any liability or indebtedness of yours to us or Clearing Firm in the Account. Such lien and/or security interest shall exclude IRA accounts now or hereafter held, carried, or maintained by us or any affiliate of ours. We or Clearing Firm may at any time and without giving you prior notice, use and/or transfer any or all securities and/or other property in any Account in which you have an interest, without regard to us or Clearing Firm having made any advances in connection with such securities and/or other property and without regard to the number of Accounts you may have with us. In enforcing the lien, we or Clearing Firm shall have the discretion to determine which securities and/or other property are to be sold or which contracts are to be closed.

## 11. PAYMENT OF COMMISSIONS, FEES AND OTHER INDEBTEDNESS

You understand and agree to pay certain commissions and fees (which are subject to change) which will be charged for the services provided by us. Without limiting the foregoing, we may charge your Account(s) with such usual and customary charges as we or Clearing Firm may determine to cover our services, or the termination of such services, including, but not limited to, custody and transaction fees. Certain Fees may be charged for the services listed below. There may be other fees applicable to specific programs, which are not listed here. Check with Introducing Firm as to the amount of any fee which may be charged to your Account:

- Account Transfer to another brokerage firm (also charged if you transfer to another firm clearing through Clearing Firm)
- Optional Exchanges

- Wire Transfers
- Cash Management Accounts
- Retirement Plan Accounts
- Delivery of U.S. Government Securities
- Abandoned Property/Dormant Account
- Returned Checks
- Internet Account Access (if applicable)
- Various fees on foreign securities may apply, including but not limited to, transfers, reregistration, custody and depository fees
- Annual Inactive or Maintenance Fees
- Postage and Handling Fees

You agree to satisfy, upon demand, any indebtedness, and to pay any debit balance in any Account in which you have an interest. You understand and agree that a finance charge may be charged on any debit balance in your Account in accordance with our usual custom, together with any increases in rates caused by money market conditions, and with such other charges as we or Clearing Firm may impose to cover our extra services. No Account of yours may be closed without us first receiving all securities and/or property for which the Account is short and outstanding debts which you owe to us or Clearing Firm for any reason whatsoever.

You agree to pay and shall be liable for the reasonable costs and expenses of collection of the debit balance and any unpaid deficiency in any of your Accounts with us, including, but not limited to, attorney fees incurred and payable or paid by us or Clearing Firm. You further agree to reimburse us or Clearing Firm for any actual expenses we or Clearing Firm incur to execute, cancel, or amend any wire transfer payment order, or perform any related act at your request. We or Clearing Firm may charge any Account of yours for such costs and expenses without prior notice to you.

All securities and/or other property now or hereafter held, carried, or maintained by Clearing Firm in its possession in any of your Accounts may be pledged or repledged by Clearing Firm from time to time, without notice to you, either separately or in common with other such securities and/or other property for any amount due in any of your Accounts, or any greater amount, and Clearing Firm may do so without returning to your possession or control for delivery a like amount of similar securities and/or other property.

## 12. ACCOUNT HOLDER'S INTENT TO CONSUMMATE TRANSACTIONS

All orders for the purchase or sale of any securities and/or other property for you are executed with the express understanding that you intend an actual purchase or sale and that it is your intention and obligation in every case to deliver certificates to cover any and all of your sales and, in the case of purchases, to receive and pay for certificates and that you will do so in compliance with all applicable regulations. In case we make a short sale of any securities and/or other property at your direction or in case you fail to deliver to us any property which we have sold at your direction, then and in such event you authorize us or Clearing Firm, in our or its discretion, to buy-in (and, if you have a margin account, to borrow) any securities and/or other property necessary to make delivery thereof, and you hereby agree to be responsible for any loss which we or Clearing

Firm may sustain thereby and any premiums which we may be required to pay thereon, and for any loss which we or Clearing Firm may sustain as a result of our or its buy-in of (and, if you have a margin account, by reason of our or its inability to borrow) such securities and/or other property sold.

## 13. EXCHANGE RATE FLUCTUATION

You understand and agree that if any transactions for your Account are effected on an exchange in which a foreign currency (non-U.S. denomination) is used, any profit or loss as a result of a fluctuation in the exchange rate will be charged or credited to your Account.

## 14. LIQUIDATION

Clearing Firm shall have the right, in accordance with its general policies regarding its margin maintenance requirements, as such may be modified, amended, or supplemented from time to time, or, if at its discretion Clearing Firm considers it necessary for its protection to require additional collateral at an earlier or later point in time than called for by said general policies, or in the event that a petition in bankruptcy or appointment of a receiver is filed by or against you, or an attachment is levied against any Account in which you have an interest, or in the event of your death, to sell any or all securities and/or other property in your Accounts, whether carried individually or jointly with others, to buy any and/or all securities and/or other property which may be short in any of your Accounts, to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, notice of sale or purchase, or other notice or advertisement. Any such sales or purchases may be made at its discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, and Clearing Firm may be the purchaser(s) for its own account, it being understood that a prior demand, or call or prior notice of the time and place of such sale or purchase shall not be considered a waiver of its right to sell or buy without demand or notice as herein provided. After deducting all costs and expenses of the purchase, buy-in, and/or sale and deliveries, including, but not limited to commissions and transfer and stamp taxes, Clearing Firm shall apply the residue of the proceeds to the payment of any and all of your liabilities, and you shall remain liable for any deficiency.

No course of dealing between you and us or Clearing Firm nor any delay on Clearing Firm's part in exercising any of its rights or remedies shall constitute a waiver thereof, and any such right or remedy may be exercised from time to time and as often as Clearing Firm may determine.

## 15. DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan ("DRP", "the plan") allows you to automatically reinvest any dividends, capital gains, and return-of-capital income distributions ("Eligible Monies") paid on shares we hold for you in additional shares of the same securities. The Dividend Reinvestment options selected by the Client are on the Account Application.

This service is available on most domestic listed New York Stock Exchange, American Stock Exchange, and NASDAQ common stocks held in your Account in nominee name ("Eligible Securities"). Many stocks eligible through the DRP do not have reinvestment programs of their own, therefore, the Plan offers you many more opportunities for reinvestment.

You can reinvest whether your Eligible Securities are fully paid or you are using securities as loan collateral in a margin account. We will reinvest all Eligible Monies into whole and fractional shares rounded to three decimal places.

We can reinvest in all or some of the Eligible Securities in your Account. If, in setting up your Account, you elected to reinvest all future dividends, capital-gain distributions, and return-of-capital Monies, the DRP service will also apply to eligible future holdings as well as current holdings. No further action is required. But if you chose instead to reinvest only certain securities in your Account, you will need to advise your registered representative whether or not to reinvest each time you buy a new Eligible Security or deposit one into your Account.

You can make reinvestment decisions when entering good-till-canceled orders, or in anticipation of transferring securities to us from another firm. Reinvestment decisions can easily be changed by contacting your registered representative to add or delete a specific stock or change your standing account instructions.

Any change must be received at least two days before the posting date of any Eligible Monies. Written confirmation of changes will not be issued; however, at any time, your registered representative will be able to tell you which of your securities are being reinvested through the DRP.

Reinvestment will be determined based on your Account coding one business day before Eligible Monies are credited to your Account.

## How the Plan Works

On the day Eligible Monies are credited to your Account, they will be reinvested at or near the opening price of each designated Eligible Security. If multiple lots are necessary, an average price will be used.

If an IRS Form W-9 is required and is not on file, or if your Account is, for any reason, subject to any other withholding requirements, reinvestment will occur for net Eligible Monies after deducting amounts withheld.

Clearing Firm will detail all DRP reinvestment activity on your monthly account statement, including purchase price and number of shares purchased (including fractional shares), date of such transactions, and total number of shares of such securities in your Account. If you sell the entire position of one of your Eligible Securities before Eligible Monies are credited (or, in the case of an optional dividend, if you have specifically chosen the cash option), we will not reinvest those Eligible Monies in that stock.

## **You Can Sell Reinvested Shares of Your Eligible Securities**

When you sell your entire whole-share position in any Eligible Security, any fractional share will be sold automatically. If your position is sold in multiple executions, the fraction will be sold at your first execution price. Your trade confirmation will reflect whole shares sold through the appropriate exchange or market. Your fractional share will appear on the same confirmation as being sold through our Fractional Share Facilitation Account, since fractional shares can't be sold through regular methods.

Use of our DRP doesn't guarantee you a profit or protect you against losses, but it does allow you to take advantage of market fluctuations and invest fixed dollar amounts periodically, without paying commissions or fees.

### **Terms and Conditions**

- Clearing Firm reserves the right to suspend or delete an otherwise Eligible Security from dividend reinvestment at any time, without notice, in response to market conditions.
- Should you request registration of your whole shares or request their transfer to another firm, any fractional shares will be sold.
- Each type of payment (dividends, return of capital, long-term capital gain) will be considered separately in determining minimums subject to reinvestment.
- Voting privileges do not exist on fractional shares.
- If you are an "affiliate" or "insider" of any issuer, you may want to consult your personal legal advisor before participating in the DRP with respect to that issue.

Clearing Firm reserves the right to modify the terms of the Plan, or discontinue or suspend it (in whole or in part) whenever conditions warrant, at any time, with or without notice.

### **16. COMMUNICATIONS, CONFIRMATIONS, PERIODIC ACCOUNT STATEMENTS, CREDIT REPORTS, AND INVESTIGATIONS**

You agree that communications may be sent to the mailing address on file with us, or to such other address as you may hereafter give in writing, and all communications so sent, whether by mail, electronic mail, telegraph, messenger or otherwise, shall be deemed given to you personally, whether actually received or not. You warrant that the address currently on file with us is an address where you personally receive communications.

Notices to you concerning margin requirements or other matters related to your Account usually will be sent to you through Introducing Firm, although notice may be sent directly from Clearing Firm to you without duplicate notice to Introducing Firm if market conditions or time constraints so require, or if Clearing Firm determines, at its sole discretion, that other circumstances so require.

Notices and other communications, including but not limited to, margin and maintenance calls, may also be provided to you orally. Such notices and other communications left for you on your answering machine, voice mail, electronic mail, or otherwise, shall be deemed to have been delivered to you whether actually received or not.

Transactions entered into for your Account shall be confirmed to you in writing where required by applicable law or regulation. You understand that if your Account is linked to a money market fund, Clearing Firm (including the Portfolio) will not send out confirmations on each occasion that shares of the Portfolio are either bought or redeemed, and if you participate in a dividend reinvestment plan, Clearing Firm will not send out confirmations on each occasion that shares are purchased through such plan, but your Account statements will describe the transactions in the Portfolio and purchases through the dividend reinvestment plan which took place during the preceding period.

You understand that Clearing Firm will provide you with a statement at least quarterly of all transactions in your Account during that period, and monthly in the months in which there is activity in your Account. You understand that it is your responsibility to review upon first receipt all statements and confirmations delivered to you, whether by mail or otherwise. You agree that statements and confirmations shall be conclusively deemed accurate as stated unless you notify us or Clearing Firm in writing at once, and in no event later than ten (10) days after receipt for statements and two (2) days after receipt for confirmations, that the information contained in such statement or confirmation is inaccurate. Inquiries concerning the balance and positions in your Account should be directed to First Clearing Brokerage Office Support, One North Jefferson Ave., St. Louis, MO 63103. All other inquiries concerning your Account and the activities therein, should be directed to the Branch Manager for the office listed on the front of the statements and confirmations provided to you. Failure to notify us or Clearing Firm shall also preclude you from asserting at any later date that such transactions were unauthorized.

You authorize us, at our discretion, from time to time, to obtain reports and to provide information to others concerning your credit standing and your business conduct. We may request credit-reporting agencies for consumer reports of your credit history. Upon your request we will inform you whether we have obtained any such credit reports and, if we have, we will inform you of the name and address of the credit-reporting agency that furnished the reports. Any negative credit report reflecting on your credit record may be submitted to a credit-reporting agency if you fail to fulfill the terms of your credit obligations. Under the Fair Credit Reporting Act, you have the right to notify us if you believe we have reported inaccurate information about your Account to any consumer-reporting agency. Such notices should be sent in writing and include your complete name, current address, Social Security number, telephone number, account number, type of account, specific item or dispute, and the reason why you believe the information reported is in error. Send your notice to Introducing Firm.

### **17. EXTRAORDINARY EVENTS**

You understand and agree that we or Clearing Firm shall not be liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes, failure of the mails or other communication systems, or any other conditions beyond our control. You further understand and agree that we or Clearing Firm shall not be responsible for any damages caused by equipment failure, communications line failure, unauthorized access, theft, systems failure, and other occurrences beyond our control.

### **18. SEVERABILITY**

If any condition or provision of this Agreement shall be held to be invalid or unenforceable by any court or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such condition or provision. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as though such invalid or unenforceable condition or provision were not contained herein.

### **19. RECORDING CONVERSATIONS AND MONITORING E-MAIL**

You understand, agree, and expressly consent to the recording of your telephone calls with us and monitoring of your electronic communications conducted with us.

### **20. DISCLOSURES TO ISSUERS**

Under Rule 14b-1(c) promulgated under the Securities Exchange Act of 1934, as amended, we are required to disclose to an issuer the name, address, and position of our customers who are beneficial owners of that issuer's securities unless you object. Unless you notify us of such objection in writing, we will make such disclosures to issuers.

### **21. WAIVER**

Except as specifically permitted in this Agreement, no provision of this Agreement, can be, nor be deemed to be, waived, altered, modified, or amended unless agreed to in writing signed by an authorized member of our firm and Clearing Firm.

Our or Clearing Firm's failure to insist at any time upon strict compliance with any term contained in this Agreement, or any delay or failure on our or its part to exercise any power or right given to us or Clearing Firm in this Agreement, or a continued course of such conduct on our or its part shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any further exercise.

### **22. SUCCESSORS**

You understand and agree that this Agreement and all its terms shall be binding on your heirs, executors, administrators, personal representatives, and assigns. This Agreement will inure to the benefit of our and Clearing Firm's successors, assigns, and agents. We or Clearing Firm may assign the rights and duties under this Agreement to any of our or its subsidiaries or affiliates without giving you notice, or to any other entity upon

written notice to you.

### **23. POWER OF ATTORNEY**

You agree and hereby irrevocably appoint us and Clearing Firm with full power as your true and lawful attorney-in-fact, to the full extent permitted by law, for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that we or Clearing Firm deem necessary or advisable to accomplish the purposes of this Agreement.

### **24. MODIFICATION OF AGREEMENT**

You understand and agree that we or Clearing Firm may unilaterally change the terms and conditions of this Agreement at any time upon providing notice to you.

### **25. CHOICE OF LAW**

This Agreement shall be deemed to have been made in the State of New York and shall be construed, and the rights and liabilities of the parties determined, in accordance with the laws of the State of New York.

### **26. TERMINATION**

You may close your Account at any time by providing us written notice. This Agreement shall remain in effect until an authorized person of our firm acknowledges in writing the receipt of such written notice, at which time you will not be bound for any further transaction made for the Account thereafter. However, you will remain responsible for all prior transactions and for all transaction costs associated with your instructions, including commissions and related costs. Provisions regarding arbitration will survive termination of this Agreement.

You understand and agree that we or Clearing Firm have the right to close your Account at any time without prior notice to you.

### **27. CONTINUITY OF AGREEMENT**

The provisions of this Agreement and the other Account Documents shall be continuous, shall cover individually and collectively all accounts which you may open or reopen with us, and shall inure to the benefit of our present organization, and any successor organization or assigns.

### **28. CUMULATIVE NATURE OF RIGHTS AND REMEDIES**

You understand and agree that all rights and remedies given to us and Clearing Firm in this Agreement are cumulative and not exclusive of any other rights or remedies which we otherwise have.

### **29. SUB-BROKERS AND AGENTS**

You understand and agree that we and Clearing Firm may employ sub-brokers or other Agents, as our or its Agents or as your Agents, in connection with the execution of any order or the consummation of any other transaction hereunder, and we and Clearing Firm shall be responsible only for reasonable care in their selection.

You agree to indemnify and to hold us,

Clearing Firm, or any of our and its affiliates, officers, or directors harmless from any loss, damage, or liability arising out of any transaction in which we act, directly or indirectly, as your agent, absent any willful or grossly negligent conduct.

### **30. NO AGENCY**

You understand and agree that Introducing Firm is not acting as agent of Clearing Firm and you agree that you will in no way hold Clearing Firm or any affiliate of Clearing Firm or any officer, director, or agent thereof liable for any trading losses or other losses incurred by you.

### **31. RELIANCE ON INSTRUCTIONS OF INTRODUCING FIRM**

Clearing Firm may accept from Introducing Firm without inquiry or investigation, orders for the purchase or sale of securities and/or other property on margin or otherwise, and any other instructions concerning the Account, including, but not limited to, instructions to release your confidential Account information or other nonpublic personal or financial information to a third party service provider. You agree to indemnify and to hold harmless Clearing Firm or any of its affiliates, officers, or directors from any loss, damage, or liability arising out of, or in any way related to or by reason of the release of such personally identifiable information to a third party service provider pursuant to good faith reliance on instructions from the Introducing Firm.

### **32. ASSIGNMENT OF RIGHTS**

You understand and agree that any rights either Introducing Firm or Clearing Firm has under this Agreement may be exercised by either Introducing Firm or Clearing Firm or may be assigned to the other, including, but not limited to, the right to collect any debit balance or other obligations owing in your Account, and that Introducing Firm or Clearing Firm may collect from you or enforce any other rights under this Agreement independently or jointly.

### **33. EFFECT OF ATTACHMENT OR SEQUESTRATION OF ACCOUNTS**

You understand and agree that we or Clearing Firm shall not be liable for refusing to obey any orders given by or for you with respect to any Account which is or has been subject to an attachment or sequestration in any legal proceeding against you, and we and Clearing Firm shall be under no obligation to contest the validity of any such attachment or sequestration.

### **34. LIABILITY**

You understand and agree that we shall not be liable in connection with the entering, execution, handling, selling, or purchasing of securities or orders for your Account except for gross negligence or willful misconduct on our part.

### **35. SINGLE ACCOUNT**

All transactions for or in connection with your Account shall be deemed to be included in a single account notwithstanding the fact that such transactions may be segregated on our or Clearing Firm's records into separate

accounts, either severally or jointly with others; and at any time and from time to time, at our discretion, we and Clearing Firm may without notice to you, apply and/or transfer any or all securities and/or other property between any of your Accounts or from any of your Accounts to any account guaranteed by you.

### **36. HEADINGS**

The heading of each section of this Agreement and the heading contained in the other Account documents are for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such document.

### **37. NO LEGAL OR TAX ADVICE**

You understand and agree that we do not provide any legal or tax advice. With respect to the securities held or formerly held in Account, or the issuer thereof, which became the subject of a legal proceeding, including bankruptcy, you understand and agree that we shall not be obligated to render any advice or take any action with respect to such legal proceedings.

### **38. ACCOUNT INSURANCE**

Coverage for cash and securities in protected client accounts is provided from two sources. The Securities Investor Protection Corporation (SIPC) protects up to \$500,000, per customer, including \$250,000 for claims for cash.

Above and beyond SIPC coverage, Clearing Firm maintains additional insurance coverage through Lexington Insurance Company ("Lexington"), an AIG company. For clients who have received the full SIPC payout limit, Clearing Firm's policy with Lexington provides additional coverage above the SIPC limits for any missing securities and cash in client brokerage accounts up to a Clearing Firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). In other words, the aggregate amount of all client losses covered under this policy are subject to a limit of \$1 billion, with each client covered up to \$1.9 million for cash.

For more information on SIPC coverage, please see the explanatory brochure at [www.sipc.org](http://www.sipc.org) or call 202-371-8300. For more information about Lexington, please visit [www.lexingtoninsurance.com](http://www.lexingtoninsurance.com).

Neither coverage protects against losses from any change in the market values of investments.

### **39. DISCLOSURE OF CREDIT TERMS**

Rule 10b-16 of the Securities Exchange Act of 1934 requires a broker who extends credit to a customer in connection with any securities transaction to furnish the customer with information describing the terms, conditions, and methods whereby interest charges are made to customers' accounts. This disclosure statement is provided to you by Clearing Firm in conformity with that rule.

**Cash Accounts.** Cash Accounts may be subject, at Clearing Firm's discretion, to interest on any debit balances resulting from failure to make payment in full for securities purchased, from failure to timely deliver

securities sold, from proceeds of sales paid prior to settlement date, or for other charges which may be made to your Account. You understand and agree that the interest charged shall be determined by the rate applied on margin accounts.

**Margin Accounts.** Purchases of securities on credit, commonly known as margin purchases, enable you to increase the buying power of your equity and thus increase the potential for profit or loss. A portion of the purchase price is deposited when buying securities on margin, and Clearing Firm extends credit for the remainder. This loan appears as a debit balance on your monthly statement. Clearing Firm charges interest for the extension of credit on your debit balance based on rates set by Introducing Firm. You are required to maintain securities, cash, or other property to secure repayment of funds advanced and interest due.

You understand and agree that interest will be charged for any credit extended to you for the purpose of buying, trading, or carrying any securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When funds are paid in advance of settlement on the sale of securities, interest will be charged on such amount from date of payment until settlement date.

In the event that any other charge is made to the Account for any reason, interest may be charged on the resulting debit balances. Only certain securities, as defined by Clearing Firm, the Federal Reserve, FINRA, or applicable exchange rules may be purchased on margin or used as collateral in your Account. Whether a purchase may be made on margin, how much of the purchase price must be available in your Account at the time you place the order, and your margin maintenance requirements, are determined by Clearing Firm, the Federal Reserve, FINRA, or applicable exchange rules.

For Clearing Firm's own protection, you understand and agree that Clearing Firm reserves the right, at any time and without prior notice you, to impose stricter requirements than those imposed by the Federal Reserve Board, FINRA, or applicable exchange rules.

You agree to maintain such required margin in your Account and understand that any debit balances in such Account will be charged interest. All payments received for your Account including interest, dividends, premiums, principal, or other payments may be applied by Clearing Firm to any debit balances in such Account.

You are required to have at least \$2,000 in equity in your Account, or such higher amount as required by it, or applicable rules and regulations, before it will extend credit to you. Generally, Clearing Firm can loan you no more than 50% of the purchase price of the security you are buying on margin.

It is Clearing Firm's general policy to require margin account holders to maintain equity in their accounts of the greater of 30% of the current market value or a minimum per share value for common stock. These minimums may fluctuate according to market conditions as well as size, volatility, and creditworthiness of specific securities held in

the account. Clearing Firm applies other standards for other types of securities. Also, certain securities may be ineligible for margin credit from time to time. For information with respect to general margin maintenance policy for municipal bonds, corporate bonds, United States Treasury notes and bonds, and other securities, as well as information about the eligibility of particular securities for margin credit, please contact Clearing Firm or your registered representative.

Notwithstanding any of the above general policies, Clearing Firm reserves the right, at its discretion, and without prior notice to you, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts, particular securities, classes of accounts, or classes of securities as it deems necessary. In making these determinations, Clearing Firm may take into consideration various factors including, but not limited to, the size of the account, liquidity of a position, price volatility of a security, concentration of securities in an account, or firm-wide or a decline in creditworthiness. If you fail to meet a margin call, some or all of your positions may be liquidated.

You are not entitled to prior notice, by way of margin call or otherwise, before Clearing Firm sells (or buys in for short positions) any securities in your Account when your Account fails below Clearing Firm's margin maintenance requirements or under any other circumstances in which Clearing Firm may sell securities in your Account or cancel open orders. In addition, even if we have contacted you and provided a date by which you must deposit additional funds into your Account, Clearing Firm may still, at its sole discretion, sell (or buy in for short positions) any securities in your Account or cancel any open orders without additional notice. Under any circumstances in which Clearing Firm may sell securities in your Account, you are not entitled to choose which securities are sold.

**Interest Rates.** You understand and agree that an annual rate of interest will be charged to the daily adjusted debit balance in your Account. The annual rate of interest charged on net debit balances is computed at a rate selected by Introducing Firm. You further understand and agree that rates tiers and methods of calculations may be changed from time to time at Clearing Firm's sole discretion with prior notice to you.

For further information regarding interest rates and calculations, please see the Statement of Interest Charges included.

**Default Rate of Interest.** If you are in default and until such time as the default is cured, and in substitution for any other rate of interest specified in this Agreement, interest may be charged at the rate of 24% per annum (or the maximum rate permitted by applicable law) on the debit balance of all margin accounts which are carried by Clearing Firm.

**Method of Interest Computation.** At the close of each monthly interest period during which credit was extended to you, the interest charge is computed by multiplying the daily-adjusted debit balance by the applicable interest rate and by the number of days during which a debit balance was

outstanding and then dividing by 360. Should the applicable rate change during the interest period, separate computations will be made with respect to each rate charged for the appropriate number of days during the interest period. Interest charged is calculated on a settlement date basis. A divisor of 360 days is used in determining the interest charged.

If not paid, the interest charge for credit extended to your Account at the close of the interest period is added to the opening debit balance for the next interest period. With the exception of credit balances resulting from short sales, all other credit and debit balances will be combined and interest will be charged on the resulting average daily adjusted debit balances for the interest period. If there is a debit in your cash account and you hold a margin account, interest will be calculated on the combined debit balance and charged to the margin account. Any credit balance as the result of any short positions will be disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if you should be long in the same position in your margin account, that is, short against the box. If the security which you sold short (or sold against the box) appreciates in market price over the selling price, interest will be charged on the appreciation in value. If the security which you sold short depreciates in market price, the interest charged will be reduced since the average debit balance will decline. This practice is commonly known as "marking-to-the-market." Daily, a closing price is used to determine any appreciation or depreciation of the security sold short. If your Account is short shares of stock on the record date of a dividend or other distribution, however such a short position occurs, on the following business day your Account will be charged the amount of the dividend or other distribution.

The daily adjusted debit balance in an account may be paid in full at any time to avoid further interest charges.

**Interest Statements.** Within your regular monthly statement, an interest charge will show for the interest period. Your monthly statement will show each transaction on the date of trade; however, interest as shown on the interest statement is calculated on a settlement date basis. In order to check the calculation of interest charged to your Account, it may be necessary to refer to both your prior and current months' statements.

The monthly interest statement will show: (1) the current selected rate used in the calculation and any changes in such rate during the interest period; (2) the daily net balance of all transactions; (3) any free credit balance in your cash account (which reduces the daily net debit balance); (4) any mark-to-the market as a result of a short position; (5) the number of days your Account had a debit balance; (6) the daily adjusted debit balance on which interest is charged; (7) the amount of interest; and (8) the total interest charge for the period.

**Collateral, Lien, and Liquidation.** You understand and agree that Clearing Firm may require you to deposit additional collateral and/or may liquidate positions in any Account carried by Clearing Firm in which you have

an interest for any of the following reasons: (1) if your Account, at any time, falls below Clearing Firm's margin maintenance requirements; (2) if you fail to meet any call for additional collateral; (3) if you indicate to Introducing Firm or Clearing Firm that you do not intend to meet a call for additional collateral; (4) if you file a petition in bankruptcy or if such a petition is filed against you; (5) if you seek or acquiesce to the appointment of a receiver; (6) if an attachment is levied against your Account or any Accounts in which you have an interest; (7) if you die; or (8) any other circumstance which in Clearing Firm's opinion warrants such action, including, but not limited to, changes in price, trading volume, marginability, or negotiability of your securities and/or other property. You agree that in any such event, Clearing Firm may sell any and all securities and/or other property in any Account(s) carried by Clearing Firm in which you have an interest, whether individually or jointly with others, buy any and all securities and/or other property which may be short in such Account(s), or cancel any open orders and close any or all outstanding orders or commitments. Clearing Firm may take any of these actions without demand (whether by margin call or otherwise) for funds or additional funds, notice of sale or purchase, or other notice or advertisement, each of which is expressly waived by you. You understand and agree that even if Clearing Firm has contacted you by way of margin call or otherwise and provided a specified date by which you must deposit additional funds into your Account, Clearing Firm may, at its sole discretion, sell (or buy in for short positions) any securities in your Account or cancel any open orders, without prior notice to you. When we sell securities in your Account under any circumstances, you understand and agree that Clearing Firm may select the securities and that you may not choose which securities are sold. In addition, you understand and agree that you are not entitled to an extension of time in order to meet margin requirements.

Clearing Firm retains a security interest in all securities and/or other property held in any Account carried by it in which you have an interest so long as any credit extended remains outstanding. You agree that you will not cause or allow any of the collateral held in your Account to become subject to any liens, security interests, mortgages, or encumbrances of any nature other than our security interest.

In addition to the foregoing, you authorize Clearing Firm to automatically redeem your available money market fund Portfolio shares, if any, to satisfy any debit balance in your Account or to provide necessary cash collateral in your margin account.

All securities and/or other property deposited for the protection of your collateral and/or margin account may be deposited with The Depository Trust Company or any other recognized clearing Corporation or depository trust company, and may be held in street name and used there by Clearing Firm until you shall demand and become entitled to delivery thereof; Clearing Firm shall have a reasonable time after such demand for delivery to ship securities, other property, or collateral from New York or from any other place where they may be to the place where

same are to be delivered to you, and shall only be required to deliver securities and/or other property of the same kind and character as originally deposited.

Any prior demand, notice, or advertisement shall not be deemed a waiver of Clearing Firm's right to take these actions without demand, notice, or advertisement. Any such sales or purchases may be made at Clearing Firm's sole discretion on any exchange or other market where such business is usually conducted or a public auction or private sale, and Clearing Firm may be the purchaser or the sellers for its own account.

**Loan or Pledge of Securities.** You authorize Clearing Firm to lend either to itself or to others any securities and/or other property, together with all attendant rights of ownership, held by it in your margin account. You acknowledge that in connection with such loans, Clearing Firm may receive and retain certain benefits to which you will not be entitled. In certain circumstances, such loans may limit, in whole or in part, your ability to exercise voting rights of the securities lent. This authorization shall apply to all accounts carried by Clearing Firm for you and shall remain in full force until written notice or revocation is received by Clearing Firm. Within the limitations imposed by applicable laws, rules, and regulations, you agree that all of your securities and/or other property may be pledged and repledged and hypothecated and rehypothecated by Clearing Firm from time to time without notifying you, either separately or together with other securities and/or other property of other bona fide customers for any amount due to it in any Account in which you have an interest. Clearing Firm may do so without retaining in its possession or control for delivery a like amount of similar securities and/or other property. Clearing Firm may receive compensation in connection with the lending of customer securities. When your securities are lent, you may receive substitute interest, dividend, or other payments ("substitute payments"), instead of qualified dividends, tax exempt interest payments, or tax deferred payments. Because substitute payments do not maintain their characterization as qualified dividends, tax exempt interest payments, or tax deferred payments, you may be subject to income tax or a higher tax rate as a result of receiving a substitute payment.

**Compounded Interest.** You understand and agree that the interest charges imposed on your Account at the close of one charge period will be compounded, that is, added to the opening balance for the next charge period unless paid, thereby becoming part of the principal amount and bearing like interest.

**Short Sales.** Short sales may only be made in margin accounts and are subject to initial margin and margin maintenance requirements. You must designate any short sale at the time you place the order. In order to facilitate a short sale, the security that you are selling short must be able to be borrowed to cover the delivery to the purchaser(s). If the stock is recalled by the lender(s) of the securities, Clearing Firm will attempt to re-borrow the securities. However, if Clearing Firm is unable to re-borrow the securities, it may be forced to cover your short position by purchasing the securities on the open market at the then current market price without

notice to you. If a short position is closed out, you will be liable for any resulting losses and all associated costs incurred by us.

**Restricted Securities.** Client will not buy sell, or margin (borrow against) any securities of a corporation of which Client is a director, executive officer, or 10% stockholder, or are otherwise classified as a control person, insider or affiliate of the issuer, or sell any securities that are subject to any restrictions on resale (whether by law, contract or legend on the security) or are not traded on or through a national securities exchange, automated quotation system, or other nationally recognized published interdealer quotation system, unless such purchase, sale, or loan has been disclosed in writing and agreed to by Introducing Firm.

#### 40. ABANDONED/DORMANT ACCOUNTS

Your Introducing Firm may impose fees for accounts that are considered unclaimed, abandoned, or dormant as permitted by applicable state law. Accounts which are presumed to be abandoned or unclaimed will be escheated or delivered to the state in which your Account is maintained in accordance with applicable law.

#### 41. ADDITIONAL TERMS & CONDITIONS FOR MUNICIPAL ENTITIES AND MUNICIPAL OBLIGATED PERSONS

This section applies to accounts that are beneficially owned by a Municipal Entity or municipal Obligated Person, as those terms are defined by Section 15B of the Securities and Exchange Act of 1934 (the "Municipal Advisor Rule"). You agree that none of the funds that are invested in or through this Account, or that are sought for investment in this Account, constitute either Proceeds of Municipal Securities or Municipal Escrow Investments (both defined below). Furthermore, you agree to notify your financial professional before placing either Proceeds of Municipal Securities or Municipal Escrow Investments into the Account. Finally, the Undersigned represents that he/she is an official of the Municipal Entity or Obligated Person and is sufficiently knowledgeable as to the financial affairs of the Municipal Entity or Obligated Person to make the representations contained herein. For the purposes of this Agreement, the term "Proceeds of Municipal Securities" means monies derived by a municipal entity from the primary offering of municipal securities, investment income derived from the investment or reinvestment of such monies, and any monies of a municipal entity or obligated person held in funds under legal documents for the municipal securities that are reasonably expected to be used as security or a source of payment for the payment of the debt service on the municipal securities, including reserves, sinking funds, and pledged funds created for such purpose, and the investment income derived from the investment or reinvestment of monies in such funds. The term "Municipal Escrow Investments" means proceeds of municipal securities and any other funds of a municipal entity or obligated person that are deposited in an escrow account to pay the principal of, premium, if any, and interest on one or more issues of municipal securities.

# Account Disclosures

## 1. AUTOMATED DEPOSITS, PAYMENTS, AND TRANSFERS

You may arrange for direct deposits to be made to, automated payments to be made from, and funds to be transferred between, your Accounts with us. We use the terms "automated credits" or "direct deposits" to indicate deposits made directly to your Account by electronic means; the terms "automated debits" or "automated payments" to indicate payments authorized in writing to be made from your Account by electronic means; and the term "telephone transfer" to indicate movement of funds between your authorized Accounts by use of a touch-tone telephone and personalized access codes.

Your acceptance of direct deposits, authorization of automated payments, or telephone transfer to or from your Account, is your agreement to the terms and conditions of this Agreement.

Any electronic fund transfer ("Transfer") that you make in connection with your Account, including, but without limitation, automatic deposits and payments, but excluding transactions with a bank card, will be governed by the following terms and conditions. These terms and conditions also serve as the disclosure required by the Electronic Fund Transfer Act and Regulation E in connection with Transfers.

### a. Your Liability for Unauthorized Transfers

You could lose the entire value, including your available margin, of your Account through any unauthorized Transfer. Therefore, you should notify us or First Clearing\* ("Clearing Firm") at once if you believe a Transfer has occurred in your account without your permission. Notifying us or Clearing Firm as soon as possible by telephone could minimize your possible losses. If you notify us or Clearing Firm within two (2) business days after you learn of the unauthorized Transfer, you can lose no more than \$50.00. If you do not notify us or Clearing Firm within two (2) business days after you learn of the unauthorized Transfer, and we can prove that you could have stopped someone from making the unauthorized Transfer if you had notified us or Clearing Firm, then you can lose as much as \$500.00. Should your Account Statement show any Transfer that you did not authorize, please notify us or Clearing Firm at once. If you do not notify us or Clearing Firm within sixty (60) days after the Account Statement was mailed, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped the unauthorized Transfer if you had notified us or Clearing Firm in time. If a good reason (such as a long trip or hospital stay) keeps you from notifying us or Clearing Firm, the time periods above may be extended. If your Account is an institutional (Corporation, Non-Profit Organization, Non-Corporate Organizations, Partnerships, Estates, Pension and Profit Sharing Plans (not including IRAs and Employee Stock Ownership Plans) and other Trusts) account,

you are liable for all unauthorized Transfers up to the time at which you notify us or Clearing Firm.

### b. Telephone Number for Notification in the Event of Unauthorized Transfers

If you believe that an unauthorized Transfer has occurred in your Account, call your Financial Advisor immediately or notify Clearing Firm at the following telephone number: 866-786-4879.

### c. Business Days

Our business days are Monday through Friday, except holidays observed by the New York Stock Exchange.

### d. Types of Electronic Funds Transfers Available

You may arrange with another party, such as your employer or a government agency, to electronically transfer deposits directly to your authorized Account on a regular basis. You may authorize another party, such as an insurance company or mortgage company, to have payments transferred from your Account and sent directly to them on a regular basis. You may also direct funds to be transferred from one of your authorized accounts to another by use of a touch-tone telephone and personalized access codes (where available). In addition to the types of transfers listed above, Clearing Firm periodically introduces new methods by which you may make funds transfers, such as by personal computer and or wireless devices. If the combined value of your Account is adequate, you may make any number and amount of transfers. At present, there is no minimum amount required for automatic debits. The availability of automatic debits to your Account will be limited to free credit and money market balances less funds needed to pay for any open orders and any uncleared deposits. Any loan value available to you on marginable securities, if your Account is a margin account, will not be available for the purpose of making automated transfers.

### e. Fees

There are currently no fees charged for automated transfers.

### f. Right to Receive Documentation of Transfers

If you arrange to have direct deposits made to your Account at least once every sixty (60) days from the same person or company, you can call your Financial Advisor to verify such deposits. In addition, you will receive a periodic account statement (in accordance with Section 16 of the Client Agreement) that will show all activity in your Account, including any Transfer.

### g. Stop Payment Procedures and Liability

If you have instructed us or Clearing Firm to make regular payments out of your Account,

you can stop such payments by calling us or Clearing Firm at the telephone number shown in Section 1(b) above in time for us or Clearing Firm to receive your request three (3) business days or more before the payment is scheduled to be made. If a regular payment will vary in amount, the payee needs to tell you how much the payment will be at least ten (10) days prior to when it is due. If you instruct us or Clearing Firm to stop one of these payments three (3) business days or more before the Transfer is scheduled, and we or Clearing Firm do not do so, we or Clearing Firm will be liable for your losses or damages. These stop payment procedures apply to institutional accounts (as defined in Section 1(a) above) as well. However, in no event will we or Clearing Firm guarantee the effectuation of, or be liable for, any stop payment request from an institutional account. You agree (if an institution) to hold us and Clearing Firm harmless for the amount(s) of any stop payment order(s) entered by you or on your behalf, and for all costs and expenses (including attorneys' fees) incurred by reason of the refusal to honor said payments, and you further agree that if, contrary to such stop payment order(s), payment is nevertheless inadvertently made through accident or oversight, we and Clearing Firm shall not be liable. This provision shall survive the termination of your Account.

Please note that stop payment orders will not appear on your periodic Account statement.

### h. Error Resolution Procedures

In case of errors or questions about your transfers, please telephone us or Clearing Firm at the telephone number listed in Section 1(b) above as soon as you can if you think your Account statement is wrong, or if you need more information about a Transfer listed on the Account statement. We or Clearing Firm must hear from you no later than sixty (60) days after we send you the first statement on which the problem or error appears is sent.

When you call, please: (1) state your name and account number; (2) describe the error or Transfer you are unsure about, and explain as clearly as you can why you believe it is in error or why you need more information; and (3) state the dollar amount of the suspected error. We or Clearing Firm will tell you the results of our investigation within twenty (20) business days after we or Clearing Firm hears from you and correct any error(s) promptly. It may take up to ninety (90) days to investigate your question. In the event of such an extension, your Account will provisionally credited within twenty (20) business days for the amount you think is in error so that you will have the use of the money during the time it takes to complete the investigation. If we or Clearing Firm asks you to put your question in writing and it is not received within twenty (20) business days, your Account may not be provisionally credited. If no error is found, a written explanation will be sent to you within three (3) business days after completion of the investigation. You may ask for copies of the

\*Account(s) carried by First Clearing. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

documents that were used in the investigation.

For any Transfer occurring outside the United States, within ten (10) business days after we or Clearing Firm receive notice of an alleged error the claim will either be resolved or your Account will be provisionally credited while the claim is being investigated. It may take up to ninety (90) days to investigate the matter.

## 2. WIRE AND AUTOMATED CLEARING HOUSE TRANSFERS

### a. Governing Rules

From time to time, you may be a party to an automated clearing house ("ACH") entry of a wire transfer that may be credited or debited against your Account. You agree that all wire transfers you initiate will be subject to the terms and conditions of the wire transfer agreement then in effect with respect to the type of transfer initiated. With respect to ACH transactions which you have authorized, you agree to be bound by the National Automated Clearing House Association ("NACHA") operating rules and any local ACH operating rules then in effect. With respect to other electronic funds transfers, you agree to be bound by any rules then in effect governing the use of any system through which the funds may be transmitted including, but not limited to, Federal Reserve Board Regulation J with regard to Fedwire and the Clearing House Interbank Payments System ("CHIPS") operating rules with regard to CHIPS.

### b. Notice

You will be notified of the receipt of any ACH entry or wire transfer in your periodic Account statement, but next-day or other notice will not be provided. If you believe a transfer has not been properly credited to you, you agree to promptly notify your Financial Advisor immediately.

### c. Final Payment

Any credit resulting from an ACH credit or other wire transfer is provisional until final payment is received by Clearing Firm. We and Clearing Firm reserve the right to delay or prevent withdrawal of said funds pending verification of final payment. If final payment is not received, or if your Account was credited by mistake, you agree that the credit to your Account may be reversed or that you will otherwise reimburse us or Clearing Firm if funds in your Account are not sufficient. In the event that the payment does not become final, the originator will not be deemed to have paid you the amount of the credit.

### d. Compensation

If you are entitled to compensation for any delay or improper completion of an ACH wire transfer as a result of an error by us or Clearing Firm, our or its liability will be limited to the payment of interest for a period not exceeding the lesser of sixty (60) days or the period between the date of the error and the date of the correction. Any such compensation will be paid at our or Clearing Firm's discretion by either (1) adjusting your Account balance to reflect the average balances you would have had but for the error, or (2) direct payment of cash in an

amount equal to interest at the average applicable federal funds rate for that period.

### e. Account Numbers

You agree that payment for ACH or wire credit transfers may be made solely by reference to the Account number of the recipient. Clearing Firm is not obligated to determine whether a discrepancy exists between the name and the Account number shown on the transfer information.

## 3. PAYMENT FOR ORDER FLOW

Securities which are traded in your account may be executed in more than one marketplace. Consistent with the principles of best execution and applicable regulatory requirements, you agree that we may use our discretion in selecting the routing destination. We receive payment for order flow from some market centers where your orders may be routed.

We route customer orders for over-the-counter and listed equity securities to selected market makers and exchanges for execution. We consider a number of factors when determining where to send customer orders including execution speed, price improvement opportunities, the availability of efficient and reliable order handling systems, the level of service provided, and the cost of executing orders. We regularly review transactions for quality of execution, generally by measuring execution prices versus the relevant national best bid and offer.

We do not receive payment for order flow for routing market and marketable limit orders. We do receive payment for order flow in the form of rebate payments up to \$0.0034 per share for routing non-marketable limit orders that are subsequently executed (orders that "make" liquidity). Typically, orders that we receive from our customers are either market orders or limit orders. A market order specifies no particular price and instructs us to execute the order immediately at the best available price. A limit order is an order to buy or sell at a specific price, or better. A limit order that is immediately executable (i.e., in-line with the current market price) is handled as a marketable limit order. We route most of our market and marketable limit orders in over-the-counter and listed equity securities to selected broker-dealers that act as market maker to execute our orders, and we attempt to systematically route a greater number of these orders to market centers that consistently execute orders at prices superior to the national best bid or offer, with improvement amounts greater than that available at competing venues.

Non-marketable limit orders are generally not eligible for price improvement opportunities, and we therefore attempt to systematically route these orders to exchanges and broker-dealers based on the likelihood of these orders being executed. We may receive payments from a market center for routing non-marketable limit orders, but these payments are only a factor when all other best execution factors are comparable.

We route customer option orders to selected broker-dealers' smart routers and option exchanges for execution. In the event we receive compensation for directing orders to specific market centers for execution, such

compensation may include cash payments as well as noncash items, such as discounts, rebates, reductions, or credits against fees that would otherwise be payable in full. We consider a number of factors when determining where to send customer orders, including, but not limited to, price improvement opportunities, the availability of efficient and reliable order handling systems, the level of service provided, and the cost of executing orders. We regularly review transactions for quality and execution. The source and amount of any compensation received in connection with your transactions will be disclosed upon written request. Please contact your financial advisor for further information.

## 4. BUSINESS CONTINUITY

The following information concerns First Clearing's efforts to ensure that impact to your business is minimized as in the event of an emergency or disaster.

Securities Industry regulations require each member firm to create and maintain a business continuity plan reasonably designed to meet its obligations to its clients or other counter-parties. In accordance with these requirements, First Clearing has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to our introducing firms or their clients.

In keeping with the regulatory requirements, the business continuity plan for First Clearing is designed to address key areas of concern, including, but not limited to, the following:

- Data backup and recovery;
- Mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between First Clearing and its customers;
- Alternate means of communication between First Clearing and its employees;
- Alternate physical locations of employees;
- Critical business constituent, bank and counter-party impact;
- Regulatory reporting;
- Communications with regulators; and
- How First Clearing will ensure that customers have access to their funds and securities in the event First Clearing determines it is unable to continue its business.

Since events creating business disruptions may vary in nature and scope, First Clearing has anticipated scenarios in which the following are affected:

- A primary First Clearing building at its headquarters location
- A First Clearing branch location
- A citywide area
- A regional area

Regardless of the scope of potential disruption, First Clearing intends to continue to provide service to its introducing firms and their clients. In the event where a primary building or business district is affected, the firm is fortunate to have a divided corporate presence in the Richmond, Va. and St. Louis, Mo. areas. The facilities in both areas are also served by UPS systems and have 24-hour security services. Should one of the

primary buildings in Richmond or St. Louis be affected by a disruption, alternate facilities exist in each area that can be used to help restore operations.

In the unlikely event of a citywide or regional disruption, First Clearing has established recovery sites approximately 150 miles from the Richmond area and 28 miles from its St. Louis headquarters that can be used to restore time sensitive functions as soon as key employees are relocated to the facility.

Additionally, as a subsidiary of Wells Fargo & Company, First Clearing would intend to take advantage of any available facilities of other Wells Fargo & Company affiliates that may be located in other geographic regions. In the event that any such disruption occurs, we have developed alternative service arrangements, systems, locations, and contingency plans to ensure that any service affected is quickly restored.

First Clearing has identified several computer applications with Mission Critical or High criticality ratings and has documented this within the business continuity plans. Our primary application provider, Thomson Transaction Services, Inc., has conducted successful testing with First Clearing, generally two times per year since November 2000. Finally, through its parent company, First Clearing utilizes data centers, located in other states, which regularly perform disaster recovery testing.

At a minimum, the First Clearing business continuity plan is reviewed, updated, and tested on an annual basis. Additionally, our primary internal and external application providers periodically conduct testing of their own back-up capabilities to ensure that, in the event of an emergency or significant business disruption, they will be able to provide us with the critical information and applications we need to continue or promptly resume our business. When testing our plan, we review the recovery time and resumption time period for all mission critical systems.

Making sure that any type of disruption does not unduly impact our introducing firms or their clients is extremely important to us, and our business continuity plan is designed to allow us to continue to provide the quality service you have come to expect from First Clearing.

# Advantage Accounts Terms and Conditions

## I. INTRODUCTION AND DEFINITIONS

The Advantage Basic Account is an integrated group of financial services consisting of your Brokerage Account, a cash sweep program, and check writing features. The Advantage Account includes all features of the Advantage Basic Account, plus a Visa® debit card ("Debit Card"). For purposes of this document, "Advantage Account" or "Account" refers to either or both Advantage Basic and Advantage Accounts. These Terms and Conditions constitute your Advantage Agreement ("Agreement") governing your Account. If any provision of this Agreement conflicts or is inconsistent with any provision in your *General or Basic Brokerage Account Agreement and Disclosure*, the provisions of this Agreement shall control with respect to matters or services related to the Advantage Account.

As part of your Advantage Account, you have check writing privileges that allow you and authorized signers to write Advantage Checks. As used in this Agreement, "Advantage Check" means a payable through draft that is similar in appearance to a traditional check, but is written against and processed from your Advantage Account.

You may also apply for a Visa® Debit Card issued by Wells Fargo Bank, N.A. ("Wells Fargo") and linked to your Account. For additional terms and conditions, please refer to terms contained with your Debit Card. If any provision of this Agreement conflicts or is inconsistent with any provision of the Debit Card terms, the provisions of the Debit Card terms shall control with respect to the Debit Card.

You understand that you must maintain the required minimum investment for participation in your Account in cash or unencumbered marginable securities. Certain restrictions apply to the use of margin.

The Account may be terminated at any time by either you or us independently of the *General or Basic Brokerage Account Agreement and Disclosure*. All Account transactions are subject to approval by us, our agents, and/or Affiliates. If we, including our agents or Affiliates, suspect that irregular, unauthorized, or unlawful activities may be involved with your Advantage Account or your Brokerage Account, each may respectively freeze (or place a hold on) the balance in the Account (and in other accounts you maintain with them) pending an investigation of such suspected activities. In addition to this Agreement, the Account is subject to our policies and procedures, including our agents' and Affiliates' policies and procedures, which may be amended from time to time.

The terms "we," "us," "our," and "ours" refer to Introducing Firm, Clearing Agent, and our agents and Affiliates (as defined in your

*General or Basic Brokerage Account Agreement and Disclosure*).

The terms "Client," "Account Holder," and "you," "your," and "yours" refer to the person(s) who signs the Signature Page and enter(s) into this Agreement.

## II. AUTHORIZED SIGNERS AND DEBIT CARDHOLDERS; CHANGE OF STATUS

We may honor Advantage Checks drawn by authorized signer(s) and/or transaction initiated by additional Debit Cardholders, subject to this Advantage Agreement. You will be responsible for all Advantage Check transactions made by any authorized person and for all Debit Card transactions made by any person you have permitted to use your Debit Card, Debit Card number, or personal identification number ("PIN"), even if the actual use exceeds your authorization or permission.

We may treat any signature on an Advantage Check as the signature of the indicated person when in our discretion the signature for the Advantage Account resembles the signature of the indicated person on the check, regardless of the means by which the actual or purported signature may have been affixed on the Advantage Check. We may not pay and may return any Advantage Check when, at our discretion, the signature for the Advantage Account does not resemble the signature of the indicated person on the Advantage Check, or a required signer's signature does not appear on the Advantage Check.

You agree to notify us immediately regarding the change in status (such as divorce, death, or court-declared incompetency) of any person(s) with Advantage Check signatory authority or Debit Card cardholder(s) on your Advantage Account. We may continue to honor Advantage Checks, Debit Card transactions, and other instructions by authorized signers and/or cardholders on your Advantage Account until you provide us written notice to the contrary and we have had a reasonable opportunity to act on such notice.

If you have authorized a person to regularly debit your Account, and the amounts may vary, the person you are going to pay is required to tell you at least 10 days before each debit, when it will be made and how much it will be. You may authorize a merchant or other payee to make a one-time electronic payment from your Account using information from your Advantage Check to (i) pay for purchases, or (ii) pay bills. To the extent that you use a rubber stamp, facsimile signature device or other device to sign Advantage Checks ("facsimile signature"), you acknowledge that we may treat any facsimile signature as the signature of the indicated person, regardless of by whom or by what means the actual or purported

facsimile signature may have been affixed. You shall maintain adequate controls over any equipment that may be used to generate facsimile signatures, and you agree to indemnify, defend and hold us and our respective officers, directors, employees, and agents harmless from all costs, actions, damages, claims, and demands related to or arising from any unauthorized facsimile signature or the unauthorized use of such equipment.

## III. CASH SWEEP PROGRAM

Under the Cash Sweep Program ("Sweep Program"), cash balances in your Advantage Account are automatically swept into your selected sweep option. The Sweep Program is described more fully in the *Cash Sweep Program Disclosure Statement*, which you will receive with your *General or Basic Brokerage Account Agreement and Disclosure*. You should read this carefully.

You authorize and direct us to automatically withdraw cash from your Advantage Account when needed to satisfy a debit balance or any other obligation to us in connection with your Advantage Account. If we fail to deposit balances according to this Advantage Agreement, our liability will be limited to the actual amount of the interest you would have earned had the balance been deposited into the Sweep Program.

## IV. AUTHORIZATION LIMIT

Your Authorization Limit equals the total of (i) any available free credit balances in the Brokerage Account; (ii) the available value of the Sweep Program; and (iii) the available margin loan value of eligible securities in the Brokerage Account, if you have a margin account. The loan value of eligible securities is subject to regulatory requirements and our margin policies then in effect, which may be more stringent than those required by government regulation. Since your Authorization Limit is dependent upon securities prices as well as changes in the debit balance in the Brokerage Account and any transactions, it will likely fluctuate from day to day.

### a. Adjustments

Your Authorization Limit is adjusted when an Advantage Check is presented or when we are notified that the Debit Card has been used, not when the transactions settle. We reserve the right at our sole discretion and without notice to you to change the manner in which the Authorization Limit is calculated.

Your Authorization Limit may be re-calculated throughout the day, and can vary due to factors such as debits or credits of cash or cash instruments to your Account and the time required to transmit and confirm data between financial institutions.

We generally make payment on your behalf to the extent that there are sufficient funds:

first, from the available free credit balance, held in the Brokerage Account; second, from your Sweep Program balances, which we are hereby authorized to redeem to pay such charges; and third, should such sources prove insufficient, and if you have a margin account, from margin loans made by us for your Account. If funds are insufficient, you remain fully responsible for payment.

You agree to have sufficient funds in the Account on the day notification of presentment for payment of an Advantage Check is received, as well as when you use your Debit Card. Debits to your Account generally will be satisfied at any time during the day at our sole discretion in the following order of priority: (i) securities transactions, including margin maintenance calls and fees; (ii) Debit Card transactions; (iii) other electronic funds transfers; and (iv) Advantage Check transactions. However, you authorize us to debit your Account for these transactions in any order convenient to us at our sole discretion.

**b. Restrictions and Overdraft Protection**  
We may put a hold on funds in your Account or otherwise restrict withdrawals or transfers from the Account to an amount that is lower than the Authorization Limit. We reserve the right to reject any Debit Card transaction or Advantage Check for any reason, unless prohibited by law, including without limitation because of an insufficient Authorization Limit, and you will be solely liable for any consequences of the rejected transaction.

Overdraft protection is not available for your Account. It is important to keep track of the balances in your Account before you make purchases, withdrawals, write checks, or initiate other transactions. In the event, however, that an Advantage Check is presented for an amount in excess of your free credit balance and Sweep Program and you have a sufficient margin loan value in your Brokerage Account to cover it, we will use this source to loan you the money. You authorize us to advance the amount of such transaction(s) from the available margin loan value of your Brokerage Account, if any. Certain fees may also apply. If your Account ends with a debit balance (such as when a merchant submits a transaction for payment without requesting authorization from us), you are responsible for and must immediately repay the amount of any debit balance and any interest as indicated in the Cash Account and Margin Account sections of your *General or Basic Brokerage Account Agreement and Disclosure*.

If your Authorization Limit is insufficient at the time an Advantage Check or Debit Card transaction or electronic fund transfer is presented for payment, the Advantage Check may be returned or that transaction rejected without payment. In some cases, we may pay the Advantage Check or Debit Card transaction, causing a negative balance in your Account. However, we are not obligated to make any such payment.

## **V. AUTHORIZATION TO CHARGE ADVANTAGE ACCOUNT; RESTRICTED ACCOUNTS**

You authorize us to charge your Advantage Account for the amount of your Advantage

Checks, Debit Card transactions, ATM withdrawals, and electronic fund transfers. If there is more than one Account Holder, you authorize us to pay funds on the authority of only one Account Holder's signature. You agree to be responsible for all Debit Card transactions you authorize or from which you receive any benefit. If you permit or authorize any other person to use your Debit Card and PIN, you will be liable for all resulting transactions initiated by that person.

Advantage Accounts collateralized for security-backed loans and certain fee-based investment programs may be restricted from check writing, Debit Card transactions, and other withdrawals.

## **VI. CHECK WRITING PRIVILEGES**

Check writing is available in your Advantage Account based on your Authorization Limit. Currently, we utilize a third-party check processing service, which may or may not be an Affiliate, for Advantage check writing.

You may write Advantage Checks for any amount in U.S. dollars, subject to your Authorization Limit, however, Advantage Checks may not be used to purchase securities, including shares of money market mutual funds for this Account.

You understand and agree that we will not be liable for paying an Advantage Check prior to the date shown on the face of the Advantage Check, even if such payment results in a negative Advantage Account balance. You may ask us not to pay a posted Advantage Check before its date if the Advantage Check has not already been paid. To do so, you must give us a stop payment order. If you then wish the Advantage Check to be payable as of the date on the Advantage Check, you must cancel the stop payment order on that date in a time and manner that gives us and our agents a reasonable opportunity to act on it. You understand and agree that we may charge your Advantage Account based on the original terms of an altered Advantage Check or on the terms of the completed Advantage Check, even though we know the Advantage Check has been completed, unless we have been notified that the completion was improper. You understand and agree that we may pay or refuse to pay, at our sole discretion, an Advantage Check that is presented for payment more than six (6) months from the date shown on the face of the Advantage Check.

Either party may cancel the Account at any time, with or without cause. Should the Account terminate, you must destroy your unused Advantage Checks.

If any of your Advantage Checks are lost or stolen, you must report the loss immediately by calling (866) 786-4879 or the number listed on your Advantage Account statement.

### **a. Stop Payments**

You and any other authorized signer may make a stop payment order on an Advantage Check by calling your financial professional. You agree that we are authorized to accept a stop payment order. Certain fees may apply, and stop payment orders do not appear on

your Account statement.

You or any authorized signer must supply the following information to us as a condition of accepting a stop payment order: (i) account number; (ii) date on the Advantage Check; (iii) Advantage Check number; (iv) exact amount (dollars and cents) of the Advantage Check; (v) the name of payee; (vi) information that we may require to verify your identity; and (vii) other information we may reasonably require. If any of the required information is not provided or is incorrect, we will not be responsible for failing to effectuate the stop payment order.

In order to be effective, a stop payment order must be received in a time and manner that gives us a reasonable opportunity to verify that the Advantage Check is unpaid and to act on the request. To stop payment on an Advantage Check, you or an authorized signer must call your financial professional or the service telephone number on your Account statement. We may require a stop payment order to be confirmed in writing within 14 days after a call placing a stop payment order is received. A stop payment order cannot be acted on once we have paid, certified, or accepted the Advantage Check. Each stop payment order will remain in effect for six (6) months but will not be automatically renewed. If the Advantage Check is still outstanding after that time, you may request another stop payment order for the fee specified in the fee schedule applicable to your Advantage Account. You agree that if a stop payment order is not renewed in writing, we may, at our sole discretion, return or pay an Advantage Check presented after the expiration of the order. You agree that stop payments on Advantage Checks may also be placed by us due to legal process matters or to effectuate other provisions of this Advantage Agreement.

You agree to indemnify, defend, and hold us, including our agents, Affiliates and their respective officers, directors, and employees harmless from all costs, actions, damages, claims liability, and demands related to or arising from actions or omissions involving a stop payment on an Advantage Check based on the information you provided. In no event shall the above identified parties be liable for special, consequential, or compensatory damages, including loss of profits and/or opportunity, or for attorneys' fees incurred by you, due to acting or failing to act, upon a stop payment order or placing a stop payment upon an Advantage Check.

## **VII. OPTIONAL VISA® DEBIT CARD FEATURES**

You may elect to receive a Visa® Debit Card ("Debit Card") issued by Wells Fargo that will enable you to access your Account's Authorization Limit worldwide 24 hours a day. Wells Fargo currently utilizes a third party agent for issuance and various administrative processing of the Debit Card. With the Debit Card, you may conduct transactions up to your Authorization Limit, subject to your certain daily dollar limitations. The Debit Card is an optional service, and unless you request the Debit Card, no Debit Card(s) will be sent to you. The Debit Card is not a credit card; Debit Card transactions are debited directly against your Advantage Account.

All Debit Cards remain our, our agents', and Affiliates' property, and each of us may cancel or repossess them at any time, with or without cause. If cancelled, you must destroy all Debit Cards issued to you. When your Advantage Account is closed or you terminate any of the services provided herein, you must promptly destroy your Debit Card(s). In addition, in the case of termination, all items posted to the Debit Card will be debited from the Account.

#### **a. Daily Limits of Debit Card Transactions**

The Debit Card may be used to make purchases of merchandise or services at Visa participating establishments or to obtain cash advances from any Visa participating bank or branches. Daily limits are provided with your Debit Card, including limitations on the transaction amounts and number of transactions which may be conducted daily. Limits may vary. Please contact your financial professional or call (866) 786-4879 for more information.

#### **b. Debit Card Activation**

Issuance of a Debit Card is subject to acceptance. Should your agreement be accepted, you will receive a Debit Card and PIN issued to you, alone.

You cannot use the Debit Card until you have activated it by calling the toll free activation number provided to you. If you do not want to use the Debit Card, destroy it by cutting it in half immediately.

We reserve the right not to issue a Debit Card and may terminate these privileges with or without cause or notice unless otherwise required by law.

#### **c. Foreign Currency Purchases and Advances**

Debit Card transactions incurred in a foreign currency will be converted by Visa into a U.S. dollar amount in accordance with Visa's currency conversion procedures in effect at the time of the processing of the transaction. Currently, the currency conversion rate used is either a government-mandated rate in effect for the applicable central processing date or a wholesale currency market in effect for the applicable central processing date, plus the international purchase transaction fee. The conversion rate may vary on the processing day from that in effect when the transaction is made.

### **VIII. ACCOUNT STATEMENT**

You will be provided with a periodic Account statement for your Advantage Account. You acknowledge and agree that you will not be provided the Advantage Checks images or copies of Advantage Checks you have drawn that have been paid. You agree and represent that you will examine your periodic statements promptly upon receipt. You must report any errors or inaccuracies (other than errors or inaccuracies with Debit Card or Transfers) no later than 10 calendar days after receipt of the periodic statement. Inquiries concerning the balance and positions in your Account should be directed to: First Clearing Client Services, One North Jefferson Ave., St. Louis, Mo. 63103. All other inquiries and notices of inaccuracies concerning your Account and its activities

should be directed in writing to your financial professional.

If you fail to notify us of any error or irregularities within 10 calendar days of receipt, you agree that we may assume that the periodic statement is correct, and you waive any right to raise any such error or irregularity after the expiration of the 10 calendar day period and we, including our Affiliates and agents, will be released from all liability for the charges and for all other transactions or matters covered by their respective periodic statements. For information about electronic fund transfer errors or inaccuracies relating to the Advantage Account, refer to the "Electronic Funds, Automated Deposits and Transfer" section of this Agreement. For information about electronic fund transfer errors or inaccuracies relating to the Debit Card, refer to the additional terms contained with your Debit Card.

### **IX. ELECTRONIC FUNDS, AUTOMATED DEPOSITS, PAYMENTS, AND TRANSFERS**

#### **a. General**

You may arrange for direct deposits to be made to, automated payments to be made from, and funds to be transferred between your accounts with us. We use the terms "automated credits" or "direct deposits" to indicate deposits made directly to your Account by electronic means; and the terms "automated debits" or "automated payments" to indicate payments authorized in writing to be made from your Account by electronic means.

Your acceptance of direct deposits, authorization of automated payments to or from your Account, is your agreement to the terms and conditions of this Advantage Agreement.

Any electronic funds transfer ("Transfer") that you make in connection with your Advantage Account, including, but without limitation, automatic deposits and payments will be governed by the following terms and conditions. The terms and conditions also serve as disclosure required by the Electronic Fund Transfer Act and Regulation E in connection with Transfers.

#### **b. Your Liability for Unauthorized Transfers**

You could lose the entire value of your Account through any unauthorized Transfer. Therefore, you should notify us at once if you believe a Transfer has occurred in your Account without your permission. Notifying us as soon as possible by telephone could minimize your possible losses. If you notify us within two (2) days after you learn of the unauthorized Transfer, you can lose the lesser of \$50.00 or the amount of the unauthorized Transfers. If you do not notify us within two (2) Business Days after you learn of the unauthorized Transfer, and we can prove that we could have stopped someone from making the unauthorized Transfer if you had notified us, then you can lose the lesser of \$500.00 or the sum of (i) \$50.00 or the amount of the unauthorized Transfers that occur within the two (2) Business Days; and (ii) the amount of unauthorized Transfers that occur after the

close of two (2) Business Days and before notice to us, provided we establish that these unauthorized Transfers would not have occurred had you notified us within that two-day period. Should your Advantage Account statement show any Transfer that you did not authorize, please notify us at once. If you do not notify us within 60 days after the Account statement was mailed, you may not get back any money you lost after the 60 days if we can prove that we could have stopped the unauthorized Transfer if you had notified us in time. If a good reason (such as a long trip or hospital stay) keeps you from notifying us, the time periods above may be extended.

If your Account is a "Commercial Account" (which is defined in this Advantage Agreement as an account for a Corporation, Nonprofit Organization, Noncorporate Organization, Partnerships, Estates, Pension and Profit Sharing Plans [not including IRAs and Employee Stock Ownership Plans] and other Trust), you are liable for all unauthorized Transfers up to the time at which you notify us.

#### **c. Telephone Number for Notifications in the Event of Unauthorized Transfers**

If you believe that an unauthorized Transfer has occurred in your Advantage Account, call us at the number listed on your Account statement or (866) 786-4879 or write to us at the address listed on your Account statement.

#### **d. Types of Electronic Funds Transfers Available**

Depending on your Account registration, you may be able to: (i) arrange with another party, such as your employer or a government agency, to electronically transfer deposits directly to your authorized Account on a regular basis; or (ii) authorize another party, such as an insurance company or mortgage company, to have payments transferred from your Account and sent directly to them on a regular basis. If a regular payment will vary in amount, the payee needs to tell you how much the payment will be at least 10 days prior to when it is due.

In addition to the types of Transfers listed above, we periodically introduce new methods by which you may make Transfers, such as by personal computer and/or wireless devices. At present, there is no minimum amount required for automatic debits. The availability of automatic debits to your Account will be limited to your Authorization Limit.

#### **e. Fees**

Please refer to your Fee Schedule for information regarding applicable fees.

#### **f. Documentation of Transfers**

You will receive a periodic statement that will show all activity in your Account, including any Transfer. If you arrange to have direct deposits made to your Account at least once every 60 days from the same person or company, you can call us at the number listed on your Account statement to verify such deposits.

### **g. Stop Payment Procedures and Liability**

Stop payments are generally unavailable for Debit Card transactions. However, if you have instructed us to make regular payments out of your Account ("Preauthorized Transfers"), you can stop such payments by calling us at the telephone numbers shown in this section at least three (3) Business Days before the payment is scheduled to be made.

When you call, please provide: (i) your name and Account number; (ii) the exact name of the payee; (iii) the exact payment amount; and (iv) the scheduled transfer date. Failure to provide correct and complete information may make it impossible for us to stop payment of the Preauthorized Transfer. You agree to indemnify and hold us harmless from and against any loss incurred by us as a result of our paying a Preauthorized Transfer, if any of the information relied upon in the stop payment order is incorrect or incomplete (or as a result of our not paying a Preauthorized Transfer for which a valid stop payment is in effect). If you instruct us to stop a Preauthorized Transfer at least three (3) Business Days before the payment is scheduled, and we do not do so, we will be liable for your losses and damages.

These stop payment procedures also apply to Commercial Accounts (as defined above). However, in no event will we guarantee the effectuation of, or be liable for, any stop payment request from a Commercial Account. You agree (if a Commercial Account) to hold us harmless for the amount(s) of any stop payment order(s) entered by you or on your behalf, and for all costs and expenses (including attorneys' fees) incurred by reason of the refusal to honor said payment(s), and you further agree that if, contrary to such stop payment order(s), payment is nevertheless inadvertently made through accident or oversight, we shall not be liable. This provision shall survive the termination of your Account.

Stop payment orders will not appear on your Account statement.

### **h. Error Resolution Procedures**

In the case of errors or questions about your Transfers, please telephone us at the telephone numbers listed above as soon as possible if you think your Account statement is wrong, or if you need more information about a Transfer listed on the Account statement. We must hear from you no later than 60 days after we send you the first statement on which the problem or error appears.

When you call please provide: (i) your name and Account number; (ii) the error or Transfer you question, and as clearly as possible why you believe it is in error or why you need more information; and (iii) the dollar amount of the suspected error. We will tell you the results of our investigation within 10 Business Days (20 for Transfers to or from the Account within 30 days after the first deposit to the Account) after we hear from you and correct any error(s) promptly. If we need more time, however, we may take up to 45 Business Days (90 for transfers to or from the Account within 30 days after the first deposit to the Account) to investigate your question. If we

decide to do this, we will provisionally credit your Account within 10 Business Days (20 for transfers to or from the Account within 30 days after the first deposit to the Account) for the amount you think is in error so that you will have the use of the money during the time it takes to complete our investigation. If we ask you to put your question in writing and we do not receive it within 10 Business Days, we may not provisionally credit your Account. If we determine there was no error, we will send you a written explanation within three (3) Business Days after we complete the investigation. You may ask for copies of the documents that we used in our investigation.

For any Transfer occurring outside the United States, within 10 Business Days after we receive notice of an alleged error we will either resolve the claim or provisionally credit your Account while continuing to investigate the claim. If we need more time, however, we may take up to 90 days to investigate the matter.

### **i. Additional Provisions for Commercial Accounts**

The provisions in this section apply only to Transfers to or from Commercial Accounts. For payment requests from Commercial Accounts, which are subject to Article 4A of the Uniform Commercial Code ("UCC 4A"), we are liable only for damages required to be paid under UCC 4A. In no event will we be liable for any special, indirect, or consequential loss, damage, costs, or expense of any nature, including, without limitation, lost profits, even if we have been informed of the possibility of such damages, except as may be required by law.

### **X. LIABILITY FOR FAILURE TO COMPLETE TRANSACTIONS**

If we, our agents or Affiliates do not complete a transaction to or from your Advantage Account on time or in the correct amount, under no circumstances shall we, our agents or Affiliates, including directors, officers, partners, subsidiaries, parents, and agents, be liable for special, indirect, consequential, or compensatory damages, including loss of profits or opportunity, or for attorneys' fees incurred by you, even if informed of the possibility of such damages. We, our agents or Affiliates, including directors, officers, partners, subsidiaries, parents, and agents shall not be liable for any loss or delay caused directly or indirectly by acts of war, terrorist attacks, strikes, natural disasters, government restrictions, exchange or market rulings, disruptions in orderly trading on any exchange or market caused by market volatility or trading volume, suspensions of trading, interruptions or delays affecting communications facilities or data processing services, or other conditions beyond reasonable control.

### **XI. CHECK 21 ACT MANDATORY CONSUMER DISCLOSURE - IMPORTANT INFORMATION**

#### **a. What is a Substitute Check?**

To make check processing faster, federal law permits financial institutions to replace original checks with "Substitute Checks." These checks are similar in size to original checks with a slightly reduced image of the

front and back of the original check. The front of a Substitute Check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a Substitute Check as proof of payment just like the original check. Some or all of the Advantage Checks that you receive back may be Substitute Checks. This notice describes rights you have when you receive Substitute Checks from us. The rights in this notice do not apply to original checks or to electronic debits to the Advantage Account. However, you have rights under other laws with respect to those transactions.

#### **b. Your Rights Regarding Substitute Checks**

In certain cases, federal laws provide a special procedure that allows you to request a refund for losses you suffer if a Substitute Check is posted to the Advantage Account (for example, if you think we withdrew the wrong amount from the Advantage Account or that we withdrew money from the Advantage Account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from the Advantage Account and fees that were charged as a result of the withdrawal (for example, bounced check fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the Substitute Check, whichever is less. If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if the Advantage Account earns interest) not later than 45 calendar days after we receive your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the Substitute Check was correctly posted to the Advantage Account.

#### **c. How to Make a Claim for a Refund**

If you believe that you have suffered a loss relating to a Substitute Check that was posted to the Advantage Account, please contact us at the number listed on your statement. You must contact us within 40 calendar days of the date we mailed (or otherwise delivered by a means to which you agreed) the Substitute Check in question or the Advantage Account statement showing that the Substitute Check was posted to the Advantage Account, whichever is later. We will extend this period if you were not able to make a timely claim because of extraordinary circumstances. Your claim must include the following: (i) a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect); (ii) an estimate of the amount of your loss; (iii) an explanation of why the Substitute Check you received is not sufficient to confirm that you suffered a loss; and (iv) a copy of the Substitute Check or the following information to help us identify the Substitute Check: the check number, payee, and amount of the check.

#### **d. Special Notice for Check Return Customers**

We will not provide Substitute Checks with statements. However, the Advantage Account statement will provide information to inform you that a Substitute Check has posed to the Advantage Account. Even though you do not receive a Substitute Check with the Account statement, we will grant you the rights described above in this notice

concerning Substitute Checks as though you received a Substitute Check in the statement cycle describing the posting of it.

## **XII. BUSINESS ACCOUNTS**

Advantage Account Holders using the Account for business purposes understand and agree that "restricted transactions" as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG issued thereunder are prohibited from being processed through the Account or any relationship between you and us. In the event a suspected restricted transaction is identified, we may block or otherwise prevent or prohibit such transaction, close the Account or accounts and/or end the relationship.

\*Account(s) carried by First Clearing. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

# Margin Disclosure Statement

**Please Note: The information contained on this page only applies if you elected to have margin on your account.**

On behalf of your brokerage firm, First Clearing\* is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your brokerage firm. Consult your brokerage firm regarding any questions or concerns you may have with your margin account(s). For further information, please refer to the Designation of Responsibility Letter.

When you purchase securities through your brokerage firm, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm's clearing firm, First Clearing. If you choose to borrow funds, you will open a margin account with your brokerage firm. The securities purchased are First Clearing's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan. And, as a result, First Clearing or your brokerage firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.

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

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to First Clearing, the firm that has made the loan, to avoid the forced sale of those securities or other securities or assets in your account(s).
- **First Clearing or your brokerage firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or First Clearing's higher "house" requirements, First Clearing can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **First Clearing or your brokerage firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the brokerage firm cannot liquidate securities or other assets in their accounts to meet the call unless the brokerage firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, First Clearing or your brokerage firm has the right to decide which security to sell in order to protect its interests.
- **First Clearing or your brokerage firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause First Clearing or your brokerage firm to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

*Securities in your margin account may be loaned to or by First Clearing. To the extent First Clearing determines, in accordance with Federal tax regulations, that your securities have been loaned, payments received by you with respect to such securities (including payments in lieu of dividends) may be reclassified as substitute payments. Substitute payments may be reported on different tax reporting forms than payments received on the underlying securities and may be subject to different tax consequences and rates. You are advised to contact your tax advisor to discuss the tax treatment of substitute payments.*

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# Cash Sweep Program Disclosure Statement

<b>Summary</b>		
<b>Please consult the full text of the disclosure statement below for further information at the pages indicated.</b>		
<b>How the Cash Sweep Program Works</b>	The Cash Sweep Program allows you to earn a return on the uninvested cash balances - for which no interest is otherwise earned or paid - in your account by automatically placing ("sweeping") cash balances into a sweep vehicle until such balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account.	Page 19
<b>Available Sweep Options</b>	The available sweep options currently consist of one or more Money Market Mutual Funds and/or interest-bearing deposit accounts at four banks. Eligibility for each available sweep vehicle is determined by account type.	Page 19
<b>Rate of Return</b>	<p>The rates of return for the sweep options vary over time. Current rates can be obtained from your financial professional or by calling the general inquiries phone number listed on the front of your account statement.</p> <ul style="list-style-type: none"> <li>The rate of return on the Bank Deposit Sweep is set by our Clearing Agent, working with its affiliate Program Banks. The Clearing Agent and Program Banks may seek to pay as low a rate as possible consistent with their views of competitive necessities. Our Clearing Agent and the Program Banks can, at their sole discretion, change the rate at any time.</li> <li>Money Market Mutual Funds seek to achieve the highest rate of return (less fees and expenses) consistent with prudence and their investment objectives.</li> <li>There is no guarantee that the yield on any particular cash sweep will remain higher than others over any given period. The rate of return on any of our sweep vehicles may be lower than that of similar investments offered outside of the Cash Sweep Program.</li> </ul> <p>The Cash Sweep should not be viewed as a long-term investment option. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, please contact your financial professional to discuss investment options that may be available outside of the Cash Sweep Program to help maximize your return potential consistent with your investment objectives and risk tolerance.</p>	Page 19
<b>Duty to Monitor</b>	You must monitor and determine the best cash sweep for you under this program. You may also elect not to participate in the Cash Sweep Program and instead periodically invest cash balances directly.	Page 19
<b>Changes to the Sweep Program</b>	You will be notified if we modify the Cash Sweep Program including modifications that result in changing the sweep vehicle for your account. <u>Unless you tell us otherwise within the time period specified in the notice, your cash balances will be moved to the new sweep vehicle that we designate under the program.</u>	Page 20
<b>Benefits to Us</b>	Fees are charged and certain benefits may be received by us, the Clearing Agent, Program Banks, and their affiliates under the different sweep options. Because of these fees and benefits, we, the Clearing Agent, and Program Banks have a financial incentive to select the particular sweep options included in the Cash Sweep Program.	Page 20
<b>Differing Risks and Account Protection</b>	<p>Money Market Mutual Funds in the Cash Sweep Program and the Bank Deposit Sweep are subject to different risks and account protection:</p> <ul style="list-style-type: none"> <li>Money Market Mutual Funds in the Cash Sweep Program invest in high quality, short-term securities and seek to maintain a stable value but are subject to market risks and potential value loss. They are not bank accounts and not subject to FDIC insurance protection. They are instead covered by SIPC, which protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing <u>missing</u> securities and cash up to a limit of \$500,000, of which \$250,000 may be cash.</li> <li>The Bank Deposit Sweep is not subject to market risk and value loss but is subject to the risk of a bank's failure. In the unlikely event a bank fails, deposits at each bank are eligible for FDIC insurance protection up to a limit of \$250,000 (including principal and interest) per depositor in each insurable capacity (e.g., individual or joint). This limit includes any other deposits you may have at each bank outside of this program. <b>You are responsible for monitoring your bank balances in this program and the balances in any of your other bank accounts at the same bank to determine if these, in total, exceed FDIC insurance limits.</b> <u>Monies held in the Bank Deposit Sweep are not covered by SIPC.</u></li> </ul>	Page 21  Page 21

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## Introduction

Under the Cash Sweep Program (the "Sweep Program"), uninvested cash balances - for which no interest is otherwise earned or paid - in your account are automatically swept into interest-bearing deposit accounts ("Bank Deposit Sweep") or, if available, stable value money market mutual funds ("Money Market Funds") or such other sweep arrangements made available to you (collectively "Cash Sweep Vehicles"), until these balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account.

### Available Cash Sweep Vehicles

Eligibility for each available Cash Sweep Vehicle is determined by account type and can be obtained from your financial professional. Each eligible Money Market Fund offered in the Sweep Program is described in a prospectus, which should be read carefully, and may include one or more Money Market Funds that an affiliate of our clearing agent, First Clearing\* ("Clearing Agent"), provides investment management or other services to.

The Bank Deposit Sweep consists of interest-bearing deposit accounts at four banks affiliated with the Clearing Agent ("Program Banks"). Further information regarding the Bank Deposit Sweep, including eligibility requirements, is contained below in the section entitled "Additional Information Regarding the Bank Deposit Sweep".

If you do not select a Cash Sweep Vehicle when you open your account, or you select an ineligible Cash Sweep Vehicle, your Cash Sweep Vehicle will be, and any cash balances transferred to, the Bank Deposit Sweep if you are eligible (if not, your Cash Sweep Vehicle will be (and any cash balances transferred to) an available Money Market Fund selected by us). If you wish to specify a different Cash Sweep Vehicle, if available for your account type, you may do so at any time by contacting your financial professional. Existing balances in your prior Cash Sweep Vehicle will be automatically transferred to the new Cash Sweep Vehicle you select.

### How the Sweep Program Works

Available cash balances will be automatically swept into the Cash Sweep Vehicle for your account on a periodic basis (consult your financial professional for details on the frequency of this automatic investment/deposit). Shares or cash held in your Cash Sweep Vehicle will be automatically redeemed in order to settle a transaction, serve as collateral for a margin loan or short sale, or satisfy any other obligations.

**Timing of Credits** - Your Cash Sweep Vehicle will be credited: (i) in the case of available cash balances resulting from the proceeds of securities sales, on the settlement date of the securities sale; and (ii) in the case of available cash balances resulting from non-trade-related credits (i.e., the receipt of dividends, interest payments, or deposits), on the business day after receipt by us of the non-trade-related credit (unless there is a

trade-related debit item pending in your account due to settle in one business day, in which case only that amount exceeding the trade-related debit will be credited to your Cash Sweep Vehicle). Available cash balances will not earn a rate of return until swept into your Cash Sweep Vehicle.

**Timing of Debits** - Your Cash Sweep Vehicle is automatically debited to satisfy obligations arising in connection with your brokerage account, including administrative and other fees, and charges in connection with a margin account. Cash Sweep Vehicle balances will also be debited as necessary in connection with certain account activity and services, including securities transactions, preauthorized electronic transfers, automated payments, checks, or debits from using the linked credit cards. Your brokerage account will be scanned automatically for debit items each day. Debit balances will be satisfied automatically from: (i) available cash balances; (ii) funds in any Money Market Fund no longer serving as your Cash Sweep Vehicle; (iii) through the withdrawal of funds from your Cash Sweep Vehicle; and (iv), where applicable, from margin loans.

**Access to Funds** - You may only access the balances held in your Cash Sweep Vehicle through your brokerage account. As required by federal banking regulations, the Program Banks reserve the right to require seven days' prior notice before permitting a transfer out of the Bank Deposit Sweep. The Program Banks have no intention of exercising this right at the present time. Pursuant to SEC rules that take effect on October 14, 2016 on money market reform, funds may impose a fee on redemptions (liquidity fee) of up to 2% or a suspension of redemptions (gate) if a fund's weekly liquid assets falls below 30% of its total assets, and if the fund's board considers such actions in the best interest of the fund's shareholders. In addition, the Money Market Funds may reserve the right to require one or more days' prior notice before permitting withdrawals. Please refer to the fund's prospectus for further information.

**Statements and Confirmations** - Your account statement will indicate your balance, detail transactions, and reflect interest or dividends relating to your Cash Sweep Vehicle. These account statements are provided in lieu of separate confirmations of sweep transactions.

**Interest/Dividends Payable** - Interest on cash in the Bank Deposit Sweep is accrued daily, compounded monthly, and credited to your account on the last business day of each monthly statement period. Dividends on the shares in the Money Market Funds will not be payable in cash but will be reinvested each month in additional shares of the applicable Money Market Fund at the current net asset value. Dividends are not guaranteed and are subject to change or

elimination.

### Rate of Return

The rate of return for each available Cash Sweep Vehicle can be obtained from your financial professional or by calling the general inquiries phone number listed on the front of your account statement. These rates will vary over time and may be lower than rates available to clients making deposits directly with the Program Banks or at other banks, or available by investing directly in other money market mutual funds not offered through the Sweep Program.

The rate of interest paid on the Bank Deposit Sweep will be established periodically by our Clearing Agent, working with the Program Banks, based upon prevailing business and economic conditions. The rate will be based upon account type and/or tiered based upon account value. The Clearing Agent and Program Banks can, at their sole discretion, change the rate at any time.

The Clearing Agent and Program Banks do not have a duty to provide the highest rates prudently available and may instead seek to pay as low a rate consistent with their views of competitive necessities. Lower rates may be more financially beneficial to us, the Clearing Agent, as well as Wells Fargo & Company and its affiliates, including the Program Banks and their respective personnel. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a Money Market Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus. (Money Market Fund rates may, however, be affected by the fees imposed by the particular class of shares selected by us for the Sweep Program.) As a result, the current rate of return on each Cash Sweep Vehicle will vary over time, and there is no guarantee that the return on any particular Cash Sweep Vehicle will remain higher than the others over any given period.

The Cash Sweep Vehicle for your account should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your financial professional to discuss investment options that may be available outside of the Sweep Program to help maximize your return potential consistent with your investment objectives, liquidity needs, and risk tolerance. Please note, however, that available cash accumulating in your account will not be automatically swept into any investment you purchase outside of the Sweep Program.

### Your Responsibility to Monitor Your Cash Sweep Vehicle

As returns on the Cash Sweep Vehicles, your personal financial circumstances, and other factors change, it may be in your financial interest to change your Cash Sweep Vehicle (if another option is available for your account

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type) or invest cash balances in products offered outside of the Sweep Program consistent with your investment objectives and risk tolerance. We do not have any duty to monitor the Cash Sweep Vehicle for your account or make recommendations about, or changes to, the Sweep Program that might be beneficial to you.

#### **Alternatives to the Sweep Program**

You may elect not to participate in the Sweep Program and/or periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Sweep Program by providing instructions to your financial professional. Please note if you elect not to participate in the Sweep Program, accruing cash balances will not earn a rate of return prior to direct investment. In addition, available cash will not be automatically swept into any money market mutual fund or other investment that you purchase outside of the Sweep Program.

Your financial professional can provide further details and additional information, including a prospectus, for any of the money market mutual funds available for direct investment outside of the Sweep Program. Please read the prospectus carefully before investing. Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency and are not deposits of a bank or bank affiliate. Although money market mutual funds seek to preserve their net asset value at one dollar per share, it is possible to lose money by investing in money market mutual funds.

#### **Changes to Cash Sweep Vehicles**

From time to time, the Clearing Agent may modify the Sweep Program, which may result in changing the Cash Sweep Vehicle for your account. If the Clearing Agent makes any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower. You will receive advance notice of any change in the Sweep Program, including changes from one Cash Sweep Vehicle to another. Unless you object within the time period specified, the balances from your prior Cash Sweep Vehicle will be transferred into any new Cash Sweep Vehicle.

If you decide to enroll in a new product or service that doesn't offer your current Cash Sweep Vehicle, your new Cash Sweep Vehicle will become the Bank Deposit Sweep if you are eligible (if not, your Cash Sweep Vehicle will be an available Money Market Fund selected by us) unless you select a different available Cash Sweep Vehicle.

#### **Administrative Fee**

In addition to any other fees and expenses charged directly by the Money Market Funds, an administrative fee is charged at an annualized rate of 20 basis points (0.20%) of assets held in the Class A share class of the Wells Fargo Advantage Money Market Funds. This fee will be directly deducted from the dividends you receive from these Money Market Funds, and your periodic account statement will reflect such dividends net of this fee. The administrative fee is intended to compensate the Clearing Agent for administrative services provided in offering the Sweep Program, for related processing

costs, and account maintenance services provided in connection with processing sweep transactions. Because the administrative fee is not charged by the Money Market Fund, the Clearing Agent will report to the Internal Revenue Service (on Form 1099-DIV) the total amount of dividends paid to you by the Money Market Fund (i.e., the gross dividend), not the dividend after deduction of the administrative fee (i.e., the net dividend). In contrast, the estimated current yields for Money Market Funds shown on account statements will reflect the net dividend after deduction of the administrative fee. You should consult with your tax advisor as to the deductibility of this administrative fee. The administrative fee is not charged on the Bank Deposit Sweep or with respect to ERISA or IRA accounts participating in any of our investment advisory programs.

#### **Benefits to Our Firm and Others**

We (in this section, the terms "we," "our," and "us" include the Introducing Firm and, in all instances, the Clearing Agent and its affiliates) receive fees and benefits for services provided in connection with the Sweep Program, and we may choose to make available the Cash Sweep Vehicles that are more profitable to us than other money market mutual funds or bank deposit accounts. A portion of these fees may be paid to your financial professional.

We may receive distribution (Rule 12b-1), investment management, service fees and other compensation as a result of sweeping available cash into the Money Market Funds. These fees, which vary depending on the Money Market Fund (and class thereof) used, are paid directly by the Money Market Funds but ultimately borne by you as a shareholder in the fund.

We and the Program Banks benefit financially from cash balances held in the Bank Deposit Sweep as well. As with other depository institutions, the profitability of the Program Banks is determined in large part by the difference or "spread" between the interest they pay on deposit accounts, such as the Bank Deposit Sweep, and the interest or other income they earn on loans, investments, and other assets. As noted above, the Clearing Agent and Program Banks may pay rates of interest on the Bank Deposit Sweep that are lower than prevailing market interest rates. The participation of the Program Banks in the Bank Deposit Sweep is expected to increase their respective deposits and, accordingly, overall profits.

We may receive fees and compensation of up to two percent (2%) from the Program Banks and/or their affiliates based on the average monthly deposit balances in the Bank Deposit Sweep (computed on an annualized basis). This compensation is subject to change, and we may waive all or any part of this fee at any time without notice. In addition, certain of our employees, including financial professionals, may receive incentive compensation based in part on new assets in the Bank Deposit Sweep or the profitability of the Bank Deposit Sweep for the Program Banks and their joint parent company, Wells Fargo & Company. The profitability of the Bank Deposit Sweep is based in part on deposit expenses, which may be greater depending on the size of the overall deposit balances in the Bank Deposit

Sweep. We, therefore, have an incentive to make recommendations to you that could result in increased or decreased balances in the Bank Deposit Sweep. We shall also receive a benefit by retaining any interest earned (generally at the Federal Funds rate) on cash balances awaiting disbursement or prior to such balances being swept into your Cash Sweep Vehicle. As a result of the fees and benefits described above, the Bank Deposit Sweep may be significantly more profitable to us, as well as the Clearing Agent and its affiliates, than other available Cash Sweep Vehicles, if any.

#### **SIPC Insurance**

The Securities Investor Protection Corporation (SIPC) protects customers of its members against the custodial risk to clients of securities brokerage firms in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the failure of a security, the quality of investments, or declines in the value of investments. Instead, SIPC protects each client's securities (which include Money Market Funds) and cash held in a client's brokerage account at an insolvent brokerage firm by replacing missing securities and cash of up to \$500,000 per client, including \$250,000 for claims for cash. The Clearing Agent provides additional coverage, at no cost to you, through Lexington Insurance Company ("Lexington"), an AIG company. For clients who have received the full SIPC payout limit, the Clearing Agent's policy with Lexington provides additional coverage above the SIPC limits for any missing securities and cash in client brokerage accounts up to a Clearing Agent aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). This account protection package does not cover losses resulting from declines in the market value of your investments. For more information on SIPC coverage, please see the explanatory brochure at [www.sipc.org](http://www.sipc.org) or call 202-371-8300. For more information about Lexington, please visit [www.lexingtoninsurance.com](http://www.lexingtoninsurance.com).

Since monies in the Bank Deposit Sweep are held at banks, they are NOT covered by SIPC or Lexington. They are instead covered by FDIC insurance. Please see the section entitled "FDIC Insurance Coverage" below.

#### **Additional Information Regarding the Bank Deposit Sweep**

##### **Introduction**

The Bank Deposit Sweep consists of interest-bearing deposit accounts at four Program Banks, each a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations. If the Bank Deposit Sweep is your Cash Sweep Vehicle, available cash balances in your account are automatically deposited into the Bank Deposit Sweep.

##### **Deposits**

Periodically, the uninvested cash balances in your brokerage account will be deposited at one or more bank deposit accounts maintained at the Program Banks. No evidence of ownership, such as a passbook or certificate, will be issued to you, and deposits in the Bank Deposit Sweep may be made in the name of the Clearing Agent (or its agents) for the benefit of our clients. However, your brokerage account statement

will reflect all deposits, withdrawals, Program Bank deposit balance(s), and applicable interest rate.

Generally, deposits will be made initially at Wells Fargo Bank, N.A. up to \$250,000, and then any available cash in excess of \$250,000 will be deposited at one or more of three Program Banks, up to \$250,000 at each Program Bank. Deposits for joint accounts, revocable, and irrevocable trust accounts are subject to operational limitations, and the amount of FDIC insurance coverage afforded may be less than the FDIC insurance coverage available under FDIC rules.

For single, custodial, and self-directed retirement accounts, any deposits that exceed \$1,000,000 will be deposited at Wells Fargo Bank, N.A. and may not be FDIC insured.

For joint accounts, the Bank Deposit Sweep can recognize accounts with only two joint owners. As a result, deposits for joint accounts, regardless of the number of joint owners, will be made only up to \$500,000 initially at Wells Fargo Bank, N.A. and then any available cash in excess of \$500,000 will be deposited at one or more of three Program Banks, up to \$500,000 at each other Program Bank. With joint accounts, any deposits that exceed \$2,000,000 will be deposited at Wells Fargo Bank, N.A. and may not be FDIC insured.

For revocable and irrevocable trust accounts, regardless of the number of owners and beneficiaries, deposits are made initially only up to \$250,000 at Wells Fargo Bank, N.A., and then any available cash in excess of \$250,000 will be deposited at one or more of three Program Banks, up to \$250,000 at each Program Bank. For revocable trust accounts, any deposits that exceed \$1,000,000 will be deposited at Wells Fargo Bank, N.A. and may not be FDIC insured.

Cash intended for deposit into the Bank Deposit Sweep must be deposited through your brokerage account and cannot be placed directly by you into a Program Bank. Only balances transferred by the Clearing Agent will be eligible for inclusion in the Bank Deposit Sweep and deposits by you into Program Banks, outside of the Bank Deposit Sweep, may adversely affect the FDIC coverage of your funds.

#### **Withdrawals**

Monies on deposit at the Program Banks will be automatically withdrawn from the bank deposit accounts in the event of a debit in your brokerage account or, on settlement date, to pay for securities purchased for or sold to your brokerage account. Debits may also be created by writing a check on your brokerage account, making payments via online bill payment service, withdrawing funds through your debit card, or to pay other liabilities owed to us. Checks, ACH payments, debit cards, ATM withdrawals, direct deposits, credits, and other transactions and items for your brokerage account are processed through that account rather than through the bank deposit accounts. The Clearing Agent will debit and credit your bank deposits to accommodate this processing.

#### **FDIC Insurance Coverage**

Balances on deposit in the Bank Deposit Sweep, together with any other of your deposits at the Program Banks, are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount in accordance with the rules of the FDIC. Deposits (including principal and interest) at each of the four Program Banks are eligible for federal deposit insurance up to \$250,000 per depositor in each insurable capacity (e.g., individual or joint). Balances in the Bank Deposit Sweep in excess of \$1,000,000 will be deposited at Wells Fargo Bank, N.A. (a Program Bank) and may not be FDIC insured. Different ownership categories of accounts are separately insured. Please see the "Deposit Insurance - General Information" section below for further information.

If you have other deposits at the Program Banks outside of the Bank Deposit Sweep, you must aggregate all such deposits with your Bank Deposit Sweep balance for purposes of determining FDIC coverage. If your total funds on deposit at any Program Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your funds in excess of the limit. Please note that you, and not the Clearing Agent or brokerage firm, are responsible for monitoring the total amount of your deposits at the Program Banks in order to determine the extent of FDIC insurance coverage available. If you expect to have total deposits at the Program Banks, including balances through the Bank Deposit Sweep, that exceed FDIC insurance coverage limits, you should carefully consider whether you should arrange for the direct investment of amounts exceeding such coverage.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you by the FDIC. However, there is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

If you have additional questions about FDIC insurance, please contact your financial professional. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity. You may also obtain publicly available information by contacting the FDIC, Office of Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), or by accessing the FDIC website at [www.fdic.gov](http://www.fdic.gov).

#### **Differences between the Bank Deposit Sweep and Money Market Funds**

The Money Market Funds available as Cash Sweep Vehicles are registered with the SEC pursuant to the Investment Company Act of 1940. The Bank Deposit Sweep consists of interest-bearing deposit accounts at the Program Banks, each regulated by bank regulatory agencies under various federal banking laws and regulations. Deposits in the Bank Deposit Sweep are eligible for FDIC insurance as described above. The retail and U.S. Government Money Market Funds purchase high-quality, short-term securities in seeking to maintain their net asset value of one dollar per share. A stable net asset value

is not guaranteed and you could experience a loss of principal investing in these Money Market Funds. Funds invested in a Money Market Fund are not guaranteed or insured by the FDIC or any other government agency and are not deposits of a bank or bank affiliate, including the Program Banks. Although Money Market Funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a Money Market Fund.

#### **Changes to Sweep Banks**

From time to time we or the Clearing Agent may make changes to the Bank Deposit Sweep that include adding, deleting, replacing, or changing the sequence of Program Banks, which may result in increasing or decreasing the overall FDIC insurance available through the Bank Deposit Sweep. In such instances, you will be notified in advance of the change if it affects your account. If a Program Bank no longer makes the Bank Deposit Sweep available, you will be provided the opportunity to establish a direct depository relationship with that bank, subject to its policies and procedures. If you do not wish to establish a direct relationship with the bank, your funds will be transferred to another available sweep bank. The consequences of maintaining a direct depository relationship with a Program Bank are discussed below under "Relationship with Us." We may notify you of any of these changes by means of a letter, an entry on your brokerage account statement, an entry on a trade confirmation, or by other means.

#### **Information about the Program Banks**

The Program Banks are wholly-owned subsidiaries of Wells Fargo & Company, the fourth-largest bank holding company in the United States based on assets. Clearing Agent is a nonbank affiliate of the Program Banks and Wells Fargo & Company. The Program Banks are regulated by bank regulatory agencies under various federal banking laws and regulations. Additional information regarding the Program Banks and Wells Fargo & Company is available at [www.wellsfargo.com](http://www.wellsfargo.com).

Deposits in the Bank Deposit Sweep are obligations of each Program Bank where the monies are deposited and are not obligations of our firm or guaranteed by Wells Fargo & Company or any of its other affiliates. Neither our firm, Wells Fargo & Company, nor the Clearing Agent guarantees in any way the financial condition of the Program Banks nor are they responsible for any insured or uninsured portion of any deposits with the Program Banks.

#### **Relationship with Us**

We will act as your agent in establishing and maintaining the Bank Deposit Sweep, including making deposits to and withdrawals from the Bank Deposit Sweep. Your first deposit into the Bank Deposit Sweep will constitute your appointment of us as your agent in connection with your Bank Deposit Sweep. No evidence of ownership, such as a passbook or certificate, will be issued to you and deposits in the Bank Deposit Sweep may be made in the name of the Clearing Agent, for the benefit of our customers. Accordingly, all transactions involving the Bank Deposit Sweep must be made through us.

If you decide to remove us as your agent with respect to the Bank Deposit Sweep, you may

establish a direct depository relationship with a Program Bank by requesting to have your deposit relationship established in your name, subject to applicable law and the Program Bank's terms and conditions. If we terminate your use of the Bank Deposit Sweep or if you choose to remove us as your agent with respect to the Bank Deposit Sweep, we will have no further responsibility for automatically crediting your brokerage account with payments made with respect to your accounts with the Program Banks and will not automatically withdraw funds from your accounts with the Program Banks to satisfy debits in your brokerage account.

## **Deposit Insurance - General Information**

### **General Information**

The Bank Deposit Sweep is insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) per depositor in each insurable capacity (e.g., individual or joint) at each Program Bank when aggregated with all other deposits held by you at the same Program Bank in the same capacity. Your funds become eligible for deposit insurance immediately upon placement in the Bank Deposit Sweep. Any deposits that you maintain directly with a Program Bank, or through an intermediary (such as us or another broker), will be aggregated with your Bank Deposit Sweep balances at each Program Bank for purposes of FDIC insurance coverage limits.

In the unlikely event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC and the Clearing Agent before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

The application of FDIC insurance coverage limits by account type is illustrated by several common factual situations discussed below. You can calculate your insurance coverage using the FDIC's online Electronic Deposit Insurance Estimator at [www.fdic.gov/edie](http://www.fdic.gov/edie).

### **Single Accounts**

Accounts owned by one person, and titled in that person's name only, are added together and the total insured up to \$250,000 at each Program Bank (for a total of up to \$1,000,000 when deposited at all four Program Banks). This account category does not include joint accounts, certain trusts, and individual retirement accounts, which are protected in a separate category and discussed below.

### **Custodial Accounts**

Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor and insured up to \$250,000 in the aggregate per Program Bank (for a total of up to \$1,000,000 when deposited at all four Program Banks).

### **Joint Accounts**

For accounts owned by two or more people, each person's share is insured up to \$250,000 separately at each Program Bank in addition to the \$250,000 allowed on other deposits owned individually in one or more single accounts (for a total of up to \$2,000,000 for accounts with two joint owners when deposited at all four Program Banks). The Bank Deposit Sweep can recognize joint accounts with only two joint owners.

### **Revocable Trust Accounts**

A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner.

There are two types of revocable trusts:

**informal trusts**, known as Payable on Death (POD) or "Totten Trusts," and **formal trusts**, known as "living" or "family" trusts. Both informal and formal revocable trusts are insured up to \$250,000 per owner for each beneficiary if the FDIC requirements are met. All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes and the insurance limit is applied to the combined total. A revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account, and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts."

### **Irrevocable Trust Accounts**

Deposits in an account established pursuant to one or more irrevocable trust agreements created by the same person will be insured for up to \$250,000 per Program Bank for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee, or other beneficiaries. A beneficiary's interest in funds held in irrevocable trust accounts created by the same person will be aggregated and insured up to \$250,000 at each Program Bank.

### **Individual Retirement Accounts**

Deposits held in self-directed retirement accounts, including traditional, Roth, SEP, and SIMPLE IRAs, are eligible for FDIC insurance of up to \$250,000 in the aggregate at a bank for a total of up to \$1,000,000 when deposited at all four Program Banks.