

# Nations Financial Group, Inc

## Brokerage Account Disclosure and Definitions



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NA-D Version: 1224

\*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.



## Introduction

Nations Financial Group, Inc. is registered with the Securities and Exchange Commission (SEC) both as a broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences.

Free and simple tools are available for you to use at [investor.gov/CRS](https://investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

### Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

## What investment services and advice can you provide me?

We offer both brokerage and investment advisory services to retail investors. Below is a summary of the principal services, accounts, and investments made available to retail investors, and any material limitations on such services.

### Brokerage Services

Our brokerage services include buying and selling securities and offering recommendations to retail investors. You may select investments, or we may recommend investments for your account but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours. We will not have discretion or any other investment authority regarding your strategy, investments and accounts.

We may provide other incidental services such as research reports and education. Through the account custodians, you will receive account statements each quarter in paper or electronically. We will not be providing any ongoing monitoring services of any strategies, accounts, performance, and investments whether recommended or not. We offer a large selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs.

### Investment Advisory Services

Our advisory services include wrap and non-wrap fee programs as well as financial consulting. We will provide you advice on a regular basis. We will discuss your investment objectives and help design an appropriate strategy. We will regularly monitor the strategy, investments and account. Quarterly performance reports will be available.

You may choose a service that allows us to buy and sell investments in your account without asking you in advance (a "discretionary account") or we may give you advice and you decide what investments to buy and sell (a "non-discretionary account"). We will only accept discretionary authority under written agreement with you and its authority will be limited to the purchase and sale of investments in the account. The authority will exist until notice is given to withdraw by either the firm or you. When receiving non-discretionary services, you make the ultimate decision regarding the purchase and/or sale of investments.

Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs. In addition, certain programs may include account size minimums.

To get additional detailed information about brokerage and advisory services and programs please see: <https://www.nationsfg.com/privacy-policy-important-legal-disclosures/>.

Securities and advisory services when offered are through Nations Financial Group, Inc. member [FINRA/SIPC](#) and a SEC registered investment adviser. Located at 3925 Fountains Blvd NE Suite 200, Cedar Rapids, IA 52411, and reached at (319)393-9541. For more information about the Firm please visit our website at [www.nationsfg.com](http://www.nationsfg.com).

### Conversation Starters - ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?
- How often will you monitor my account's performance and offer investment advice?

## What fees will I pay?

Fees are different for Brokerage and Investment Advisory Services. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

### Brokerage Services Fees

When we provide brokerage services to you, you will pay us a transaction-based fee, generally referred to as a commission, each time you buy or sell an investment. The transaction fee is based on the specific transaction and not the value of your account. With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a "mark-up" or "mark-down"). With mutual funds, this fee (typically called a "sales load") reduces the value of your investment.

Our fees vary and are negotiable in some instances. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us. You will be charged more when there are more trades in your account, and we may therefore have an incentive to encourage you to trade often. From a cost perspective, you may prefer a transaction-based fee if you do not trade often or if you plan to buy and hold investments for longer periods of time.

To get additional detailed information about these fees please see:  
<https://www.nationsfg.com/privacy-policy-important-legal-disclosures/>.

### Investment Advisory Services

When we provide advisory services to you, you will pay us an on-going asset-based fee or fixed fee amount for our services. Fixed fee amounts will be charged when receiving certain financial consulting services per a signed agreement with us. The wrap and non-wrap program will charge you an on-going fee each quarter based on the value of the cash and investments being advised upon in your account. The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select or recommend. The asset-based fee reduces the value of your account and will be deducted from your account.

For some advisory accounts, called wrap fee programs, the asset-based fee will include most transaction costs and custody services, and as a result wrap fees are typically higher than non-wrap advisory fees. For accounts not part of the wrap fee program, you will pay a transaction fee when we buy and sell an investment for you. You will also pay fees to a broker-dealer or bank that will hold your assets (called "custody"). Although transaction fees are usually included in the wrap program fee, sometimes you will pay an additional transaction fee (for investments bought and sold outside the wrap fee program).

Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. Paying for a wrap fee program could cost more than separately paying for advice and for transactions if there are infrequent trades in your account. The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not have transactions in your account.

An asset-based fee may cost more than a transaction-based fee, but you may prefer an asset-based fee if you want continuing advice or want someone to make investment decisions for you. You may prefer a wrap fee program if you prefer the certainty of a quarterly fee regardless of the number of transactions you have.

To get additional detailed information about these fees please see:  
<https://www.nationsfg.com/privacy-policy-important-legal-disclosures/>.

### Other Fees and Costs

Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as "surrender charges" to sell the investment. In brokerage accounts and non-wrap advisory programs we or the custodian will charge you additional fees, such as custodian fees, account maintenance fees and account inactivity fees.

To get additional detailed information about these fees please see:  
<https://www.nationsfg.com/privacy-policy-important-legal-disclosures/>.

### Conversation Starters - ask your financial professional:

- What additional costs should I expect in connection with my account?
- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?

## Brokerage Services Obligations

Applicable federal and state securities laws, regulations and self-regulatory organizations set forth our obligations. These include that we:

- Obtain your investment profile, including your age, investment experience, time horizon, liquidity needs, risk tolerance, financial situation and needs, tax status and investment objectives
- When providing a recommendation, we act under a best interest responsibility to you. This means that we provide information about investments that we believe are in your best interest and our actions put your interest ahead of ours.
- Provide information about investments based on the nature of the security as well as its potential risks and rewards.
- Obtain prices for trades that are fair and reasonable according to market conditions and make sure that the commissions and fees that you pay are not excessive
- We are not required to monitor your portfolio or investments on an ongoing basis

## Investment Advisory Obligations

Applicable federal and state securities laws set forth our obligations. These include that we:

- Obtain your overall financial situation, including your age, investment experience, time horizon, liquidity needs, risk tolerance, financial needs, tax status and investment objectives
- We provide investment advice in your best interest and we disclose or avoid any material conflicts between our interests and yours
- Provide suitable investment advice and have a reasonable basis for our recommendations
- Obtain prices for trades so that your total cost or proceeds in each transaction are the most favorable under the circumstances
- Monitor your portfolio, investment strategy and investments on an ongoing basis

Advisory services are provided only pursuant to a written agreement with you.

## Standard of Conduct

*When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice, we provide you. Here are some examples to help you understand what this means.*

## Examples of Ways We Make Money and Conflicts of Interest

**Proprietary Products:** We make extra money by advising you to invest in certain programs, such as NFGI Portfolios or NFGI Wrap because they are managed by the firm and do not have an additional 3rd party program fee. These programs may have lower internal costs than other programs, so if you buy these programs your financial professional may receive more compensation.

**Revenue Sharing:** We have an incentive to advise you to invest in certain investments, such as the Bank Deposit Sweep program because the sponsor of the program shares with us revenue it earns on the assets.

**Principal Trading:** When providing brokerage services, we can buy investments from you, and sell investments to you, from our accounts (called "acting as principal"). We can earn a profit on these trades, so we have an incentive to encourage you to trade with us.

For additional information about potential conflicts of interest, please see <https://www.nationsfg.com/privacy-policy-important-legal-disclosures/>.

#### Conversation Starters - ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?
- How does your firm make money in connection with my account? Do you or the firm receive any payments from anyone besides me in connection with my investments?

## How do your financial professionals make money?

Financial professionals are compensated based on factors such as the amount of client assets they service, the time and complexity required to meet client needs, the product sold, product sales commissions, or revenue we earn from the financial professional's advisory services or recommendations.

### Brokerage Services

The financial professional will receive a portion of the commissions, markups or markdowns, and sales charges resulting from the transactions. In addition, certain investments may have ongoing expenses such as distribution fees (12b-1 fee) and your financial professional will receive a portion. Depending on the type of product or share class the amount of compensation paid will vary. The firm will share in any compensation as well.

The financial professional will share in certain revenue sharing agreements that the firm has.

### Investment Advisory Services

The financial professional will receive a portion of the asset-based or fixed fee charged. In some instances, should an advisory account hold a product that pays a distribution fee (12b-1 fees) the financial professional will receive a portion of the fee. When possible, we attempt to avoid such additional expenses and compensation.

The financial professional will share in certain firm revenue sharing agreements.

To get additional detailed information about brokerage and advisory services and programs please see:

<https://www.nationsfg.com/privacy-policy-important-legal-disclosures/>.

## Do you or your financial professionals have legal or disciplinary history?

We have legal and disciplinary events. Visit [Investor.gov](http://Investor.gov) or BrokerCheck (<https://brokercheck.finra.org>) for a free and simple search to research our firm and our financial professionals.

#### Conversation Starters - ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?

## Where can I find additional information?

You can always ask your financial professional for more information and request a copy of this relationship summary at 319-393-9541

Form CRS

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/NFG-Form-CRS.pdf>

Form ADV

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/Combined-ADV.pdf>

Reg BI Disclosure

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/Reg-BI-Disclosure.pdf>

Brokerage Account Disclosures

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/Brokerage-Account-Disclosures-and-Definitions.pdf>

Privacy Policy

<https://www.nationsfg.com/wp/wp-content/uploads/2012/03/Privacy-Policy-BCP-Disclosure-Document-FCC.pdf>

Margin Disclosures

[https://www.nationsfg.com/wp/wp-content/uploads/2016/11/nations\\_financial\\_group\\_disclosure.pdf](https://www.nationsfg.com/wp/wp-content/uploads/2016/11/nations_financial_group_disclosure.pdf)

Cash Sweep Program

[www.wellsfargoclearingservicesllc.com/bw/fccs/forms/568205.pdf](http://www.wellsfargoclearingservicesllc.com/bw/fccs/forms/568205.pdf)

Markup Disclosure Statement

<https://www.nationsfg.com/wp/wp-content/uploads/2019/08/Markup-Disclosure-Statement.pdf>

Order Routing

<https://www.nationsfg.com/wp/wp-content/uploads/2019/10/SEC-Rule-606-Order-Routing.pdf>



# Regulation Best Interest Disclosure

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This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, providing both brokerage services and investment advisory services. Our brokerage services are the primary focus of this guide. For more information on our investment advisory services and how they differ from brokerage, please review the Customer Relationship Summary (or Form CRS) available at <https://www.nationsfg.com/wp/wp-content/uploads/2020/01/NFG-Form-CRS.pdf>. Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Please carefully review and consider the information in each section below.

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## Brokerage Services

When you establish a brokerage account with us, you have the ability to buy, sell and hold investments within your account. The primary service we provide is our trading capability. We execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship, we can trade with you for our own account, for an affiliate or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation.

### Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, First Clearing<sup>1</sup>. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact Nations Financial Group, Inc (NFG) financial professional or refer to our Margin Disclosure Statement available at [https://www.nationsfg.com/wp/wp-content/uploads/2016/11/nations\\_financial\\_group\\_disclosure.pdf](https://www.nationsfg.com/wp/wp-content/uploads/2016/11/nations_financial_group_disclosure.pdf).

<sup>1</sup> First Clearing is a trade name used by Wells Fargo Clearing Services, LLC.



## Brokerage Account Types

We offer many different brokerage account types including but not limited to individual and joint accounts, custodial accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). You should refer to our account agreement(s) for more information concerning available account types or speak with a financial professional.

## Direct at Provider Accounts

Please consider that certain types of investments and accounts (which are not limited to but may include certain existing 529 Plan accounts, 403(b) accounts and SIMPLE IRAs) are in some cases not held with us. These accounts are generally described as "Direct at Provider Accounts" and are typically held instead at (i) the firm that manages the 529 Plan, or (ii) the mutual fund company or mutual fund company transfer agent that offers the fund or retirement plan account.

For these Direct at Provider accounts that are not held with us, we typically assign an internal account number for our own recordkeeping and regulatory purposes. This account number is for our internal use and typically cannot be used for deposits or transactions. Funds given to us for investment in 529 Plans not maintained on our clearing platform (i.e., Direct at Provider Accounts) must be made payable to the provider. We cannot accept any funds made payable to us in relation to such accounts. Any such funds we receive will be returned to you at your current address of record. You will be responsible for all costs and losses, if any, resulting from such actions including lost interest and costs of disbursement, which may include, without limit, reasonable attorneys' fees. No account statements, participant recordkeeping, accounting services, discrimination testing, tax reporting, or plan document amendment services will be provided to you by us for these accounts. Further, we may assist you with the initial selection of a Direct at Provider Account and any initial investment selections that you make, and we may assist you with subsequent investment decisions.

## Incidental Brokerage Services, Recommendations and Account Monitoring

Within your brokerage account, in addition to our trade execution services, we may also provide other incidental services such as research reports, and recommendations to buy, sell, or hold assets. When we recommend type of account, a securities transaction or investment strategy involving securities in your brokerage account or recommend that you roll over or transfer assets from one type of account to another (i.e., a workplace retirement plan account to an IRA), we act in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, you should understand that when we act in a brokerage capacity, with the exception of investment advice we provide to retirement accounts governed by the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("Code"), no recommendation that we make is intended to, nor should you consider it, to form the primary basis for your investment decision(s). You will exercise your own independent judgment in determining whether to act on our recommendations. We are not your investment adviser or fiduciary unless we have expressly agreed to act in such a capacity with you in writing. Further, while we may consider information about your tax status that you provide to us as one component of your investment profile, we do not provide tax advice. We encourage you to speak with a tax professional or tax advisor regarding tax considerations or tax implications of your brokerage activity.

Beginning February 1, 2022, when we provide "investment advice," as defined under Title I of ERISA and/or the Code, to you regarding your retirement plan account, IRA or ESA, we are fiduciaries within the meaning of ERISA and/or the Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so when we operate as a fiduciary for your retirement account(s) we operate under a special rule, PTE 2020-02, that requires us to act in your best interest and not put our interest ahead of yours. To the extent that particular communications to you or activities are considered "investment education" or otherwise non-fiduciary under ERISA, we are not a fiduciary in connection with such communications or activities.

Please know that you can choose to accept or reject any recommendation. You should carefully consider that the way we make money creates some conflicts with your interests. These conflicts are addressed throughout this disclosure, most notably in the Conflicts of Interest section, and are further described in your account agreement(s) and other disclosure documentation we provide in connection with your brokerage account. You should understand and ask us about these conflicts because they can affect the recommendations we provide you.

It is important for you to understand that when our financial professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on criteria that includes your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. We have policies and procedures designed to ensure this. You may accept or reject any recommendation. It is not our responsibility to monitor the investments in your brokerage account, and we encourage you to monitor your investments regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial professional about whether an advisory services relationship is more appropriate for you.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we may review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

## Clearing Services

We have entered into an agreement with First Clearing (also referred to herein as "Clearing Agent") to carry your account and provide certain back-office functions. We and First Clearing each have responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening of your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

## Understanding Risk

While we will take reasonable care in developing and making recommendations to you, investing in securities involves risk, and you may lose money, including your entire investment capital. Further, there is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide those documents to you or help you to find them.

You should also consider that some investments involve more risk than other investments. Higher-Risk investments have the potential for higher returns but also for significant losses. The lower your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more we encourage you to avoid higher-risk investments, as these investments pose the potential for significant losses.

To help address these risks, we align investor risk tolerances with investment needs to offer you 10 investment objectives from which to choose. You should select investment objective and risk tolerance best aligned with your brokerage account goals and needs. Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum. Risk tolerance also varies and we measure it on a continuum that increases from "Conservative" to "Moderate" to "Aggressive," and finally "Trading and Speculation." You should consider these differences before selecting the investment objective and risk tolerance associated with your brokerage account(s). (see below) For more information concerning our available investment objective options, contact your financial professional.

## Generally Associated Risk Tolerance

### Income Investment Objective

**Typical Investment Objective Description** - Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.

- **Conservative** Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.
- **Moderate** Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
- **Aggressive** Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

### Growth and Income Investment Objective

**Typical Investment Objective Description** - Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.

- **Conservative** Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
- **Moderate** Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
- **Aggressive** Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.



## Growth Investment Objective

**Typical Investment Objective Description** - Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.

- **Conservative** Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns.
- **Moderate** Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
- **Aggressive** Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.

## Trading and Speculation

Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

## Basis for Brokerage Recommendations

When making a brokerage recommendation, we begin by gaining an understanding of your financial situation, investment objectives and goals, and tolerance for investment risk. This is commonly known as your investment profile and includes information that you disclose to us such as your income, age, number of dependents, net worth, liquid net worth, investment experience, investment preference, and time horizon. Your investor profile information provides us with a framework for evaluating which of the investment strategies and individual securities to recommend to you based on the risks, rewards and costs of the investment security or strategy, and in light on your investor profile. You should understand that, while we consider reasonably available alternatives with similar investment objectives where appropriate in making a recommendation to you, there is no single "best" investment for any particular situation. We do not evaluate every possible alternative available at our firm or in the marketplace in making a recommendation. You make the ultimate decision whether to follow our recommendations to buy, sell, or hold securities in your account, and it is your responsibility to notify us of any changes to your investor profile.

## Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This First Clearing program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically "swept" into a "Cash Sweep Vehicle," until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. Since we receive benefits from this program it does create a conflict of interest because we have an incentive to keep cash balances, which might not be in your best interest. To help mitigate this conflict, your financial professional does not share in any such benefits. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). More information about the Cash Sweep Program can be found in the Cash Sweep Program Disclosure Statement available at <https://www.wellsfargoclearingservicesllc.com/bw/fccs/forms/568205.pdf>. Please review that Disclosure Statement carefully.

## Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

You should also understand that our financial professionals may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated financial professional may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your financial professional.

# Brokerage Service Models and Products

Brokerage services allow you to provide us with instructions to buy, sell and hold your investments. We provide you with investment education, research and planning tools. Depending on your account type and Client request, we may make recommendations about your investments. You make each investment decision and do not delegate such decisions to us.

Clients may choose to ask the financial professional for research and recommendations (full-service) or simply use the financial professional to execute transaction on their behalf (self-directed).

A range of investment products are offered and are not restricted to either full-service or self-directed services. However, certain complex products will require approval from the firm prior to execution. Specifically, but not limited to, the use of Margin, Options, and Alternative Investments will be subject to prior approval to ensure Client's understanding and suitability.

Also, we are not obligated to provide access to all products, product structures or share classes offered by a given product sponsor, nor do we offer all or the least expensive products in the marketplace. Keep in mind that you can buy and sell some of the products we offer at a lower cost to you through a self-directed online brokerage account, through another broker-dealer, or by accessing certain brokerage products directly from the product sponsor. Product sponsors include mutual fund complexes and other asset management firms. You should also understand that we can limit, and we do limit your purchase of specific investment products by your documented investment objective, investor profile, account type, and other factors, at our discretion. For example, beginning February 1, 2022, we currently do not permit certain principal trades (e.g., equity initial public offerings, equity follow-on offerings, new-issued preferred stocks, and certain closed-end funds) in retirement accounts, including IRAs and ESAs. We encourage you to carefully consider our brokerage service models, and associated product availability, as described below.

Your financial professional serves as your key relationship contact for your brokerage accounts.

## Brokerage Fees and Our Compensation

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees, services and costs involved.

### Transaction-Based Fees

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuity contracts, exercising options and other investment purchases and sale. These transaction-based fees are generally referred to as a "commission," "mark up," "sales load," or a "sales charge." Transaction-Based fees are based on a host of factors, including, but not limited to:

- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

### Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, visit us at [www.nationsfg.com/disclosures/PrivacyPolicy-BCPDisclosure-FCC.pdf](http://www.nationsfg.com/disclosures/PrivacyPolicy-BCPDisclosure-FCC.pdf).

## How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

## Commission Schedules

Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs), Option Rates Equity and Index

For the schedule detailing the commission charged to you and received by us and your financial professional for trades of stocks, rights, warrants, CEFs, ETPs and options, please see the Commission Schedule at [https://www.nationsfg.com/disclosures/commission\\_schedule.pdf](https://www.nationsfg.com/disclosures/commission_schedule.pdf) or contact your financial professional.

## Debt Securities

For debt securities, including preferred securities and CDs, we may apply a charge (*i.e.*, *markup*) of up to 1.5% of the amount of your secondary market transaction but not to exceed 3.5%. Additionally, we may incur gains (or losses) on positions we hold in inventory in response to market movements or other events that impact the value of the securities we own.

## Mutual Funds

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments, as described below.

## 12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family. These fees range from 0.00% to 1.00%, but the majority of these fees are below 0.85%. These fees may be passed on to us and may in turn be passed on to your financial professional as a commission.

## Front-End Sales Charge Fees or Contingent Deferred Sales Charges (CDSC)

Front-End sales charge fees may be charged and paid to us, including your financial professional, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You will work with your financial professional to determine eligibility for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 5.50%. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your financial professional. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund.

## Alternative Investments Information

Alternative Investments generally refer to investments that serve as alternatives to more traditional asset classes and may include investments such as hedge funds, private equity funds, private real estate funds and structured products. We may offer qualified clients a wide range of alternative investments. It is important to note that the fees and expenses related to alternative investments are often higher than those of more traditional investments. There are many types of fees involved with this type of product but the fees that we and the financial professional may share in are from upfront and placement fees. These fees are

generally based on the total amount of your investment and can be as high as 5.5%. Some upfront placement fees can be discounted at the discretion of the financial professional or by meeting certain volume discounts, commonly referred to as breakpoints. Accordingly, you should consult with your financial professional about the ability to receive such discounts. Additionally, there will generally be ongoing fees, based on the value of your investment, that are related to compensating us but not the financial professional. Such ongoing servicing fees can be as high as 4% of the value of your investment. For specific information regarding compensation and fees please see the applicable offering documents or prospectus, and the investment confirmation.

## Annuities

Our annuities consist of fixed, index, and variable annuities. Under arrangements with insurance companies, we, including your financial professional, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. The insurance company who issued the variable annuity will generally pay an upfront commission ranging from 0.00% to 7.00%. In addition, an ongoing trail commission ranging from 0.00% to 1.00% will be paid.

## 529 Plans

529 Plans, also referred to as 529 educational savings plans, or qualified, state tuition programs, are professionally managed, tax-advantaged portfolios that enable individuals to set aside funds for educational purposes

For a 529 Plan or funds, you are subject to sales charges and account fees. We also receive administrative fees, 12b-1 fees, and investment management fees. If your state of residence offers a 529 Plan, your in-state 529 Plan can have lower expenses as compared to an out-of-state 529 Plan. Further, some in-state 529 Plans offer certain tax benefits to you that are not available when you purchase an out-of-state 529 Plan. Ask your financial professional for details and consult your tax advisor for guidance.

When you establish a 529 Plan through a financial professional, you will typically pay higher fees and costs than if you establish your 529 Plan account directly with the 529 Plan provider. Refer to the 529 Plan's offering documents for a listing of fees and expenses. You should understand that we receive a sales concession of 1% to 5.75% from the 529 Plan provider on 529 Plan transactions. You should also consider that mutual fund complexes may allow investors to aggregate 529 Plan and mutual fund holdings in related accounts to reach a breakpoint. This is called Rights of Accumulation (ROA). Advise your financial professional of your mutual fund holdings to obtain ROA. Further, some companies allow a Letter of Intent (LOI) that indicates an intention to invest a certain amount over time to reach a breakpoint. Refer to the program disclosure or offering document(s) for details. As a reminder, we do not provide access to all products, product structures or share classes offered by a given product sponsor, including 529 Plans.

## Unit Investment Trusts (UITs)

Our UITs consist of Equity and Fixed-Income UITs. We, along with your financial professional, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your financial professional can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus. A charge ranging from 0.00% to 4.00% will be assessed when purchasing the UIT.

## Cash Sweep Program/Bank Deposit Sweep/Other Float Compensation

These programs allow clients to earn a return on uninvested cash balances by automatically "sweeping" cash balances into a Sweep vehicle until such balances are invested or otherwise used to satisfy obligations arising in the account. While there is no fee charged, the firm will receive a portion of the interest revenue from the clearing firm on these balances. The financial professional does not receive any portion of this compensation.

## Margin

Our clearing firm will charge interest on margin balances. The interest rate will range from Broker Call Rate (BCR) to BCR + 4.5%. In some cases, you may receive a Negotiated Rate that may be lower or higher than the stated range. You can find more information regarding the BCR and rates here: <https://www.nationsfg.com/wp/wp-content/uploads/2020/04/Nations-Statement-of-Interest-42320.pdf>. We will earn a portion of the ongoing interest paid on your margin loan balances. The compensation rate will vary depending on the rate set by the clearing firm. This rate will change without prior notice as will our compensation and is not shared with the financial professional.

## Non-Purpose/Securities Backed Loans

Clients can choose to participate in a non-purpose loan program available through our clearing firm. In this program, the clearing firm will qualify a client who would benefit from having an alternative for accessing credit for financial needs in the form of a non-purpose loan. Interest rates charged in these programs will range from Broker Call Rate (BCR) to BCR + 2.5%. In some cases, you may receive a Negotiated Rate that may be lower or higher than the stated range. We receive revenue for a client's participation in this program and share with the financial professional. The compensation we receive will range depending on the interest rate that is paid on the loan. The receipt of these additional payments creates a conflict of interest because of the increased compensation to the firm and financial professional. We have policies and procedures designed to monitor this conflict. Clients are not required to use this loan program and can work directly with other banks to negotiate loan terms or obtain other financing arrangements.

## Training and Education

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our financial professionals. These meetings or events are held to educate financial professionals on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our financial professionals with providing services to the retail customer.

Likewise, from time to time, product providers will reimburse us for expenses incurred by individual branch offices in connection with conducting training and educational meetings, conferences, or seminars for financial professionals and participants. Also, financial professionals may receive promotional items, meals or entertainment or other non-cash compensation from product providers. Any benefits received outside of nominal promotional items require documentation and approval from the firm.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with financial professionals; these relationships could lead to sales of that particular company's products. We have policies and procedures designed to monitor any such transaction to make sure they are in the best interest of the client.

## Marketing, Goodwill and Recruiting

We will receive compensation from custodians to help offset on going marketing, training, and development expenses. Also, we receive compensation for maintaining certain assets levels with the custodian. In addition, we receive compensation from the custodians to help offset expenses associated with recruiting financial professionals to the firm. Your financial professional does not share in this compensation.

## Operational Fees

We receive compensation from a couple of the various operational services provided to you through a brokerage account. Postage and Handling fees are applied to equity transactions in brokerage accounts. The fee is listed on the transaction confirmations and is passed in whole to us. In addition, we share in the annual account fee charged to non-qualified and UTMA/UGMA accounts. The compensation ranges from \$15-\$25 per fee charged. Your financial professional does not share in the per transaction compensation but may in the annual account fee.

For more information regarding account fees for brokerage services, please see [www.nationsfg.com/disclosures/PrivacyPolicy-BCPDisclosure-FCC.pdf](http://www.nationsfg.com/disclosures/PrivacyPolicy-BCPDisclosure-FCC.pdf).

## Trade Corrections

The correction of transaction errors may result in a gain or loss to the firm. If the client caused or instructs us to correct a trade the gain or loss may be given to the client. In other instances where the error was not caused by the client, should there be a loss the financial professional may be held responsible for the expense. In cases where the correction causes a gain it is retained by the firm. However, on an annualized basis these gains will be used to offset possible future losses held to the financial professional. At the end of the year we may end up with additional compensation should not all of the gains become offset to the losses.



## Brokerage – Excluded Advisory Assets

As described above, our brokerage services differ from our advisory services. However, in some instances we may allow an advisory client to trade what are referred to as “excluded assets” within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

## Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial professionals, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow for us, our financial professionals, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial professionals receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps and have policies and procedures designed to identify, mitigate, and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

## Compensation We Receive From Clients

### Transaction-Based Conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial professional receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all. We have policies and procedures designed to ensure any recommendations are in your best interest.

### Markups and Markdowns for Principal Transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules and ensure recommendations are in your best interest.

### Interest Payments

We receive a portion of the interest payments when you carry a margin or Priority Credit Line (PCL) balance. This interest rate varies based on the WSJ Prime Rate and other factors such as your assets with WFA and the amount of funds currently being borrowed. Financial professionals are not compensated on margin but are compensated based on your Priority Credit Line debit balance. Thus, while we have a conflict if your financial professional recommends a margin loan, both your financial professional and we have a conflict of interest to recommend Priority Credit Line over margin and for you to borrow at greater amounts. Information on interest rates and how we calculate interest is provided to you when you open a margin or Priority Credit Line account. We maintain policies and procedures reasonably designed to help monitor the offering of these services and ensure recommendations are in your best interest.



## Account Maintenance and Other Administrative Fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other transaction handling fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

## Compensation We Receive from Third Parties

Third-Party payments we receive may be based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to invest through a third-party manager or adviser).

The total amount of payments we receive varies from product to product and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you, including advisory services. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. We have policies and procedures designed to ensure any recommendations are in your best interest. The types of third-party compensation we receive include:

- **Revenue Sharing.** Ongoing revenue sharing from Product Sponsors may be received by us but in most cases not shared with our financial professionals. This compensation comes from the participation in the “sweep” and loan programs offered through our clearing firm and is based on the value of the funds in these programs. Our financial professionals do not share in compensation received in the “sweep” programs. However, they will share in the compensation received from the loan programs. Regarding “sweep” programs, we have an incentive to maintain a cash position rather than recommend that you purchase and hold investments that would cause a withdraw of assets from the programs. We also have an incentive to recommend use of the securities backed loan programs offered by our clearing firm regardless of whether a lower interest rate could be found elsewhere.
- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.
- **Marketing, Goodwill and Recruiting.** We may receive compensation from third party custodians to help support our marketing and recruitment needs as a firm. We have an incentive to recommend opening brokerage accounts with the custodian. In addition, compensation may be received based on retaining a certain level of assets with the custodian. We have an incentive to recommend the opening and retaining of brokerage accounts with the custodian. Neither of these instances affects compensation to your financial professional or any fee or charges to you by the firm or custodian.

## Additional Compensation from Product Sponsors and Other Third Parties

We and our financial professionals receive additional compensation from Product Sponsors and other third parties including:

- Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
- Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and financial professionals, and for conferences and events that we sponsor.
- Reimbursement from Product Sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. Additionally, we and our affiliates receive compensation from Product Sponsors to provide aggregate sales data.

**Note:** The amount of these payments is not dependent or related to the level of assets you or any other of our clients invest in or with the Product Sponsor.

## Product Share Classes

Some Product Sponsors offer multiple structures of the same product (*i.e., mutual fund share classes*) with each option having a unique expense structure, and some share classes have lower costs to you as compared to other share classes. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us. We do not offer all share classes. For example, we do not in every instance offer the cheapest share class available. Check with the product sponsor for details.

## Compensation Received by Financial Professionals

Financial professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients and/or total assets under advisement, including brokerage account activity. This compensation may vary by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or "trail" payments. Thus, financial professionals are incentivized to recommend products that have higher fees as well as those with on-going payments. We maintain policies and procedures designed to ensure that these recommendations are in your best interest.

Typically, a financial professional's payout schedule (periodically adjusted by at our discretion) increases with production and asset levels. The same payout schedule is reduced when financial professionals discount certain client fees and commissions, or client relationship asset levels are below minimums established by us from time to time.

As a result, financial professionals have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial professionals also have an incentive to provide brokerage recommendations to gather more assets under management and to increase brokerage trading activity, and to reduce the number of discounts available to you. We maintain policies and procedures designed to ensure that these recommendations are in your best interest.

Financial professionals have financial incentive to recommend you non-purpose/securities backed loans because of the compensation they will receive. We maintain policies and procedures designed to ensure that these recommendations are in your best interest.

Financial professionals have financial incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial professionals may be incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue when your brokerage account has minimal activity. Further, financial professionals are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial professionals also have an incentive to provide higher levels of service to those clients who generate the most fees.

Recruitment compensation is provided to financial professionals who join our firm from another financial firm. This compensation, which may vary by financial professional, often includes either an upfront or back end award based upon new client assets to the firm and/or revenue generated from such client assets. This creates an incentive for the financial professional to recommend the transfer of assets to the firm, including brokerage assets, in order to earn this compensation. We maintain policies and procedures designed to ensure that these recommendations are in your best interest.

Financial professionals are also compensated in the form of education meetings and recognition trips. Portions of these programs is subsidized by external vendors and affiliates, such as mutual fund companies, insurance carriers, or money managers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with financial professionals, which could lead to sales of such product provider's products. Financial professionals also receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor and \$1,000 per year for meals per vendor.

## Other Financial Professional Activities

Financial professionals may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients. We maintain processes and procedures that do not allow such actions to take place.

Financial professionals who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their “book of business” through asset accumulation or brokerage trades that are not in your best interest. Financial professionals who receive clients from a retiring financial professional are incentivized to meet growth goals and may make recommendations not in your best interest.

## Additional Resources

Form CRS

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/NFG-Form-CRS.pdf>

Brokerage Account Disclosures

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/Brokerage-Account-Disclosures-and-Definitions.pdf>

Margin Disclosures Statement

[https://www.nationsfg.com/wp/wp-content/uploads/2016/11/nations\\_financial\\_group\\_disclosure.pdf](https://www.nationsfg.com/wp/wp-content/uploads/2016/11/nations_financial_group_disclosure.pdf)

Cash Sweep Program

<https://www.wellsfargoclearingservicesllc.com/bw/fccs/forms/568205.pdf>

Form ADV

<http://www.nationsfg.com/wp/wp-content/uploads/2020/01/Combined-ADV.pdf>

Markup Disclosure Statement

<https://www.nationsfg.com/wp/wp-content/uploads/2019/08/Markup-Disclosure-Statement.pdf>

Order Routing

<https://www.nationsfg.com/wp/wp-content/uploads/2019/10/SEC-Rule-606-Order-Routing.pdf>

Reg BI Disclosure

<https://www.nationsfg.com/wp/wp-content/uploads/2020/01/Reg-BI-Disclosure.pdf>

Margin Statement of Interest

<https://www.nationsfg.com/wp/wp-content/uploads/2020/04/Nations-Statement-of-Interest-42320.pdf>

Commission Schedule

[https://www.nationsfg.com/disclosures/commission\\_schedule.pdf](https://www.nationsfg.com/disclosures/commission_schedule.pdf)

## Investment Objectives & Risk Tolerance

All investors have goals that help guide their investment decisions. Investment goals typically have different time horizons and different income and growth needs. Generally, investment goals are on a spectrum, with "Income" investors typically holding the smallest percentage of higher risk investments, followed by "Growth and Income" investors holding some higher risk investments, and finally "Growth" investors holding a significant portion of their portfolio in higher risk investments. In addition, investors have different risk tolerances, independent of their income and growth needs. Risk tolerance is the amount of risk or loss an investor is willing and able to accept in order to achieve his/her financial goals and is measured on a continuum that increases from "Conservative" to "Moderate" to "Aggressive," and finally "Trading/Speculation." In determining an investment objective, it is important for you to assess your risk tolerance and your need for income and growth.

By aligning the risk tolerances with the investment needs. Nations Financial Group offers clients 10 different investment objectives from which to choose. While all investments involve some degree of risk, including the potential for loss of principal, some investments involve more risk than others. For example, higher risk investments may have the potential for higher returns, but also have the potential for greater losses. Please carefully review the descriptions below in each Investment Objective and select the one that most closely describes your risk tolerance, investment needs, and investment preference.

### Definitions:

**Income Portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.**

**Conservative Income:** Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected returns.

**Moderate Income:** Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.

**Aggressive Income:** Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

**Growth and Income Portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.**

**Conservative Growth and Income:** Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses and have lower expected returns.

**Moderate Growth and Income:** Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.

**Aggressive Growth and Income:** Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

**Growth Portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.**

**Conservative Growth:** Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected returns.

**Moderate Growth:** Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.

**Aggressive Growth:** Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.

**Trading and Speculation:** Trading and Speculation investors seek out maximum return through a broad range of investment strategies, which generally involve a high level of risk, including the potential for unlimited loss of investment capital.

## Cost Basis Election Codes

**F FIFO- First in First Out-** If the account is set up for First In First Out, the first security purchased is assumed to be the first security sold. If the trade requires additional units to be closed, the process will be repeated sequentially until the required number of shares is reached.

**L LIFO- Last in First Out-** If the account is set up for Last In First Out, the most recent tax lot purchased will be the first closed. If the trade requires additional units to be closed, the process will be repeated sequentially until the required number of shares is reached.

**H HIFO- Highest In First Out-** If the account is set up for Highest in First Out, the tax lot with the highest cost basis will be the first closed, If the trade requires additional units to be closed, the process will be repeated sequentially until the required number of shares is reached.

**C LOFO- Lowest Cost First Sold-** If the account is set up for Lowest Cost First Out, the tax lot with the lowest unit cost will be closed first, regardless of the holding period. If the trade requires additional units be closed, the process will be repeated sequentially until the required number of shares is reached.

**S HCST- Highest Cost Short Term-** If the account is set up for Highest Cost Short Term, the process will pick only the short -term tax lots and the tax lot with the highest unit cost will be closed first. If the trade requires additional units be closed, the process will be repeated sequentially until the required number of shares is reached. If no short term lots are found, or if the number of short term units is insufficient to cover the sale, the process will look at long term lots and continue to close HCLT.

**T HCLT- Highest Cost Long Term-** If the account is set up for Highest Cost Long Term, the process will pick only the long term tax lots and the tax lot with the highest unit cost will be closed first. If the trade requires additional units be closed, the process will be repeated sequentially until the required number of shares is reached. If no long term lots are found, or if the number of long term units is insufficient to cover the sale, the process will look at the short term lots and continue to close HCST.

**R LCLT-Lowest Cost Long Term-** If the account is set up for Lowest Cost Long Term, the process will pick only the long term tax lots and the tax lot with the lowest unit cost will be closed first. If the trade requires additional units to be closed, the process will be repeated until the required number of shares is reached. If no long term lots are found, or if the number of long term units is insufficient to cover the sale, the process will look at the short term lots and continue to close LCST.

**M LCST-Lowest Cost Short Term-** If the account is set up for Lowest Cost Short Term, the process will pick only the short term tax lots and the tax lot with the lowest unit cost will be closed first. If the trade requires additional units to be closed, the process will be repeated sequentially until the required number of shares is reached. If no short term lots are found, or in the number of short term units is insufficient the sale, the process will look at the long term lots and continue to close LCLT.

**G-MLMG: Minimum Loss Minimum Gain-** If the account is set up for Minimum Loss Minimum Gain (MLMG), the process will calculate the gain/loss for all the tax lots and the tax lot(s) that will minimize the tax impact of the trade – coming as close to no gain or loss as possible – will be closed first, regardless of the holding period.

### Politically Exposed Person is defined as follows:

- (i) A senior official in the executive, legislative, administrative, military or judicial branches of a foreign ("non-US) government, a senior official of a major foreign political party, or a senior executive of a foreign government owned corporation;
- (ii) A corporation, business, trust or other entity that has been formed by, or for the benefit of, any senior foreign political official;
- (iii) An immediate family member of any such individual;
- (iv) A "close associate" of a senior foreign political figure who is widely and publicly known (or is actually known by the relevant covered financial institution to maintain an unusually close relationship with any such individual, including a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.)

**Annual Income** – Includes income from sources such as employment, alimony, social security, investment income, etc.

**Net Worth** – Is the value of your assets minus your liabilities. For purposes of this application, assets include stocks, bonds, mutual funds, other securities, bank accounts, and other personal property. Do not include your primary residence among your assets. For liabilities, include any outstanding loans, credit card balances, taxes, etc. Do not include your mortgage.

**Liquid Net Worth** – Is your net worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property, and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties if they were sold or if assets were withdrawn from them.

**Other Investments** – Investments held in accounts at other firms or financial institutions, or by other Registered Associates. The value should include all other investments, even those that are not readily liquid but should not include cash or liabilities.



# 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 brokerage account (each, an "Account") you have opened with your broker ("Introducing Firm"), and certain advisory accounts you have opened with your registered investment advisor ("RIA") and any other Account you may open with your Introducing Firm and/or RIA in the future. First Clearing ("Clearing Firm") will act as clearing broker and carry the Account and, if your account is a margin account, 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 any additional terms, and agreements, which are incorporated into this Agreement by reference 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 affiliates 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 affiliates.

### 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 with respect to securities brokerage activities, and RIA, its subsidiaries and affiliates, its officers, directors, agents, and employees with respect to investment advisory services provided hereunder. "*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.

"*Account*" means collectively or individually any securities brokerage account and/or any Advisory Program Account you have with us, including any and all securities and other property held in such accounts at any time.

"*Account Application*" means the information about you and your investment objectives, risk tolerance and financial information relevant to a particular Account.

"*Advisory Program*" means any investment advisory program currently offered by your RIA under the advisory terms of this Agreement. (See Terms and Conditions of Your Advisory Program Accounts.)

"*Advisory Program Account*" means any Account that is managed by us or a Sub-Advisor through an Advisory Program offered under the terms of this Agreement.

"*Disclosure Documents*" means the applicable Client Relationship Summary and the Form ADV (or equivalent disclosure brochure) associated with each Advisory Program offered.

"*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.

"*Discretionary*" means you have authorized us or a third party to act on your behalf with respect to your Account.

"*Program Features*" means the Program Features and Fee Schedule, which includes additional terms and conditions and the fee schedule applicable to each Advisory Program.

## 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; you are of legal age to enter into contracts in the state of your domicile; 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 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:

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



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

With respect to controversies or disputes which may arise between you and Introducing Firm, RIA, Clearing Firm and any Sub-Advisor (and/or any other agent) under this Agreement concerning matters involving alleged violations of the Investment Advisers Act of 1940 ("Investment Advisers Act") or applicable state investment advisory laws, it is understood that the Securities and Exchange Commission and various state securities regulatory agencies believe that an agreement to submit disputes to arbitration does not constitute a waiver of any rights provided under the Investment Advisers Act or applicable state investment advisory laws, including the

right to choose a forum, whether by arbitration or adjudication, in which to seek the resolution of disputes.

#### **Arbitration Provision:**

It is agreed that all controversies or disputes which may arise between you and Introducing Firm, RIA, 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 26 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 the Account is a custodial account for a minor, we will maintain an account established under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (collectively "UTMA"). You represent and agree that the assets in the Account belong to the minor and that you will only direct the distribution or application of the assets in the Account for the benefit of the minor. You authorize us to disclose information about the Account to the minor or the minor's representative and to facilitate the transfer of the Account to the former minor at the termination of your custodianship under applicable state law (including accepting instructions from the former minor without further authorization from you). We are not

responsible for determining the appropriateness of any action you take as custodian and you will indemnify and hold us harmless for any action you take as custodian and for any transaction in which we act directly or indirectly absent any willful or grossly negligent conduct by us. As used herein, "you" or "your" shall refer to the custodian or to the minor as the context may require.

## 8. THE ACCOUNT

Based on your selection and eligibility, your Account will be either a cash brokerage account or margin account. The Account 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.

**Stop and Stop Limit Orders.** If supported by your Introducing Firm, "stop orders" or "stop limit orders" are permitted on NYSE and NASDAQ Exchange listed securities but not currently permitted on bulletin board or "pink sheet" equities. A stop order to sell (or buy) becomes a market order to sell (or buy) when a round lot triggering transaction occurs at, or below (above) the stop price and at, or within, the prevailing national best bid or offer ("NBBO") quotation for the security. Stop

orders are subject to the risks of market orders once triggered, and can be executed significantly away from the recent trading market for the security especially during volatile market conditions. The types of orders offered to customers (including the types of orders that convert to market or limit orders based on market events) may be changed at any time.

**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.

**Close-Out Procedure for Fail to Receive Securities.** First Clearing and your brokerage firm trade with market participants in order to fulfill orders placed in your account. Occasionally, the market participant that First Clearing or your brokerage firm buys securities from fails to deliver the agreed upon securities to complete the transaction in a timely manner ("fail to receive"). First Clearing and your brokerage firm are required to resolve or otherwise close out all unresolved inter-dealer fails to receive in accordance with applicable SRO rules.

While First Clearing or your brokerage firm will attempt to purchase or "buy-in" at the current market all or part of the securities necessary to complete your transaction, you should know that we may not be able to purchase certain illiquid or thinly traded securities. In such cases, you agree to sell your brokerage firm the security to close out the fail to receive for the fair market value of the security including any accrued interest.

In some cases, First Clearing or your brokerage firm may be able to offer you securities which are comparable to those you originally bought in quantity, quality, yield or price, and maturity in lieu of receiving the cash proceeds from your original transaction. You will be contacted by us for your consent before accepting these substitute securities. If you accept substitute securities, there will be no additional cost to you.

**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 or, if available, money market mutual funds or such other sweep arrangements made available to you (collectively "Cash Sweep Options"), 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 Option 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

[WellsFargoClearingServicesLLC.com](http://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 canceled, 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. INVESTING BASED ON NONFINANCIAL CONSIDERATIONS

### Disclosure

Throughout our relationship with you, you have provided, or we expect that you may provide, information about your personal or social values, beliefs, and, views which could form the basis for personalized investment advice and recommendations that include traditional investment considerations, as well as nonfinancial considerations that are unique to your personal or social values, beliefs, and views. We provide no assurance that incorporating nonfinancial considerations into an investment decision or investment strategy will exhibit positive or favorable characteristics consistent with the nonfinancial considerations. In addition, an approach that incorporates any nonfinancial considerations could cause you to forgo opportunities to gain exposure to certain industries, companies, sectors, or regions of the economy which could negatively impact your investment return or otherwise cause your investments to underperform similar portfolios that do not incorporate such nonfinancial considerations.

### Consent

By signing this agreement, you consent to incorporation of your personal, social or other nonfinancial values, beliefs, and views that you make known to us into discretionary investment decisions, recommendations, advice or solicitations for the purchase or sale of a security or commodity, or in the selection of third-party managers or sub-advisers (as applicable) made for and in connection with your Account(s). You acknowledge and understand that the inclusion of such nonfinancial considerations would not be solely focused on financial returns.

## 10. 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.

## 11. 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.

## 12. 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.

### **13. 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.

### **14. NON-U.S. INVESTMENTS AND FOREIGN CURRENCY CONVERSIONS**

Subject to certain limitations, you can choose to make purchases or sales of non-U.S. based investments in your Account. Such non-U.S. based investments may be denominated in a currency other than U.S. Dollars ("Non-USD Investments"). Your account statement will reflect the value of the applicable Non-USD Investments in U.S. Dollars. Any such valuation in U.S. Dollars is based upon an indicative rate of exchange between the U.S. Dollar and the Non-USD Currency as of the date of the relevant statement. Such valuation is for informational purposes only and does not reflect an actual conversion of any Non-USD Currency to U.S.

Dollars. As a result, this informational amount does not represent the actual rate of exchange applicable to a transaction involving the relevant Non-USD Investment on such date.

Certain Non-USD Investments may be bought and sold based on prices quoted in U.S. Dollars. If a price for a Non-USD Investment is quoted in U.S. Dollars, the economics of the relevant price may reflect an embedded rate of exchange between the U.S. Dollar and the currency denominating the Non-USD Investment.

You understand that Non-USD Investments may make dividend, interest, or other distributions and payments in a foreign currency, and that a foreign currency transaction will be necessary to convert these payments into U.S. Dollars. Unless your account is enrolled in the Multi-Currency Services Program, you may only hold U.S. Dollars as a currency in your Account. You authorize us to make all necessary foreign currency transactions in your Account in order to facilitate the trading or holding of Non-USD Investments and to convert all foreign currency in your Account into U.S. Dollars. You authorize us to make foreign currency transactions in excess of \$1.00 U.S. equivalent of a foreign currency on an agency basis (with no mark-up or mark-down embedded by First Clearing) at a rate of exchange then available to First Clearing, for your benefit, in the wholesale foreign exchange market by unaffiliated service providers. For transactions of \$1.00 U.S. equivalent of a foreign currency or less, First Clearing generally is not able to find a counterpart willing to transact in such a small amount, so you authorize us to complete such transactions out of a First Clearing inventory account at the rate of exchange then available to First Clearing in the wholesale foreign exchange market. You direct First Clearing to convert any dividend payment, interest payment, or corporate action payment (maturing of a security, special dividend or other distribution) that we receive for your account in foreign currency into U.S. Dollars each business day beginning at one of three pre-determined conversion times (each a "Conversion Time"). For purposes of this section, Conversion Time means 10:30 am Eastern Time, 2:30 pm Eastern Time or 3:30 pm Eastern Time each business day. You agree that any dividend, interest or other distribution that we receive less than 30 minutes before a Conversion Time will be held until the next Conversion Time, which may be the next business day. Any dividend payment, interest payment, or corporate action that we receive after the last foreign exchange conversion that we complete for a particular foreign currency on a business day will be held until the next business day. You understand that your foreign exchange transaction may be delayed due to market disruptions or limitations, systems outages, and other events beyond First Clearing's control. We may execute similar transactions for other customers or for our own account prior to or concurrent with your transaction. No representation or warranty is made as to the priority or order of processing requests.

### **15. 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.

### **16. DIVIDEND REINVESTMENT PLAN**

The Dividend Reinvestment Plan (DRIP) allows you to automatically reinvest any dividends, capital gains and return-of-capital income distributions (Eligible Monies) paid on shares of eligible securities in additional shares of the same securities. Most domestic common stocks listed on the New York Stock Exchange, Inc. (NYSE) and NASDAQ are eligible for the DRIP in accordance with applicable policies (Eligible Securities). You may enroll in the DRIP at any time. First Clearing will reinvest all Eligible Monies into whole and fractional shares rounded to three decimal places. First Clearing does not intend to charge a transaction fee or other charge for participation in the DRIP. Any changes to fees will be disclosed to you prior to being implemented and you will be provided with an opportunity to opt out of the DRIP without incurring such fee.

There is no requirement to participate in the DRIP. You further understand that dividend reinvestment does not assure profits on any of your investments, nor does it protect against losses in declining markets. You can enroll some or all of your Eligible Securities in the DRIP. If you elect to reinvest all Eligible Monies, the DRIP will apply to all Eligible Securities held in your Account at the time of

your election and all Eligible Securities subsequently purchased or deposited in your Account without further action on your part. If you have not elected to reinvest all Eligible Monies and you purchase or deposit an Eligible Security that you did not previously enroll in the DRIP, you will need to contact your financial professional or call the telephone number listed on your account statement to enroll that Eligible Security in the DRIP.

First Clearing will determine reinvestment one Business Day before Eligible Monies are credited to your Account. If you sell your entire position in an Eligible Security before Eligible Monies are credited (or, in the case of an optional dividend, if you have specifically chosen the cash option), First Clearing will not reinvest those Eligible Monies in that Eligible Security.

You can terminate your participation in the DRIP or change the enrollment of any individual Eligible Security at any time by contacting your financial professional or by calling the telephone number listed on your account statement. First Clearing must receive any change at least two days before the posting date of any Eligible Monies. First Clearing will not issue written confirmation of changes to your participation in the DRIP. First Clearing will notify you in advance of any material changes to the terms of the DRIP or the discontinuation or suspension of the DRIP (in whole or part).

First Clearing will detail all DRIP reinvestment activity on your monthly account statement, including, but not limited to, the 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. We will not provide you with written confirmation for dividend reinvestments. If you want the dividend reinvestment transaction details prior to receiving your monthly account statement, you may contact your financial professional or call the telephone number listed on your account statement.

Each type of payment (dividends, return of capital, long-term capital gain) will be considered separately in determining minimums subject to reinvestment. 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 the net Eligible Monies after deducting amounts are withheld. 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 reinvestment occurs in multiple lots at different prices, you will be charged an average price for such reinvestment.

Dividend reinvestments, stock splits, and other corporate actions may result in your account holding a position in a security consisting of fractional shares (e.g., 100.50 shares). Fractional shares of a security (other than a mutual fund) are generally nontransferable. Therefore, First Clearing will act in a principal or mixed capacity (i.e., both as agent and principal) when executing fractional share sell orders. The whole share portion of an order will be executed by First Clearing as agent in the market. The fractional share portion of any order will be

executed by First Clearing as principal against its inventory account. When facilitating client fractional share sales on a principal basis, First Clearing may make a profit or incur a loss on each trade. The details of fractional share transactions will be reflected on your account statement.

Fractional share sell orders are not eligible for primary listed exchange opening or closing cross participation, as fractions of shares are not marketable outside of First Clearing. Your eligibility to participate in corporate actions (including tender offers, proxy voting and other voluntary corporate actions) may be different for fractional shares than with whole shares. In some instances you may not be able to participate in some corporate actions or exercise voting rights for your fractional shares.

When selling fractional shares, you cannot be left solely with a fractional position. If you sell all your whole shares, any fractional shares will automatically append to the last whole share sell order. The price at which your fractional shares are liquidated will be determined by the price of any associated whole share execution.

Fractional share sell orders, except for limit orders, will be executed at the then current National Best Bid or Offer ("NBBO") or better. This price may be higher or lower than the price at the time you place your order. Limit orders are accepted for eligible sell orders, (i.e., limit orders are permitted for sell orders of a whole plus a fractional share).

In addition, if the balance of shares of a security (other than a mutual fund) acquired via DRIP in your account is less than one share, you authorize First Clearing to liquidate the residual fractional share on a principal basis at the previous day's closing price for the security.

If you are an "affiliate" or "insider" of any issuer, you may want to consult your personal legal advisor before participating in the DRIP with respect to that issue.

## **17. 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 authorize Clearing Firm, at our discretion, to combine together in a single mailing, the monthly/quarterly statements for all your Accounts with the same personal unique identifiers (such as Social Security number or Tax Identification number, individual name, and address). You understand that it is your responsibility to review upon first receipt all statements and confirmations delivered to you, whether by mail or otherwise. Statements and confirmations shall be considered accurate unless you notify us in writing no later than ten (10) calendar days after receipt of statements or confirmations that the information 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.

## 18. 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.

## 19. 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.

## 20. 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.

## 21. 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.

## 22. MODIFICATION OF AGREEMENT; 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 a separate writing signed by you, an authorized member of our firm, and the Clearing Firm. Otherwise, all oral, handwritten, or electronic waivers, alterations, modifications, or amendments made to this Agreement shall be considered null and void.

Our or the 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.

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.

## 23. 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.

## 24. AUTHORITY AND AGENCY

You appoint Introducing Firm as your agent for the purpose of carrying out your instructions, including those relating to the purchase or sale of securities. You assume all investment risk with respect to such transactions. All transactions will be executed only on your order or the order of your authorized representative(s), except as provided by this Agreement or otherwise agreed to. As your agent, we are authorized to establish relationships with clearing brokers (and their affiliates) and to appoint and use sub-agents. You authorize us, Clearing Firm, and our sub-agents to, among other things, open or close brokerage accounts; establish a sweep bank deposit account for you; maintain customer records; hold securities in bearer, registered, or book entry form; place and withdraw orders; and take other reasonable steps in connection with our duties.

We may, at our sole discretion and without prior notice to you, refuse or restrict your orders.

## 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 written notice to us. This Agreement shall remain in effect with respect to the Account you are closing until we receive and accept your written notice of termination, after 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 (and their affiliates), 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

We and the Clearing Firm may assign the rights and duties under this Agreement to any of our subsidiaries or affiliates without giving you notice, or to any other entity upon written notice to you. If you have an Advisory Program Account, this Agreement shall not be assignable by either party without prior consent of the other. The parties agree that an internal reorganization by us or Clearing Firm does not constitute an assignment.



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 a program of additional insurance coverage through London Underwriters (led by Lloyd's of London Syndicates), referred to here as "Lloyd's." For clients who have received the full SIPC payout limit, Clearing Firm's policy with Lloyd's 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 [sipc.org](http://sipc.org) or call 202-371-8300. For more information about Lloyd's, please visit [lloyds.com](http://lloyds.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.

Despite 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 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.

**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 is a margin account and, 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.

Short securities will be "marked to the market" periodically. If a security which you sold short (or "short against the box") appreciates in market value over the selling price, your margin account will be debited, and if the security depreciates in value your margin account will receive a credit.

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.

You understand it is against industry rules to participate in a secondary offering in order to cover a short position in that security and you agree to notify us in writing if you have a short position in such security, to assist us in restricting such activity.

**Securities Loans.** You may be charged additional fees in connection with establishing and maintaining a short position and such charges may be disclosed to you at the time a short position is established or may be imposed or increased from time to time in

light of changing market conditions. When a security that you have sold short is no longer easy-to-borrow, we may make an immediate change to any fees that may be paid by you or assessed to your margin account to reflect current market rates relating to the borrow.

**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.

**Covered Agency Transactions.** Covered Agency Transactions are transactions in securities with forward contractual settlement dates that can be greater than one to three business days from the trade date, depending on the security. They include transactions in certain mortgage-backed securities issued in conformity with a program of a governmental agency or government-sponsored enterprise; certain asset-backed securities issued in conformity with a program of the Small Business Administration; and certain collateralized mortgage obligations issued in conformity with a program of a governmental agency or government-sponsored enterprise. Under rules issued by the Financial Industry Regulatory Authority, Inc. ("FINRA"), when you engage in Covered Agency Transactions, Clearing Firm may require that you maintain funds or other securities in your Account in an amount equal to at least 2% of the value of your positions in the Covered Agency Transactions. In addition, any Covered Agency Transaction you enter into will, prior to settlement, be marked-to-the market daily and Clearing Firm may upon notice to you require that you deposit additional funds or other securities to satisfy any mark-to-market losses. If you fail to satisfy any mark-to-market loss or maintenance deficiency by the close of business on the next business day after the deficiency or loss arose, Clearing Firm reserves the right, without further demand or notice, to liquidate positions in your Account to remedy the loss or deficiency. While under certain circumstances FINRA rules may provide exemptions from the maintenance and mark-to-market requirements, Introducing Firm or Clearing Firm will determine in its sole discretion whether an exemption is available.

#### **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.

#### **42. OPT-IN TO U.S. SPECIAL RESOLUTION REGIMES**

If you are an individual domiciled outside the United States or a company incorporated, organized, or formed under the laws of a non-United States jurisdiction and with a principal place of business located outside the United States (such individual or company, a "non-U.S. Person"), you agree that:

In the event First Clearing becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under, and any property securing, this Agreement) from First Clearing will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any interest and obligation in or under, and any property securing, this Agreement) were governed by the laws of the United States or a state of the United States;



In the event First Clearing or an Affiliate of First Clearing becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights with respect to this Agreement that may be exercised against First Clearing are permitted to be exercised to no greater extent than the Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

"Affiliate" has the meaning given in section 2(k) of the Bank Holding Company Act (12 U.S.C. 1841(k)) and section 225.2(a) of the Federal Reserve Board's Regulation Y.

"Company" has the meaning given in section 1841(b) of the Bank Holding Company Act (12 U.S.C. 1841(b)).

"Default Right" means any:

- (i) Right of a party, whether contractual or otherwise (including, without limitation, rights incorporated by reference to any other contract, agreement, or document, and rights afforded by statute, civil code, regulation, and common law), to liquidate, terminate, cancel, rescind, or accelerate such agreement or transactions thereunder, set off or net amounts owing in respect thereto (except rights related to same-day payment netting), exercise remedies in respect of collateral or other credit support or property related thereto (including the purchase and sale of property), demand payment or delivery thereunder or in respect thereof (other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure), suspend, delay, or defer payment or performance thereunder, or modify the obligations of a party thereunder, or any similar rights; and
- (ii) Right or contractual provision that alters the amount of collateral or margin that must be provided with respect to an exposure thereunder, including by altering any initial amount, threshold amount, variation margin, minimum transfer amount, the margin value of collateral, or any similar amount, that entitles a party to demand the return of any collateral or margin transferred by it to the other party or a custodian or that modifies a transferee's right to reuse collateral or margin (if such right previously existed), or any similar rights, in each case, other than a right or operation of a contractual provision arising solely from a change in the value of collateral or margin or a change in the amount of an economic exposure.

"U.S. Special Resolution Regime" means the Federal Deposit Insurance Act and regulations promulgated thereunder and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and regulations promulgated thereunder.

#### **43. ELECTRONIC SIGNATURES**

In the event that you elect, or have elected, to authorize and/or utilize electronic signature functionality in connection with any

agreement, disclosure/acknowledgment, instruction or other type of form or document in connection with your Account, you expressly agree: that any such electronic signature, and our reliance upon such electronic signature, shall be entirely and exclusively governed under the provisions of the U.S. "Electronic Signatures in Global and National Commerce Act" (as amended) and/or other applicable U.S. law; and to waive any claim, or right to claim, that such documents electronically signed by you are not valid, binding or enforceable under any law or regulation in your country of residence or the country where you were (or are) located at the time of execution.

For the avoidance of doubt, you agree that any dispute regarding the validity or enforceability of any account-related document electronically signed by you shall be governed under the U.S. Electronic Signatures in Global and National Commerce Act and/or other applicable U.S. law and not by or under any law or regulation in the country where you reside or where you were (or are) located at the time of execution; and any such dispute shall otherwise be subject to the choice of law, venue and arbitration provisions set forth in this Agreement.

#### **44. 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 Professional 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 Professional to verify such deposits. In addition, you will receive a periodic account statement (in accordance with Section 17 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 44(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 44(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 44(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: state your name and account number; 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 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 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.

## II. TERMS AND CONDITIONS OF YOUR ADVISORY PROGRAM ACCOUNTS

When you open an Advisory Program Account, we will provide you with relevant Program Features and Disclosure Documents that apply to the specific Advisory Program that you selected. The Program Features are part of the Agreement and set forth additional terms and conditions applicable to the Advisory Program Account. The advisory services described herein are provided by a registered investment adviser (RIA), which may be the same entity as your Introducing Firm (in the case of a dual registrant), or may be a separate entity that is or is not affiliated with your Introducing Firm. References to the RIA shall include any affiliated Introducing Firm, with respect to the services provided to Advisory Program Accounts hereunder.

RIA has entered into an agreement with Wells Fargo Clearing Services, LLC ("WFCS") under which WFCS has agreed to provide certain advisory and/or other services to RIA with respect to the Advisory Program Accounts. WFCS is dually registered as an investment adviser and a broker-dealer and acts as clearing broker-dealer for the Introducing Firm. WFCS operates under the tradename "Wells Fargo Advisors" (or "WFA") when acting as an investment adviser and broker-dealer and the tradename "First Clearing" when acting as a clearing broker-dealer. For ease of reference, WFCS will generally be referred to in this section as WFA regardless of the capacity in which it is operating.

WFA will enter into agreements with sub-advisors from time to time under which the sub-advisors agree to manage, or provide model portfolios that WFA relies on to manage, the Advisory Program Accounts. WFA and the sub-advisors are collectively referred to herein as "Sub-Advisors." You agree that the Sub-Advisors are third party beneficiaries of this Agreement and that the terms and conditions hereof, shall be

applicable to all matters between you and the Sub-Advisors.

We may permit you, at our sole discretion, to move to certain Advisory Programs or change Sub-Advisors and/or target allocations without the need to open a new Advisory Program Account or sign a new Agreement. In such event, we will send you a confirmation letter reflecting your selection of the new Advisory Program.

Based on your selection, delivery of the specific Program Features, which includes the advisory fees you will be charged for the Advisory Program, will serve to confirm your direction to retain RIA and/or the Sub-Advisor you have selected to manage your Advisory Program Account on a discretionary or non-discretionary basis in accordance with the terms of this Agreement.

By signing this Agreement, you agree that all of the terms and conditions of the Program Features you receive (either at the time you enter into this Agreement or at any time in the future) and any Account Application you complete are incorporated by reference into this Agreement as if they were fully set forth herein when you signed this Agreement. This means that your signature to this Agreement also serves as your agreement to be bound by all of the terms of the specific Program Features, including the fee schedule, for each specific Advisory Program shown on any confirmation letter we may provide to you.

A list of the Advisory Programs that are available and the corresponding Program Features for each Advisory Program are available to you at any time by contacting your financial professional.

From time to time, we may require that you sign additional agreements or documents for certain services or instructions, including, but not limited to, an Advisory Program Account agreement for specific Advisory Programs, and such additional agreements and documents are incorporated by reference into this Agreement as if they were fully set forth herein when you signed the Agreement. If you open an Advisory Program Account after your execution of this Agreement, you may be required to execute an additional agreement specific to the Advisory Program Account. References to the "Agreement" include any supplemental Advisory Program Account agreements.

In the event your financial professional is no longer able to render investment advisory services to your Advisory Program Account, we will attempt to transfer the Account to another qualified financial professional and you will be notified of any such transfer. If we are unable to transfer your Advisory Program Account to another qualified financial professional, then we will terminate the Account in accordance with the terms of the Agreement and you will be notified of such termination.

### 1. GENERAL TERMS

If you have opened a discretionary Advisory Program Account, on the basis of your investment objectives and other individual circumstances and reasonable restrictions given by you, RIA will assist you in selecting a compatible investment strategy. Depending on the Advisory Program selected, RIA or the

Sub-Advisor you have selected will exercise discretion with respect to the day-to-day management of your Advisory Program Account continuously during the term of this Agreement and will buy, sell, or otherwise trade and settle securities or other investments for your Advisory Program Account on a discretionary basis without discussing these transactions with you in advance.

If you have opened a non-discretionary Advisory Program Account, RIA will not have investment discretion over your account. You have the option of accepting its recommendations or selecting alternative investments.

You acknowledge that you have completed the Account Application and understand that RIA will rely on the information contained in the Account Application when making investment determinations for your Account.

At least annually, your RIA will contact you to determine whether there have been any changes in the information provided in the Account Application. You agree to inform your RIA in writing of any material change in the information included in your Account Application or otherwise in your financial circumstances that might affect the manner in which your assets should be invested.

In deciding whether the Program is appropriate, you acknowledge that you have carefully considered all relevant factors, including past and anticipated trading practices and holdings, your investment strategies and trading patterns (including the frequency of trading and the number and size of the transactions that you anticipate effecting in the Program Account(s)), the costs and potential benefits of this type of Program(s) as compared to paying commissions on a per-trade basis, and your investment objectives and goals. In some instances, you may be able to invest in money market funds or mutual funds either directly or through other programs at a lower cost or at no additional cost to you.

WFA makes investment advisory programs available to your RIA that include financial incentives based in whole or in part on the volume of client assets that are enrolled in the Advisory Programs. These incentives increase the likelihood that your RIA will recommend an Advisory Program to you and increase the revenue that WFA receives for services rendered in connection with the Advisory Programs.

You may contact your RIA during normal business hours to consult with your financial professional concerning management of your Advisory Program Account. Inquiries concerning the Agreement and Advisory Program Account should be directed to your financial professional. All communications to you shall be sent to your address designated on the Advisory Program Account unless you specify otherwise in writing.

## **2. CONFIRMATIONS, PROSPECTUS DELIVERY AND REPORTS**

First Clearing will send confirmations of transactions and periodic Account statements to you. You may waive your right to receive

trade-by-trade confirmations. If you open an eligible Advisory Program Account when you sign this Agreement, your initials on the Signature Page or Program Features indicate that you desire to waive trade-by-trade confirmations and your understanding that waiving your right to receive confirmations is not a condition to entering/participating in an Advisory Program and will not result in a different fee. If you elect to waive your right to receive trade-by-trade confirmations, you will receive periodic statements. You may rescind your waiver at any time.

Pursuant to the terms of the Program Features documents associated with certain of the Advisory Programs through which a Sub-Advisor or RIA exercises discretion over the day-to-day management of assets in an Advisory Program Account, investors participating in applicable Advisory Programs will be authorizing a Sub-Advisor or RIA to accept on their behalf delivery of the prospectuses for funds registered under the Investment Company Act of 1940 (including mutual funds, closed-end funds, ETFs, and UITs). To determine if a Sub-Advisor or RIA will be authorized to accept delivery of prospectuses on your behalf, you should review the Program Features document applicable to the Advisory Program in which you are participating. You may obtain a prospectus at any time by contacting your RIA. Notwithstanding the authorization described in this paragraph and apart from any requests you may make for a prospectus to be delivered, WFA, your RIA or a Sub-Advisor may, in its sole discretion, choose to deliver prospectuses directly to you.

A monitoring report will be provided to you annually and is also available to you on an ad hoc basis. You will review this material and report any discrepancies to us as soon as possible. This report will include a reminder to you to contact your financial professional if there are any changes in your financial situation or other information included in your Account Application and will disclose a method by which you may make such contact.

## **3. CASH SWEEP**

For most account types, uninvested cash balances are automatically deposited each day in one or more FDIC-insured depository accounts at affiliated and unaffiliated Program Banks ("Expanded Bank Deposit Sweep"); provided, however, that another sweep option, such as the Standard Bank Deposit Sweep or a money market mutual fund, may be used for ERISA or IRA accounts in the limited instance that such sweep option is necessary for compliance with applicable law. WFA, RIA and the Program Banks benefit financially from cash balances held in the Expanded Bank Deposit Sweep.

For additional information about the Expanded and Standard Bank Deposit Sweep programs, including information about how WFA, RIA and the Program Banks benefit from them, see the Cash Sweep Program Disclosure Statement provided below.

## **4. CUSTODY**

Unless otherwise specified, WFA, acting in its capacity as a broker-dealer, will maintain

custody of the assets in the Advisory Program Account. WFA will credit the Advisory Program Account with dividends and interest paid on securities and with principal paid on called or matured securities in the Advisory Program Account.

## **5. EXECUTION**

You hereby instruct RIA and any Sub-Advisor to direct orders for the execution of transactions in your Advisory Program Account to your Introducing Firm for execution through WFA, acting in its capacity as a broker-dealer, except as otherwise may be necessary for RIA or any Sub-Advisor to fulfill its best execution responsibilities. We may execute transactions through our affiliate and from which such affiliate will derive benefits, including benefits as a result of increased trading volumes. Fees cover transaction charges only when trades are effected by your Introducing Firm for execution through WFA and, consequently, it is expected that most trades will be effected through your Introducing Firm and executed by WFA. Manager specific information can be found in the Legal Disclosure section of the WFA public website under [SMA Trade Away Disclosure](#)

(Navigate to the Wells Fargo Advisors website to the Disclosures section for the Trade Away Disclosure document.)

Unless specifically described in this Agreement, neither we nor WFA, acting in its capacity as a broker-dealer, will assess or collect from you any transaction fee upon the purchase or redemption of shares of any eligible funds.

However, mutual funds may deduct redemption fees from your redemption proceeds, as stated in the fund's prospectus.

All capital gains and income dividends from your mutual funds will be reinvested into the respective fund unless otherwise directed by you. You hereby authorize that your Introducing Firm and WFA, acting in its capacity as a broker-dealer, to effect and execute brokerage transactions, including on a national exchange, as permitted by current provisions of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and rules promulgated thereunder including any future amendments or changes to such statutes and rules.

You authorize both RIA and Sub-Advisor to act either as principal or as agent for buyer and seller in securities transactions when appropriate and permitted by law. Since they may profit by their principal transactions and would normally receive compensation from each party to such agency transactions there is a potentially conflicting division of responsibilities and loyalties. You may revoke the consent at any time by notifying RIA in writing. RIA or Sub-Advisor will act as a principal only if, prior to each such transaction, it discloses the capacity in which it is acting and obtains your consent, to the extent required by law.

The securities traded for you may be traded in one or more marketplaces or, in the case of fixed income transactions, an alternative trading system (ATS), as is necessary to satisfy best execution responsibilities. You authorize orders to be aggregated with other clients where applicable.



## 6. FEES

**The Program Fee.** Unless agreed separately in writing, you agree to pay the fees described in the Program Features (the "Program Fee"). The Program Fee will be deducted directly from the Account or from the Billing Account specified and you understand that the Program Fee includes, among other things, compensation for advisory services, and that the Program Fee may be higher than certain other advisory and brokerage fee arrangements.

**General Information About Our Fees.** The overall costs associated with your advisory relationship (and the compensation RIA and WFA receives) vary depending on several factors, including:

- Your particular investment advice requirements and product preferences
- The value of your account or household relations with us and our affiliates
- The frequency of trades and other account activity
- The type, scope, and frequency of services provided

Certain fees (including commissions for brokerage accounts and fees for advisory accounts) may be negotiated with your financial professionals based upon these and other subjective factors, as well as our point-in-time views of the prevailing market prices for similar investment services. These fees may also change from time to time. As a result, certain clients will pay lower or higher fees for their accounts than those that apply to your Account.

As used in the Agreement, the phrase "Account Value" means the aggregate value of all eligible long positions, including accrued income, cash, and cash alternatives held in the Account, offset by the value of the short positions held in the Account. When you initially enter into a short position, the cash proceeds from the short sale will not affect your Account Value for billing purposes, but once the value of the short position changes, this change will be reflected in your Account Value. Accordingly, if your Account has a short position that reflects an unrealized gain, the Account Value will increase by the amount of that unrealized gain. Similarly, an unrealized loss will reduce your Account Value by the amount of such loss. Note that if you use the proceeds of a short sale to purchase additional securities, those securities are included in the long positions used to calculate your Account Value.

Margin debit balances do not reduce the Account Value. In valuing your Account, WFA, acting in its capacity as a broker-dealer, will use the closing prices or, if not available, bid prices of the last recorded transaction for listed securities, options, and over-the-counter NASDAQ securities. For mutual funds, WFA will use the fund's most current net asset value, as computed by the fund company. In so doing, WFA will use the information provided by quotation services believed to be reliable. If any such prices are unavailable or believed to be unreliable, your WFA will determine prices in good faith so as to reflect WFA's understanding of fair market value. Due to trade date or settlement date accounting, the treatment of accrued income

and other factors, the Account Value used in the calculation of fees may differ from that shown on your monthly Account statement and/or performance Report.

**Fee payment due dates and procedures.** An initial Program Fee will be deducted from the Account, or the Billing Account, within five days after your RIA's and Sub-Advisor's acceptance of this Agreement.

The Program Fee is based on the Account Value on the date the Account is accepted and is due for the partial calendar quarter beginning on that date. Thereafter, your RIA will charge a Program Fee quarterly in advance, generally within the first ten business days of each succeeding calendar quarter, based upon the Account Value on the last business day of the prior calendar quarter.

If cash and/or securities are added or withdrawn between billing periods, a prorated Program Fee will be charged or refunded on the net value of the additions and/or withdrawals as of the date of activity and will be based on the rate effective for that quarter.

Program Fees will be assessed or refunded in the following month only if the net fee generates a fee or refund of at least \$40. No fee adjustment will be made during any fee period for appreciation or depreciation in the value of the assets in the Account during that period. No adjustment will be made to the fee for cash and/or securities added or withdrawn if the account terminates prior to our monthly fee adjustment for such activity.

By signing this Agreement, you agree to maintain or deposit sufficient funds in the Advisory Program Account to cover all fees and charges payable under this Agreement and you authorize your RIA to debit the Advisory Program Account balances or redeem cash sweep balances in an amount equal to all such fees and charges when due. If your Advisory Program Account does not have a sufficient cash balance to make a payment on the due date, your RIA may instruct WFA, acting in its capacity as a broker-dealer, to sell additional securities in the Advisory Program Account, without prior notice to you, to generate proceeds sufficient to pay the fees.

You may elect to pay the asset-based Program Fees associated with your Advisory Program Account with funds outside of your IRA/ERISA Plan by debiting another non-IRA/ERISA account provided on the Program Features. You expressly assume responsibility and hold WFA and your RIA harmless for any tax implications and any adverse consequences which may arise from this election and the payments made in connection with this election, and understand that neither WFA nor your RIA provides any legal or tax advice.

**Other fees.** The Program Fee does not include certain dealer markups or markdowns, odd lot differentials, transfer taxes, exchange fees, execution fees (foreign and/or domestic) when applicable, ADR custodial pass through fees, any other fees identified as applicable to advisory accounts, and any other fees required by law.

Your financial professional may suggest or your RIA may permit you to hold other

products and services that we offer, but that are not available through this Account ("Non-Program Assets"). In addition to the Program Fee, you also will incur any usual and customary brokerage charges and fees associated with Non-Program Assets. These may include:

- any dealer markups, odd-lot differentials, transfer taxes, and other fees;
- charges imposed by broker-dealers and custodians other than the RIA, WFA, and their respective affiliates, and fees for other products and services that WFA and its affiliates may offer;
- offering discounts, commissions, and related fees in connection with underwritten public offerings of securities;
- margin interest and operational fees and charges;
- IRA fees; and
- any redemption fees, exchange fees, or other fees imposed in connection with transactions in such Non-Program Assets, whereby RIA, WFA and their respective affiliates and your financial professionals receive additional compensation on these Non-Program Assets.

Other fees and charges associated with Non-Program Assets will be assessed on or about the transaction date or another date we determine.

Except in the case of FundSource and CustomChoice, the Program Fee will be applied to cash and cash equivalents held inside the Advisory Program Account. The Program Fee is in addition to other compensation received by RIA, WFA and their respective affiliates in connection with cash and cash alternatives held in the Account. This other compensation includes, but is not limited to, administrative fees based on assets invested in money market funds used for cash sweep purposes. You understand that the Program Fee would not be charged on cash and cash equivalents if they were held outside the Advisory Program Account.

**Mutual fund investments and payments.** If applicable, as a shareholder of a mutual fund, closed-end fund, or ETF, you will bear a proportionate share of the fund's expenses, including investment management fees paid to the fund's investment adviser, in addition to the Program Fee that is paid to the RIA.

Mutual Funds and money market funds traded as part of the advisory Program are purchased at net asset value.

RIA, WFA, and their respective affiliates (or persons who are, or are affiliated with a substantial owner of RIA) receive additional compensation from mutual funds for various services as disclosed in the respective Disclosure Documents. Included in this compensation are marketing support payments (also known as revenue sharing), and payments for the execution of purchases of fund shares or the performance of clearance, settlement, custodial, or other ancillary functions (for example, recordkeeping, sub-accounting, shareholder communications, administrative, and similar

services provided to a fund for your benefit and that of other WFA clients) on eligible assets ("Platform Support"). Platform Support may be collected directly or indirectly and will, subject to the discretion of your RIA, be paid to your financial professional. The amount of Platform Support varies, depending on the agreement with the fund. Please refer to the applicable Disclosure Documents for your RIA and Sub-Advisor for more information about the receipt of Platform Support and the related conflicts of interest. In order to address conflicts of interest associated with the receipt of Platform Support, WFA credits the compensation it receives from Platform Support against a platform fee charged to participating accounts. The mutual fund holdings in your Advisory Program Accounts will generate Platform Support, but because your Advisory Program Accounts are not charged the additional platform fee, you will not receive the credit. You understand and agree that this creates a conflict of interest because the amount of Platform Support attributable to mutual fund holdings in your Advisory Program Accounts will be used for the benefit of other client accounts that are charged the platform fee.

Most of the mutual funds WFA makes available for Advisory Programs do not pay 12b-1 fees to WFA and its affiliates. Any 12b-1 fee payments WFA or its affiliates received for eligible mutual funds held in Advisory Program Accounts are credited back to the Client.

You understand and agree to the payment of Platform Support and other compensation from mutual funds to RIA, WFA, and your financial professional. With the exception of these amounts, neither WFA nor any of its affiliates receives any charges, fees, discounts, penalties, or adjustments in connection with the purchase, holding, exchange, termination, or sale of shares of these funds.

In the case of an ERISA Plan, SEP, SIMPLE IRA, any third-party mutual fund fees WFA or its affiliates receive with respect to such ERISA Plan's, SEP's, SIMPLE IRA's investments, will be credited to such ERISA Plan's, SEP's, SIMPLE IRA's Program Account. Investments in Allspring mutual funds. Wells Fargo has a less than 10% ownership in Allspring Global Investment, the investment manager of the Allspring family of mutual funds. (Please refer to the Form ADV or the Guide to Investing in Mutual Funds for a description of the relationship between Wells Fargo and Allspring). Because of its ownership interest, Wells Fargo and its affiliates might receive an additional benefit from fees associated with investments placed in Allspring funds.

In the case of ERISA and IRA retirement assets over which WFA has discretion, any fees that are paid to WFA, an affiliate, Allspring, or its affiliates will be credited against the fees due from you under this Agreement.

**Alternative investment payments.** As described in the relevant Private Placement Memorandum or offering document, which you should read before investing, investments in alternative investments are subject to other fees and expenses. In addition, WFA or its affiliates may receive

compensation in the form of management or administrative fees from certain alternative investments available through the Program.

The fees payable to WFA pursuant to this Agreement are unrelated to, and will not be altered as a result of, any fees paid by alternative investments to WFA or its affiliates. Fees and expenses charged by the alternative investments, including fees paid to WFA and its affiliates, ultimately are borne by you as an investor in the alternative investments.

**Auction rate securities.** The Program Fee will be applied to certain closed-end funds and municipal bonds, which are bought and sold at auctions held at predetermined intervals. In addition to the Program Fee, WFA and its affiliates also receive a service charge or other compensation for participating in auctions of auction rate closed-end funds and municipal bonds. This service charge or other compensation, a portion of which may be paid to your financial professional, is described generally in the relevant prospectus or offering documents.

## 7. SECURITIES TRANSFERS

Subject to our discretion and acceptance, you may transfer securities into your Account. You understand that fees will be charged on transferred securities, which may have previously incurred transaction or other costs. We are not responsible for any actions undertaken by a broker-dealer or investment adviser prior to the transfer and you agree to hold RIA, WFA, and the applicable Sub-Advisor harmless and indemnify RIA, WFA, and the applicable Sub-Advisor from any and all liability, loss, or damages arising directly or indirectly from any actions taken prior to the transfer of such securities into your Account. In addition, you understand that RIA or the Sub-Advisor may sell, liquidate, or otherwise dispose of some or all of the securities transferred into the Account pursuant to the discretion granted by you to RIA and/or Sub-Advisor. You authorize RIA, WFA and the Sub-Advisor, at our or their discretion, to convert existing mutual funds in your Account to any available institutional share or advisory program share class ("Advisory Share Class") without your prior consent.

## 8. TERMINATION

You or your RIA may terminate an Advisory Program Account by notifying the other party in writing of the Advisory Program Account to be terminated and termination will become effective upon receipt of the notice by the other party. If an Advisory Program Account is terminated, your RIA will make a pro-rata refund to you of fees paid pursuant to this Agreement for the period after the date of effectiveness of such termination through the end of the then current fee period. However, termination will not affect the responsibilities of your RIA or the Sub-Advisors under this Agreement for previously initiated transactions or for balances due in the Advisory Program Account upon termination. Upon termination neither RIA nor the Sub-Advisors will have any further obligation to act for or advise the Advisory Program Account, and normal brokerage fees and charges will apply.

To the extent applicable, upon termination of an Advisory Program Account, you may, but you are not required to, request that your RIA liquidate the Advisory Program Account. If you request that your RIA liquidate the Advisory Program Account, it will do so in an orderly and efficient manner. There will be no charge by your RIA for such liquidation; however, you should be aware that certain unit investment trusts and mutual funds impose redemption fees in certain circumstances as stated in each trust or fund prospectus. You must keep in mind that the decision to liquidate securities, unit investment trusts, or mutual funds may result in tax consequences that should be discussed with your tax advisor.

Factors that may affect the liquidation of your Advisory Program Account would be size and type of issues, liquidity of the market, and market makers' abilities. Should the necessary securities markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Neither your RIA nor your Sub-Advisor is responsible for market fluctuations in your Advisory Program Account from time of written notice until complete liquidation. All efforts will be made to process the liquidation in an efficient and timely manner. Your Advisory Program Account will terminate upon notification of your death.

Certain mutual fund shares may be required to be redeemed as part of the Account termination, as stated in their prospectus.

## 9. RISK ACKNOWLEDGMENT

You acknowledge that past performance is no guarantee of future results to the Advisory Program Account and that all data provided by us may not be free from error or inaccuracies. All trading done in the Advisory Program Account is subject to market risk and investment performance of any kind can never be guaranteed. We make no representations or warranty under this Agreement with respect to the present or future level of risk or volatility in the Advisory Program Account, or future performance or activities. The services of your RIA and Sub-Advisors hereunder relate only to the assets in the Advisory Program Account and do not contemplate a full review or assumption of responsibility for your financial affairs.

## 10. OTHER CLIENTS; LIABILITY

We are under no obligation to effect any transaction for the Advisory Program Account that we believe to be improper. We and the Sub-Advisors are engaged in a wide range of securities services. Accordingly, we may provide services to companies for compensation, and may recommend the securities of those companies to clients. We and the Sub-Advisors may give advice and take action in the performance of our duties to other clients or for our own accounts that differs from the advice we give you. Or the timing and nature of actions we take may differ, which may cause the Advisory Program Account to receive higher or lower execution prices than such other accounts.

Additionally, we and the Sub-Advisors may be limited in our ability to divulge or act upon certain information we possess as a result of investment banking activities or other confidential sources and we may be

restricted or limited in our ability to make investment recommendations as a result of these affiliated activities.

## 11. REPRESENTATIONS

RIA represents that it is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and that we are authorized and empowered to enter into this Agreement. If this Agreement is being signed on behalf of a corporation, trust, partnership, or other business or legal entity, you represent that (i) the person(s) signing this Agreement is duly authorized and empowered to execute this Agreement; and (ii) the applicable law and governing documents authorize and permit the services provided under the applicable Advisory Program, the transactions encompassed by it as well as the entering into of this Agreement.

## 12. IMPORTANT INFORMATION FOR INVESTMENT ADVISORY ACCOUNTS OWNED BY NON-NATURAL PERSONS

For accounts that are beneficially owned by non-natural persons, please note that we will not provide investment advisory services to certain trusts or other legal entities that meet the definition of a "Covered Fund" under the Volcker Rule (17 C.F.R. Part 255).

Unless you notify us promptly to the contrary, we will assume that the beneficial owner of this account(s) does not meet the definition of an "investment company," as defined in the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) nor the definition of a "commodity pool" under section 1a(10) of the Commodity Exchange Act (7 U.S.C. 1a(10)). Furthermore, you agree to notify your financial professional immediately if the beneficial owner of this account ever meets the definition of an "investment company" or "commodity pool," and we will convert the account to a brokerage account where customary brokerage charges and fees will apply.

For the purposes of this section, the term "investment company" means an issuer that:

- (i) is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities;
- (ii) is engaged or proposes to engage in the business of issuing face-amount certificates of the installment type, or has been engaged in such business and has any such certificate outstanding; or
- (iii) is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 per centum of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis.

A commodity pool means any investment trust, syndicate, or similar form of enterprise operated for the purpose of trading in commodity interests, including any:

- (i) commodity for future delivery, security futures product, or swap;
- (ii) agreement, contract, or transaction described in certain foreign currency futures or certain retail commodity transactions;
- (iii) certain commodity options; or
- (iv) certain leverage transactions.

### Family Wealth Management Vehicles

Based on amendments to Volcker Rule regulations, certain wealth management entities to which WFA may offer investment advisory services, called "Family Wealth Management Vehicles" are not considered to be covered funds. The definitions and disclosures outlined below are provided both for your information and as required by regulation, the applicability of which may vary.

The Volcker Rule considers a client entity a "Family Wealth Management Vehicle" if:

- (a) The entity is not, and does not hold itself out as being, an entity or arrangement that raises money from investors primarily for the purpose of investing in securities for resale or other disposition or otherwise trading in securities.
- (b) Subject to clause (d) below, the entity is a trust, the grantor(s) of the entity are all Family Customers (definition below); or
- (c) for non-trust entities,
  - (i) a majority of the voting interests in the entity are owned (directly or indirectly) by Family Customers;
  - (ii) a majority of the interests in the entity are owned (directly or indirectly) by Family Customers; and
  - (iii) subject to clause (d) below, the entity is owned only by Family Customers and up to five (5) Closely Related Persons (as defined below) of the Family Customers;
- (d) Ownership by entities that are not Family Customers or Closely Related Persons is limited to no more than 0.5 percent of the entity's interests held in the aggregate in order to establish corporate separateness or address bankruptcy, insolvency or similar concerns.

### Definitions

"Family Customer" means a "Family Client" as defined in Rule 202(a)(11)(G)-1(d)(4) of the Investment Advisers Act of 1940. It includes, among others:

- Current or former family members are all persons who are lineal descendants of one individual up to 10 generations removed, and their spouses or spousal equivalents. Examples: children, grandchildren, great-grandchildren, adopted family members, stepchildren, foster children and any individual who was a minor when another family member became a legal guardian of that individual.
- A father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law of a Family Client, or a spouse or a spousal equivalent of any Family Client.

"Closely Related Person" means a natural person who has longstanding business or personal relationships with any Family Customer.

### Required Volcker Rule Family Wealth Management Vehicles Disclosures

If you are a Family Wealth Management Vehicle entity, you acknowledge the following with respect to advisory services we may provide for your account:

- Any losses incurred by the entity in the course of its Wells Fargo relationship(s) will be borne solely by the owners of the entity and not by Wells Fargo including WFA and its affiliates and subsidiaries, such as Wells Fargo Bank, N.A.
- You should read the offering documents provided by the entity before investing in the entity.
- Ownership interests in the entity are not insured by the FDIC, and are not deposits, obligations of, or endorsed or guaranteed in any way by, any Wells Fargo entity.
- The role(s) of Wells Fargo, including its affiliates and employees, in any given relationship with the entity will be as set forth in the applicable account agreement(s) and related documentation (e.g., investment advisory agreements and disclosure documents). Read these documents carefully.

## 13. EFFECTIVE DATE OF AGREEMENT; ACTIVATING YOUR ADVISORY PROGRAM ACCOUNT

This Agreement will not be effective as to any particular Advisory Program Account until accepted by the RIA. Further, in the event you select a new Advisory Program or change a Sub-Advisor and/or target allocation by providing verbal authorization to your financial professional, this Agreement will not be effective as to the new Advisory Program until your RIA's acceptance of your instruction. Preliminary discussions or recommendations that occur before the effective date of this Agreement as to any particular Advisory Program are not intended as investment advice and should not be relied on as such.

By signing this Agreement, you acknowledge receipt of the Disclosure Document(s) relating to your particular Advisory Program Account.

If you have not yet received the applicable Disclosure Document, you understand that we will deliver the applicable Disclosure Document prior to the effectiveness of this Agreement with respect to the corresponding Advisory Program Account.

We reserve the right to refuse for any reason to open any Advisory Program Account. No Advisory Program Account shall become active until you have provided us with the information, funds, and securities necessary to commence activity within your Advisory Program Account. Your request to establish or terminate program services under this Agreement, including contribution and withdrawal activity, is not considered a



market order, since we require time to process your request. We will, however, make every effort to process your request promptly.

Your RIA and/or Sub-Advisor will comply with any reasonable instructions given by you (in writing) concerning management of your Advisory Program Account. Reasonable instructions given by you may include prohibitions with respect to the purchase or sale of particular securities or types of securities. If your instructions are unreasonable, or your RIA believes that the instructions are inappropriate for you, your RIA will notify you that, unless the instructions are modified, your RIA may cancel the Advisory Program Account. You understand that you will not be able to provide instructions that prohibit or restrict the investment adviser of a mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

#### **14. AMENDMENT**

This Agreement may not be modified or amended by you except through written amendment signed by RIA and you, provided however, that your RIA may permit you, at our sole discretion, to move to certain Advisory Programs or change certain Advisory Program features without the need to open a new Advisory Program Account or sign a new Agreement. In such event, we will send you a confirmation letter reflecting your selection of the new Advisory Program in writing. RIA may amend this Agreement at any time upon fifteen days' written notice to you. Your continued use of the services indicates your agreement to the modified terms.

#### **15. LEGAL PROCEEDINGS**

With respect to the securities held or formerly held in the Advisory Program Account, or the issuer of such securities, which become the subject of corporate action, such as a rights offer or tender offer, or a legal proceeding, including bankruptcy or a class action lawsuit, you direct us to forward information related to such corporate or legal proceedings directly to you. Neither we nor the Sub-Advisors will be obligated to render any advice or take any action with respect to corporate actions or legal proceedings. Our sole obligation will be to forward such information within a reasonable period of time to you and act on any instructions we receive from you.

#### **16. PLEDGE, VOTE, ACT AS SECURITY HOLDER**

You will retain the ability to withdraw or pledge any securities in the Account; the right to vote securities or to delegate the voting authority, and to revoke such delegation, to another person; and the right to proceed directly as a security holder against the issuer of any security in your Account without having to join any person involved in the operation of an Advisory Program as a condition precedent to proceeding against the issuer.

#### **17. ERISA MATTERS**

To the extent RIA or any Sub-Advisor exercises discretion with respect to assets in

your ERISA retirement account, such RIA or Sub-Advisor acknowledges that it is a "fiduciary" (as that term is defined in ERISA) with respect to those discretionary Transactions. In addition, to the extent that RIA or any Sub-Advisor makes non-discretionary recommendations, such RIA or Sub-Advisor will be a "fiduciary" if those recommendations are considered investment advice under ERISA. The person executing this Agreement on your behalf hereby represents that it is a "named fiduciary" as that term is defined in ERISA, with respect to the control or management of the assets of the Plan or Advisory Program Account and that it is empowered to appoint an "investment manager," as that term is defined in ERISA, with respect to the assets of the Advisory Program Account.

The fiduciary representative(s) of any client who completes the Account Application acknowledge that they have reviewed and approved the Account Application and represents that it is consistent with the plan and related trust agreement. You, and the person executing this Agreement on your behalf, represent that you have specifically considered the role that the investment strategy and course of action contemplated by this Agreement will play in your investment portfolio as a whole, including consideration of the risk of loss and the opportunity for gain (or other return) associated with the investment strategy and investment course of action; the composition of your investment portfolio with regard to diversification; the liquidity and current return of your investment portfolio relative to your anticipated cash flow requirements; and the projected return on your investment portfolio relative to your investment objectives. You acknowledge and agree that we and the Sub-Advisors will rely on this representation in performing our duties under this Agreement.

You approve the investment of Account Program Account assets in mutual funds, including mutual funds advised, administered, or distributed by us, the Sub-Advisors, or our and their respective affiliates and you approve the investment advisory and other fees paid by each such funds in relation to the fees paid by the Account under this Agreement. You acknowledge receipt of the current prospectus issued by each fund in the program and give your approval on the basis of the information contained in the prospectus.

**Other Tax-Favored Account:** You hereby represent and warrant that the person executing this Agreement on behalf of the Account or plan, as the case may be, is either the Account owner or appropriate fiduciary to enter into this Agreement on behalf of the Account or plan and that it will notify us if its status or authority should change.



# Account Disclosures

## 1. EXTENDED HOURS TRADING RISK DISCLOSURE

We do not recommend or provide advice as to whether extended hours trading is appropriate for you. The availability of extended hours trading is not intended as a recommendation, offer or solicitation for the purchase or sale of any security or investment strategy. All investment decisions you make involving extended hours trading are solely your responsibility.

You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of "regular trading hours." "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

- **Risk of Lower Liquidity** — Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- **Risk of Higher Volatility** — Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, when engaging in extended hours trading, your order may only be partially executed, or not at all, or you may receive a price inferior to what you would during regular trading hours.
- **Risk of Changing Prices** — The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets** — Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system inferior to what you would in another extended hours trading system.
- **Risk of News Announcements** — Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In

extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

- **Risk of Wider Spreads** — The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV")** — For certain derivative securities products, and updated underlying index value or IIV may not be calculated or publicly disseminated during extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

## 2. WIRE AND AUTOMATED CLEARING HOUSE TRANSFERS

The following provisions are in addition to, and not in place of, any other agreements you have with us regarding funds transfers to and from your account. The terms "funds transfer," "funds transfer system," and "payment order," are used here as defined in Article 4A of the Uniform Commercial Code - Funds Transfers, as adopted by the state whose laws govern this Agreement and your Account. As used in these provisions, a funds transfer does not include a transaction made using a Wells Fargo issued card. Examples of funds transfers covered by these provisions are ACH transactions from an eligible account, remittance transfers, and wire transfers (whether outgoing or incoming, foreign or domestic).

### a. Governing Rules

From time to time, you may be a party to an automated clearing house ("ACH") entry or 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. Security Procedure

You agree that we will follow a commercially reasonable security procedure of our choice to verify the authenticity of an instruction we receive to send a funds transfer from your Account. The security procedure may change over time and vary depending on whether we receive the instruction in person, in writing, by phone, or via online or mobile. If we offer, but you decline, an optional security procedure that is commercially reasonable, then you agree that the security procedure chosen to verify the payment order is commercially reasonable for your transaction. You agree to be bound by any funds transfer request that we receive and verify following a commercially reasonable security procedure, even if the payment order was not authorized by you. We may, at our sole discretion, take any action beyond those specified in the security procedure in an attempt to detect an erroneous or unauthorized funds transfer instruction, and regardless of how many times we take such actions, they will not become part of the security procedure, and we will not be liable for failing to take or correctly perform these actions.

### c. Notice

You will be notified of the receipt of any ACH entry or wire transfer in your periodic Account statement. If you believe a transfer has not been properly credited to you, you agree to promptly notify your Financial Professional immediately.

### d. 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.

### e. 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 adjusting your Account balance to reflect the average balances you would have had but for the error, or direct payment of cash in an amount equal to interest at the average applicable federal funds rate for that period.

### f. 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. The recipient account number and bank identification number (e.g., IBAN, RTN, or SWIFT BIC) you provided must be complete and accurate. **You could lose the**

**entire transfer amount if this information is incorrect.** 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

NMS Securities which are traded in your account may be executed in more than one marketplace including on or through any exchange, market, platform, broker-dealer or venue we select. Consistent with the principles of best execution and applicable regulatory requirements, you agree that the Clearing Firm may use discretion in selecting the routing destination. Clearing Firm receives 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, broker-dealers, alternative trading systems, and/or 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.

Clearing Firm does not accept payment or rebates from orders executed with market makers or broker-dealer affiliates. 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 route customer option orders to selected broker-dealers' smart routers for execution on national exchanges. Clearing Firm receives compensation for option orders executed at specific market centers, which 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 option 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 option 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 professional for further information.

### 4. AUTHORIZATION TO USE ALTERNATIVE TRADING SYSTEMS FOR IRA AND ERISA ACCOUNTS

You authorize First Clearing and your brokerage firm (in accordance with Section 408(b)(16) of ERISA and Section 4975(d)(19) of the Code), on behalf of your IRA account or the ERISA Plan for which you act as a fiduciary, to effect transactions directly or indirectly through Electronic Communication Networks ("ECNs"), Alternative Trading Systems ("ATSs"), or similar execution systems or trading venues that may or may not be affiliated with First Clearing or your brokerage firm. You acknowledge that direct or indirect access to ECNs, ATSs, and other such execution systems or trading venues with significant liquidity and market share may be helpful to satisfy best execution obligations. You hereby acknowledge that further information with respect to brokerage practices and ECNs, ATSs, execution systems, or trading venues that may be utilized by First Clearing and/or your brokerage firm can be found at [wellsfargoclearingservicesllc.com](http://wellsfargoclearingservicesllc.com), which will be updated from time to time. First Clearing and/or your brokerage firm may, in the future, acquire an ownership interest or exert influence or control over an ECN, ATS, or similar execution system or trading venue to which First Clearing and/or your brokerage firm directs trades. By entering into this Agreement, you believe that you have received all the information that is necessary to determine whether to grant this authorization.

### 5. 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 St. Louis, Mo. area, with two primary buildings located approximately twenty miles apart. Both buildings are served by UPS systems and have 24-hour security services. Should one of the primary buildings be affected by a disruption, the other building 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 pay for purchases, or 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: any available free credit balances in the Brokerage Account; the available value of the Sweep Program; and 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.

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

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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 presentation 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: securities transactions, including margin maintenance calls and fees; Debit Card transactions; other electronic funds transfers; and 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:

- account number;
- date on the Advantage Check;
- Advantage Check number;
- exact amount (dollars and cents) of the Advantage Check;
- the name of payee;
- information that we may require to verify your identity; and
- 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 \$50.00 or the amount of the unauthorized Transfers that occur within the two (2) Business Days; and 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: 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 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: your name and Account number; the exact name of the payee; and the exact payment amount; 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: your name and Account number; 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 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.

or prohibit such transaction, close the Account or accounts and/or end the relationship.

**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:

- a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- an estimate of the amount of your loss;
- an explanation of why the Substitute Check you received is not sufficient to confirm that you suffered a loss; and
- 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



# 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.*

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

# Cash Sweep Program Disclosure Statement

## Summary

Please consult the full text of the disclosure statement below for further information at the pages indicated.

<p><b>Available Sweep Options</b></p>	<p>The available sweep options currently consist of interest-bearing deposit accounts at banks (the "Program Banks") including banks affiliated with First Clearing ("Clearing Agent") in its Expanded Bank Deposit Sweep program; interest-bearing deposit accounts at two or more banks affiliated with First Clearing in its Standard Bank Deposit Sweep program; and one or more non-proprietary Money Market Mutual Funds. Eligibility for each available sweep option is determined by account type.</p>	<p>Page 28</p>
<p><b>How the Cash Sweep Program Works</b></p>	<p>Through the Cash Sweep Program you may earn a rate of return on the uninvested cash balances in your account by automatically placing ("sweeping") cash balances into a sweep option until such balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account.</p>	<p>Page 28</p>
<p><b>Rate of Return</b></p>	<p>The rates of return for the sweep options vary over time. Current rates can be obtained from your investment professional, by calling the general inquiries phone number listed on the front of your account statement.</p> <ul style="list-style-type: none"> <li>The interest rates on the Standard Bank Deposit Sweep and Expanded Bank Deposit Sweep will reflect the amounts that the Program Banks credit to their respective deposit accounts, net of the fees paid to First Clearing and others, as set forth below under "Benefits to First Clearing and Others." The rates of interest paid on affiliated Program Bank deposits will be periodically set and re-set by the affiliated Program Banks in consultation with First Clearing. First Clearing will direct and otherwise cause the unaffiliated Program Banks participating in the Expanded Bank Deposit Sweep program to credit interest on their respective deposits at the same rate then being credited by the affiliated Program Banks. With certain exceptions, the rate will be tiered based upon account type and the overall household value of your account(s) with your Introducing Firm.</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 option will remain higher than others over any given period. The rate of return on any of our sweep options may be lower than that of similar investments offered outside of the Cash Sweep Program.</li> </ul> <p>If you 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>	<p>Page 29</p>
<p><b>Duty to Monitor</b></p>	<p>You must monitor and determine the best cash sweep option for you under this program. You may also elect not to participate in the Cash Sweep Program and instead periodically invest cash balances directly.</p>	<p>Page 29</p>
<p><b>Changes to the Sweep Program</b></p>	<p>You will be notified in advance if First Clearing modifies the Cash Sweep Program in certain respects, including modifications that result in changing the sweep option for your account. Unless you tell your Introducing Firm otherwise within the time period specified in the notice, you will be treated as approving the change and your cash balances will be moved to the new sweep option designated by First Clearing.</p>	<p>Page 29</p>
<p><b>Benefits to Us</b></p>	<p>First Clearing receives fees and other financial benefits under the different sweep options. You should expect that First Clearing will share a portion of these fees and benefits with your Introducing Firm. Your financial professional is compensated based on total assets in your account(s), including assets in the Cash Sweep Program. Because of these fees and benefits, First Clearing and your Introducing Firm have a financial incentive to offer the particular sweep options included in the Cash Sweep Program.</p>	<p>Page 30</p>
<p><b>Differing Risks and Account Protection</b></p>	<p>The available Cash Sweep Program options (currently, Money Market Mutual Funds, the Standard Bank Deposit Sweep, and the Expanded 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 Standard Bank Deposit Sweep and Expanded Bank Deposit Sweep are not subject to market risk and potential value loss but are subject to the risk of a bank's failure. In the event a bank fails, deposits at each Program 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). All deposits (including certificates of deposit) that you maintain in the same insurable capacity at a Program Bank, whether placed directly with the Program Bank or through an intermediary (such as First Clearing or another broker), will be aggregated for purposes of determining your FDIC insurance coverage. <b>You are responsible for monitoring your deposit balances at each Program Bank to determine if your deposit balances, in total, exceed FDIC insurance limits.</b> <u>Monies held in the Standard Bank Deposit Sweep and Expanded Bank Deposit Sweep are not covered by SIPC.</u></li> </ul>	<p>Page 31  Page 32</p>

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

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## Introduction

Under the Cash Sweep Program (the "Cash Sweep Program"), uninvested cash balances in your account are automatically swept into interest-bearing deposit accounts ("Standard Bank Deposit Sweep" and "Expanded Bank Deposit Sweep", together the "Bank Deposit Sweep Programs") or, if available, stable-value money market mutual funds ("Money Market Funds"), or such other sweep arrangements made available to you (collectively "Cash Sweep Options"), until these balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account. Eligibility for each available Cash Sweep Option is determined by account type. The Clearing Agent and Introducing Firm do not have a duty to affirmatively advise you on whether to use the Cash Sweep Program, which is optional.

## Available Cash Sweep Options

### *Expanded Bank Deposit Sweep*

The Expanded Bank Deposit Sweep is the primary Cash Sweep Option for eligible clients and consists of interest-bearing deposit accounts at banks both affiliated and unaffiliated with our Clearing Agent ("Affiliated Banks" and "Unaffiliated Banks," together the "Program Banks"). The Expanded Bank Deposit Sweep will provide up to \$250,000 in FDIC insurance per Program Bank (\$500,000 per Program Bank for joint accounts with two or more owners). As of the date of this Disclosure Statement, the Expanded Bank Deposit Sweep makes five Program Banks available, resulting in up to \$1.25 million in available FDIC insurance (\$2.5 million for joint accounts with two or more owners). If your account is in the Expanded Bank Deposit Sweep, depending on market conditions and/or the size of your account, cash may be swept to only Affiliated Banks, to only Unaffiliated Banks, or to a mix of both.

You may not elect to exclude the Affiliated Banks from the Expanded Bank Deposit Sweep or exclude less than all of the Unaffiliated Banks. However, you may, at any time, elect to not use all the Unaffiliated Banks, and by doing so, move to the Standard Bank Deposit Sweep where only Affiliated Banks will receive your uninvested cash. Choosing the Standard Bank Deposit Sweep will stop your uninvested cash from being deposited into the Unaffiliated Banks and, if deposits have already been made, your funds will be withdrawn and deposited with the Affiliated Banks in the Standard Bank Deposit Sweep. You will have less FDIC insurance coverage available if you move to the Standard Bank Deposit Sweep and you may have uninsured deposits for amounts in excess of \$500,000 (\$1 million for joint accounts with two or more owners) at the Affiliated Banks.

Eligible clients may select the Standard Bank Deposit Sweep at account opening or by

contacting your Introducing Firm at any time after the account is opened. By entering into an account agreement where the Expanded Bank Deposit Sweep is offered, you will be treated as having approved the use of the Expanded Bank Deposit Sweep for your account unless you elect otherwise.

Retirement accounts in discretionary advisory programs managed by the Clearing Agent cannot elect the Expanded Bank Deposit Sweep and may only use the Standard Bank Deposit Sweep as their Bank Deposit Sweep Program. In addition, certain commercial and public fund account types are ineligible for either Bank Deposit Sweep Program and a taxable Money Market Fund will serve as the primary Cash Sweep Option for those accounts.

### *Standard Bank Deposit Sweep*

The Standard Bank Deposit Sweep is available as an alternative to the Expanded Bank Deposit Sweep and serves as the primary Cash Sweep Option for retirement accounts in discretionary advisory programs managed by the Clearing Agent. The Standard Bank Deposit Sweep consists of interest-bearing deposit accounts at two or more Affiliated Banks. The Standard Bank Deposit Sweep will provide a minimum of \$500,000 in FDIC insurance (\$1 million for joint accounts with two or more owners).

### *Money Market Fund*

A taxable Money Market Fund is the Cash Sweep Option for account types ineligible for either Bank Deposit Sweep Program. The list of Money Market Funds used as a Cash Sweep Option may be obtained by contacting your financial professional.

Among the Money Market Funds offered in the Cash Sweep Program include those advised by Allspring Global Investments, a money management firm in which the Clearing Agent holds a small ownership interest, but which is not considered an affiliate of the Clearing Agent. Prior to, or at the same time your available funds are first swept into an available Money Market Fund, you will be furnished with the appropriate prospectus, which should be read carefully. Mutual fund companies typically offer multiple share classes with different levels of fees and expenses. When selecting the share class for the Money Market Fund used as a Cash Sweep Option, the Clearing Agent does not in all instances, select the share class with the lowest fees that is available from the fund company and these decisions are influenced by the additional compensation the Clearing Agent receives in connection with your account's Money Market Fund holdings. The use of a more expensive share class of a Money Market Fund as a Cash Sweep Option will negatively impact your overall investment returns.

Prior to the receipt of your signed account documents, cash deposited into your account and not otherwise invested will be held as a

free credit balance and not placed in the Cash Sweep Program until written consent is provided to participate. Except for retirement accounts, while any cash remains in free credit balance, you will not earn any interest on such balance. When you open your account, or you select an ineligible Cash Sweep Option, your Cash Sweep Option will be (and any cash balances will be transferred to) the primary Cash Sweep Option for your account type. You may contact your Introducing Firm at any time to select a different Cash Sweep Option available for your account type. Existing balances in your prior Cash Sweep Option will be automatically transferred to the new Cash Sweep Option you select.

## How the Cash Sweep Program Works

On each business day available cash balances will be automatically swept into the Cash Sweep Option for your account. Shares or cash held in your Cash Sweep Option 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 —** In the case of available cash balances resulting from the proceeds of securities sales, your Cash Sweep Option will be credited on the settlement date of the securities sale. In the case of available cash balances resulting from non-trade-related credits (i.e., the receipt of dividends, interest payments, or deposits), your Cash Sweep Option will be credited on or before the business day after receipt by Wells Fargo Advisors 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 Option). Available cash balances will not earn a rate of return until swept into your Cash Sweep Option.

**Timing of Debits —** Your Cash Sweep Option 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 Option 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 debit cards. Your brokerage account will be scanned automatically for debit items each day. Debit balances will be satisfied automatically from: available cash balances; funds in any Money Market Fund no longer serving as your Cash Sweep Option; through the withdrawal of funds from your Cash Sweep Option; and where applicable, from margin loans.

**Access to Funds —** You may only access

the balances held in your Cash Sweep Option through your brokerage account with us. In addition, pursuant to SEC rules, Money Market Funds may impose a fee on redemptions (liquidity fee) of up to 2% if the fund's board considers such actions in the best interest of the fund's shareholders. Money Market Funds may also reserve the right to require one or more day's 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 Option. These account statements are provided in lieu of separate confirmations of sweep transactions.

**Interest/Dividends Payable** — Interest on cash in the Bank Deposit Sweep Programs 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 Fund 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 Option can be obtained from your financial professional or by calling the general inquiries phone number listed on the front of your account statement or found on the Clearing Agent's website at [wellsfargoclearingservicesllc.com](http://wellsfargoclearingservicesllc.com). These rates will vary over time and are typically 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 Cash Sweep Program. You will receive the same interest rate on deposits at the Program Banks in the Bank Deposit Sweep Programs.

The interest rates on the Standard Bank Deposit Sweep and Expanded Bank Deposit Sweep can change at any time. The rates of interest paid on Affiliated Bank deposits will be periodically set and re-set by the Affiliated Banks in consultation with the Clearing Agent. The Clearing Agent will direct and otherwise cause the Unaffiliated Banks participating in the Expanded Bank Deposit Sweep to credit interest on their respective deposits at the same rate then being credited by the Affiliated Banks. The Clearing Agent and others will receive compensation from Program Banks in connection with the Cash Sweep Program, as set forth under "Benefits to First Clearing and Others." You should expect that a portion of this compensation will be shared with your Introducing Firm. The rate will be based upon account type and, with certain exceptions, the total household value of assets in your account(s) with your

Introducing Firm such that clients in higher asset tiers will generally receive higher interest rates. The total household value will include any balances in the Bank Deposit Sweep Programs, as well as all other assets listed in your account statements. The grouping of accounts into a household can be performed by your investment professional based on account eligibility and family relationships. In general, a household may contain all of your personal accounts as well as the accounts of your spouse or domestic partner, dependents, and wholly owned businesses. Retirement and Advisory accounts in the Bank Deposit Sweep Programs will generally receive a rate that is higher than that paid to other account types. Interest rates on different tiers may change from time to time at the Clearing Agent's discretion. Please contact your investment professional at the number on your account statement to find out more about householding and to ensure all eligible accounts are grouped in a household.

Neither the Clearing Agent nor any of the Program Banks are under any obligation to provide the highest rates available in the marketplace. Higher rates may be available outside of the Cash Sweep Program. By making the Cash Sweep Program available, the Clearing Agent assumes no obligation to seek or negotiate interest rates in excess of any reasonable rate of interest the Affiliated Banks are willing to credit. In the Bank Deposit Sweep Programs, lower rates are more financially beneficial to the Clearing Agent and others, including your Introducing Firm, as well as Wells Fargo & Company and its affiliates, including the Affiliated Banks and their respective personnel. 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 are, however, affected by the fees applicable to the particular class of shares made available through the Cash Sweep Program.) As a result, the current rate of return on each Cash Sweep Option will vary over time and there is no guarantee that the return on any particular Cash Sweep Option will remain higher than the others over any given period.

If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account that seeks 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 Cash 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 Cash Sweep Program.

## Your Responsibility to Monitor Your Cash Sweep Option

As returns in the Cash Sweep Options, your personal financial circumstances, and other factors change, it may be in your financial interest to change your Cash Sweep Option (if another option is available for your account type), or to invest cash balances in products offered outside of the Cash Sweep Program, options which likely generate a higher rate of interest or yield.

## Alternatives to the Cash Sweep Program

You may elect not to participate in the Cash Sweep Program and instead periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Cash Sweep Program. Those direct investment options would likely generate a higher rate of interest or yield than the Cash Sweep Program. You may invest your cash in other products by providing instructions to your financial professional. Available cash will not be automatically swept into any money market mutual fund or other investment that you purchase outside of the Cash Sweep Program; each such investment must be requested by our or your investment professional. Please note, if you elect not to participate in the Cash Sweep Program, accruing cash balances will not earn a rate of return prior to direct investment.

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 Cash 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 retail and U.S. Government 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 Options

From time to time, the Clearing Agent may modify the Cash Sweep Program, which may result in changing the Cash Sweep Option for your account. If the Clearing Agent makes a 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 certain changes the Clearing Agent may make to the Cash Sweep Program, including changes from one Cash Sweep Option to another, any reduction in the number of Program Banks in either of the Bank Deposit Sweeps, or, for retirement accounts, any reprioritization of the Affiliated Banks relative to the Unaffiliated Banks under the Expanded Bank Deposit Sweep, if it



affects your account. Unless you object within the time period specified, you will be treated as approving the change and the Clearing Agent will transfer the balances from your prior Cash Sweep Option into any new Cash Sweep Option.

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

## Benefits to First Clearing and Others

The Clearing Agent receives fees and benefits for services provided in connection with the Cash Sweep Program, and the Clearing Agent may choose to make available the Cash Sweep Options that are more profitable to it than other money market mutual funds or bank deposit accounts. A portion of these fees may be paid to your investment professional.

You should expect that the Clearing Agent will share a portion of the fees and benefits it receives from the Cash Sweep Program with your Introducing Firm, and the rate shared may be increased based on the aggregate amount of your Introducing Firm's client funds in the Cash Sweep Program. In addition, the aggregate amount of your Introducing Firm's client funds in the Cash Sweep Program may be considered in determining the overall payout rate that your Introducing Firm receives from the Clearing Agent. This means the higher aggregate amounts of client funds in the Cash Sweep Program may cause your Introducing Firm to receive more compensation on transactions and other activities unrelated to the Cash Sweep Program, even when no Cash Sweep Program fees are shared with your Introducing Firm.

### Money Market Funds

The Cash Sweep Program includes money market funds that are managed by third parties, and others advised by an entity in which an affiliate of the Clearing Agent retains an ownership interest, called Allspring Global Investments. The selection of such money market funds creates a conflict of interest because using a fund advised by an entity in which an affiliate of the Clearing Agent retains an ownership interest generates a financial benefit that does not exist if a third-party money market fund was selected.

The Allspring money market funds offered, in addition to charging management and administrative fees, also charge a Rule 12b-1 distribution fee or a separate shareholder services fee, both of which benefit us. All money market 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 and lower your return. Mutual fund companies typically offer multiple share classes with different levels of fees and expenses. When selecting the share class for the Money Market Fund used as a Cash Sweep Option, the Clearing Agent does not, in all instances, select the share class with the lowest fees that is available from the fund company and these decisions are influenced by the additional compensation the Clearing Agent receives in connection with your account's Money Market Fund holdings. You should expect a portion of this compensation to be shared by the Clearing Agent with your Introducing Firm. The use of a more expensive share class of a Money Market Fund as a Cash Sweep Option will negatively impact your overall investment returns.

### Bank Deposit Sweep Programs

The Clearing Agent and the Program Banks benefit financially from cash balances held in Bank Deposit Sweep Programs through the "spread" banks affiliated with our Clearing Agent earn on deposits; payments the Clearing Agent receives from Affiliated Banks and Unaffiliated Banks; payments the Introducing Firm receives from the Clearing Agent, and incentive compensation our Clearing Agent's management personnel and other employees receive, which are based on several factors including Bank Deposit Sweep Program assets. The Clearing Agent has a conflict of interest as a result of these benefits because it benefits financially from the Bank Deposit Sweep Programs and chooses to include these options as the default cash sweep, instead of selecting other cash investment options that would not generate these financial benefits, and that typically pay you higher rates of interest.

#### (1) Spread Earned by Affiliated Banks

As with other depository institutions, the profitability of the banks in the Bank Deposit Sweep Programs, including those banks affiliated with our Clearing Agent, is determined in large part by the difference or "spread" between the interest they pay on deposits, and the interest or other income they earn on loans, investments, and other assets. Higher rates of interest than the rates credited by the Program Banks in the Bank Deposit Sweep Programs may be available outside of the Cash Sweep Program. The Program Banks pay rates of interest on the Bank Deposit Sweep Program deposits that are significantly less than the spread those banks earn on deposits. The participation of the Affiliated Banks in the Bank Deposit Sweep Programs will increase their respective deposits and, accordingly, overall profits.

Generally, in the Expanded Bank Deposit Sweep, the Clearing Agent has an incentive to first place deposits with Affiliated Banks because of the spread revenue generated from these deposits. Wells Fargo &

Company's periodic filings include high-level information on deposit spreads and are available at [wellsfargo.com/about/investor-relations/filings](https://www.wellsfargo.com/about/investor-relations/filings) (Navigate to the Wells Fargo website to the Investor Relations Filing page).

#### (2) Program Bank Payments

As noted above, the Clearing Agent receives payments from both Unaffiliated and Affiliated Banks, which are calculated as a percentage of the assets deposited in the Cash Sweep Program. The interest rates paid to client accounts in the Bank Deposit Sweep Program are deducted from these payments, and we retain the remainder. Accordingly, the Clearing Agent has an incentive to pay lower interest rates to participating accounts. Note that the fee received from the Program Banks usually exceeds the interest paid to participating client accounts by a substantial amount. Moreover, due to the contractual arrangements in place between the Unaffiliated Banks and the Clearing Agent, the rates paid out to clients will be substantially lower than the Federal Funds Effective Rate and will not increase as quickly as the Federal Funds Effective Rate.

With respect to the Affiliated Banks in both the Standard and Expanded Bank Deposit Sweep Programs, the Clearing Agent receives from the Affiliated Banks payments not to exceed a percentage equivalent to Federal Funds Effective Rate plus 30 basis points (0.30%) of the daily total of deposit balances at the Affiliated Banks.

With respect to Unaffiliated Banks under the Expanded Bank Deposit Sweep, the financial benefits available to the Clearing Agent may differ as between retirement accounts and non-retirement accounts. In the case of non-retirement accounts in the Expanded Bank Deposit Sweep, the amounts paid to the Clearing Agent by each Unaffiliated Bank will vary from one Unaffiliated Bank to the next, but not exceed a percentage equivalent to Federal Funds Effective Rate plus 30 basis points (0.30%). However, for retirement accounts (including IRAs), each Unaffiliated Bank in the Expanded Bank Deposit Sweep will pay the Clearing Agent a uniform fee up to 79% of the Federal Funds Effective Rate of the average daily total retirement account deposit balances at that Unaffiliated Bank.

Under the Expanded Bank Deposit Sweep, the Clearing Agent pays an unaffiliated third-party administrator a fee for its operational services. This fee includes an asset-based fee, which will vary based on deposit balances at the Unaffiliated Banks. The Clearing Agent does not pay the third-party administrator on deposits held in the Affiliated Banks or in connection with the Standard Bank Deposit Sweep.

As a result of the benefits described above, the Standard Bank Deposit Sweep will be more profitable to the Clearing Agent than the Expanded Bank Deposit Sweep, which

means the Clearing Agent will receive a greater benefit if you select the Standard Bank Deposit Sweep as your Cash Sweep Option.

### (3) Introducing Firm Payments

The Introducing Firm receives payments from the Clearing Agent based on your balances in the Bank Deposit Sweep Programs.

### (4) Incentive Compensation

The management personnel and certain other employees of our Clearing Agent receive incentive compensation based on a number of factors, including the amount of our deposits held in Affiliated Banks, and the profitability of Affiliated Banks included in the Bank Deposit Sweep Programs and their joint parent company, Wells Fargo & Company.

### *Other Benefits to Clearing Agent*

The Clearing Agent shall also receive a benefit by retaining any interest earned on cash balances awaiting disbursement or prior to such balances being swept into your Cash Sweep Option. You should also expect your Introducing Firm to benefit financially. You understand and agree that this interest will be retained as additional compensation for the provision of services with respect to the account.

## 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 up to \$500,000 (limited to \$250,000 for cash) in brokerage accounts held in each separate ownership capacity (e.g., individual, joint, trust, retirement) in accordance with SIPC rules. Multiple accounts held in the same capacity are aggregated under SIPC. In addition to SIPC, the Clearing Agent maintains a program of additional insurance coverage, at no cost to you, through London Underwriters (led by Lloyd's of London Syndicates), referred to here as "Lloyd's." For clients who have received the full SIPC payout limit, the Clearing Agent's policy with Lloyd's 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 [sipc.org](http://sipc.org) or call 202-371-8300. For more information about Lloyd's, please visit [lloyds.com](http://lloyds.com).

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

## Additional Information Regarding the Bank Deposit Sweep Programs

### Introduction

The Standard Bank Deposit Sweep consists of interest-bearing deposit accounts at two or more Affiliated Banks, each a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations. If you have selected the Standard Bank Deposit Sweep as your Cash Sweep Option, available cash balances in your account are automatically deposited into the Standard Bank Deposit Sweep.

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

### Deposits

In the Standard Bank Deposit Sweep, the uninvested cash balances in your brokerage account will be deposited at one or more bank deposit accounts maintained at the Affiliated Banks. In the Expanded Bank Deposit Sweep, the uninvested cash balances in your brokerage account will be deposited at one or more bank deposit accounts maintained at the Affiliated and Unaffiliated Banks, although we generally will give priority to the Affiliated Banks. Depending on market conditions and/or the size of your account, cash in the Expanded Bank Deposit Sweep may be swept to only Affiliated Banks, to only Unaffiliated Banks, or to a mix of both. In the Bank Deposit Sweep Programs, no evidence of ownership, such as a passbook or certificate, will be issued to you and deposits in the Bank Deposit Sweep Programs may be made in the name of the Clearing Agent (or its agents) for the benefit of its clients, including clients of Introducing Firms. However, your brokerage account statement will reflect all deposits, withdrawals, Program Bank deposit balance(s), and applicable interest rate.

In the Standard Bank Deposit Sweep, deposits from each account will generally be made initially at Wells Fargo Bank, N.A. up to \$248,000, and then any available cash in excess of \$248,000 will be deposited at one or more additional Affiliated Banks. In the Standard Bank Deposit Sweep, cash in

excess of \$496,000 (when two Affiliated Banks are used) will be swept to Wells Fargo Bank, N.A. and will be uninsured.

In the Expanded Bank Deposit Sweep, deposits from each non-retirement account will, unless indicated otherwise on your Introducing Firm's or Clearing Agent's public website, generally be made initially at Wells Fargo Bank, N.A. up to \$248,000, and then any available cash in excess of \$248,000 will be deposited up to \$248,000 at each other Program Bank. For non-retirement accounts, the Clearing Agent will, unless indicated otherwise on your Introducing Firm's public website, generally give priority to one or more additional Affiliated Banks in the Expanded Bank Deposit Sweep. As a result, the ordering of the sweep for non-retirement accounts is, unless indicated otherwise on the Clearing Agent's or your Introducing Firm's public website, generally Affiliated Banks first, and then Unaffiliated Banks. For retirement accounts in the Expanded Bank Deposit Sweep, the ordering of the sweep is always Affiliated Banks first, and then Unaffiliated Banks. In the Expanded Bank Deposit Sweep, cash in excess of \$1,240,000 will be swept to Wells Fargo Bank, N.A. and will be uninsured.

Sweep deposit limits are set below the FDIC insurance limits to allow for accrued interest on the deposit accounts at the Affiliated and Unaffiliated Banks. Deposits for joint accounts and 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 IRA and ESA accounts, any deposits in the Standard Bank Deposit Sweep that exceed \$496,000 (when two Affiliated Banks are used) will be deposited at Wells Fargo Bank, N.A. and will not be FDIC insured. In the Expanded Bank Deposit Sweep, any deposits that exceed \$1,240,000 will be deposited at Wells Fargo Bank, N.A. and will not be FDIC insured.

For joint accounts, the Bank Deposit Sweep Programs can recognize accounts with only two joint owners. As a result, in the Standard Bank Deposit Sweep, deposits for joint accounts, regardless of the number of joint owners, will generally be made only up to \$496,000 initially at Wells Fargo Bank, N.A. and then any available cash in excess of \$496,000 will be deposited at each additional Affiliated Bank, up to \$496,000 per Affiliated Bank. Cash in excess of \$992,000 (when two Affiliated Banks are used) will be swept to Wells Fargo Bank, N.A. and may be uninsured. In the Expanded Bank Deposit Sweep, deposits from joint accounts, regardless of the number of joint owners, will, unless indicated otherwise on our public website, generally be made only up to \$496,000 initially at Wells Fargo Bank, N.A. and then any available cash in excess of \$496,000 will be deposited up to \$496,000 at

each other Program Bank, which may include one or more additional Affiliated Banks. The Clearing Agent will, unless indicated otherwise on its or your Introducing Firm's public website, generally give priority to any additional Affiliated Banks in the Expanded Bank Deposit Sweep. Any deposits that exceed \$2,480,000 will be deposited at Wells Fargo Bank, N.A. and may not be FDIC insured.

The Bank Deposit Sweep Programs cannot recognize joint accounts of international clients. As a result, joint accounts of international clients will be treated like single accounts rather than joint accounts.

For trust accounts in the Bank Deposit Sweep Programs, regardless of the number of owners and beneficiaries, deposits are, unless indicated otherwise on the Clearing Agent's or your Introducing Firm's public website, generally made initially only up to \$248,000 at Wells Fargo Bank, N.A. In the Standard Bank Deposit Sweep, any available cash in excess of \$248,000 will be deposited at one or more additional Affiliated Banks. Cash in excess of \$496,000 (when two Affiliated Banks are used) will be swept to Wells Fargo Bank, N.A. and may be uninsured. In the Expanded Bank Deposit Sweep, any available cash in excess of \$248,000 will be deposited up to \$248,000 at each other Program Bank. The Clearing Agent will, unless indicated otherwise on its or your Introducing Firm's public website, generally give priority to any additional Affiliated Banks in the Expanded Bank Deposit Sweep. Any deposits that exceed \$1,240,000 will be deposited at Wells Fargo Bank, N.A. and may not be FDIC insured.

Cash intended for deposit into the Bank Deposit Sweep Programs 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 Programs. Deposits by you into Program Banks, outside of the Bank Deposit Sweep Programs, 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 Programs, together with any other of your deposits at the Program Banks (including certificates of deposit), 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 Program Banks are eligible for federal deposit insurance up to \$250,000. Different ownership categories of accounts are separately insured. Please see the "Deposit Insurance - General Information" section below for further information.

You must aggregate all of your deposits (including certificates of deposit) at the Program Banks, whether maintained through or outside of the Bank Deposit Sweep Programs, 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 your Introducing 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 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 [fdic.gov](http://fdic.gov).

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

The Money Market Funds available as Cash Sweep Options are registered with the SEC pursuant to the Investment Company Act of 1940. The Bank Deposit Sweep Programs

consist 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 Programs 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 investing in a Money Market Fund.

## Changes to Program Banks

From time to time, the Clearing Agent or your Introducing Firm may announce changes to the Bank Deposit Sweep Programs 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 Programs. In the event of certain changes, including changes from one Cash Sweep Option to another, a reduction in the number of Program Banks or, for retirement accounts, any reprioritization of the Affiliated Banks relative to the unaffiliated Banks under the Expanded Bank Deposit Sweep, you will be notified in advance of the change if it affects your account. If you object to a change we announce, you may take action within the notice period to discontinue your account's use of the affected Cash Sweep Option. Otherwise, you will be deemed to have provided your consent to the change. If a Program Bank no longer participates in the Bank Deposit Sweep Programs, you may establish a direct depository relationship with that bank, if the bank is accepting such relationships and subject to its policies and procedures with respect to maintaining deposit accounts. If you do not wish to establish a direct relationship with the bank, your funds will be transferred to another available Program Bank. The consequences of maintaining a direct depository relationship with a Program Bank are discussed below under "Relationship with the Clearing Agent." The Clearing Agent or your Introducing Firm 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 regulated by bank regulatory agencies under various federal banking laws and regulations. The Affiliated Banks are wholly owned subsidiaries of Wells Fargo & Company, the fourth largest bank



holding company in the United States based on assets. The Clearing Agent is a nonbank affiliate of the Affiliated Banks and Wells Fargo & Company. Additional information regarding the Affiliated Banks and Wells Fargo & Company is available at [wellsfargo.com](http://wellsfargo.com). The list of Program Banks is available at the [Cash Sweep Program](#) (Navigate to the Wells Fargo Clearing Services LLC website to the Disclosures section for the Cash Sweep Program) or by contacting your investment professional.

Deposits in the Bank Deposit Sweep Programs are obligations of each Program Bank where the monies are deposited and are not obligations of your Introducing Firm, the Clearing Agent or guaranteed by Wells Fargo & Company or any of its other affiliates. Neither your Introducing 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 the Clearing Agent**

The Clearing Agent will act as your agent in establishing and maintaining the Bank Deposit Sweep Programs, including making deposits to and withdrawals from the Bank Deposit Sweep Programs. Your first deposit into the Standard Bank Deposit Sweep or Expanded Bank Deposit Sweep will constitute your appointment of the Clearing Agent as your agent in connection with the Standard Bank Deposit Sweep or Expanded Bank Sweep. No evidence of ownership, such as a passbook or certificate, will be issued to you and deposits in the Deposit Sweep Programs may be made in the name of the Clearing Agent, for the benefit of its clients, including clients of your Introducing Firm.

Accordingly, all transactions involving the Bank Deposit Sweep Programs must be made through your Introducing Firm. If you decide to remove the Clearing Agent as your agent with respect to the Bank Deposit Sweep Programs, you may establish a direct depository relationship with a Program Bank, if the bank is accepting such relationships, by requesting to have your deposit relationship established in your name, subject to applicable law and the Program Bank's terms and conditions. If the Clearing Agent terminates your use of the Standard Bank Deposit Sweep or Expanded Bank Deposit Sweep, or if you choose to remove the Clearing Agent as your agent with respect to the Standard Bank Deposit Sweep or Expanded Bank Deposit Sweep, the Clearing Agent 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**

Each Program Bank 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 (including certificates of deposit) held by you at the same Program Bank in the same capacity. Your funds become eligible for deposit insurance immediately upon placement in the Standard Bank Deposit Sweep or Expanded Bank Sweep. Any deposits that you maintain directly with a Program Bank, or through an intermediary (such as the Clearing Agent or another broker), will be aggregated with your Bank Deposit Sweep balances at each Affiliated or Unaffiliated Program Bank for purposes of FDIC insurance coverage limits.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be determined by the FDIC. 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. The illustrations below assume the use of the Expanded Bank Deposit Sweep. To assist you with calculating your aggregated deposits and the associated coverage, the FDIC has an Electronic Deposit Insurance Estimator available at [fdic.gov/edie](http://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 (currently providing a total of up to \$1,250,000 when deposited at all five of the 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 (currently providing a total of up to \$1,250,000 when deposited at all five of the 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 (currently providing a total of up to \$2,500,000 for accounts with two joint owners when deposited at all five of the Program Banks). The Bank Deposit Sweep Programs can recognize joint accounts with only two joint owners.

**Trust Accounts** — Revocable and irrevocable trust accounts are insured by the FDIC in an amount up to \$250,000 per Program Bank, per owner, up to a maximum of five eligible beneficiaries. An eligible beneficiary's interest must be able to be determined without an evaluation of contingencies and can be any living person or IRS-recognized charity/non-profit. All revocable and irrevocable trust deposits you hold at a Program Bank will be aggregated for purposes of determining FDIC insurance coverage. A trust established by two owners where the owners are the sole beneficiaries will be treated as a joint account under the applicable rules and will be aggregated with other joint accounts.

Please note, due to operational limitations in the Bank Deposit Sweep Programs, trust account deposits are generally made only up to \$248,000 per Program Bank, regardless of the number of owners or beneficiaries. This may result in an amount of FDIC insurance coverage less than the maximum coverage available under FDIC rules. Additional information is found above in the section entitled "Additional Information Regarding the Bank Deposit Sweep Programs."

**Individual Retirement Accounts** — Deposits held in Individual 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 (currently providing a total of up to \$1,250,000 when deposited at all five of the Program Banks).



# Designation of Responsibilities

**Your broker ("Your Firm") has entered into an agreement with First Clearing to carry your account and provide certain back office functions. First Clearing and Your Firm share responsibilities with respect to your account as follows:**

1. Your Firm shall be solely responsible for opening, approving and monitoring your account. This means that among other things, Your Firm (and not First Clearing) is solely responsible for:
  - (a) Receiving and reviewing any financial or personal information about you and your investment objectives;
  - (b) Determining if a specific investment strategy is suitable or appropriate for you;
  - (c) Supervising the volume of activity, or any other matter regarding the quantity, quality, or specifics of any securities or options transaction in your account;
  - (d) Making recommendations regarding a specific security investment strategy;
  - (e) Providing you with research or market interpretations regarding the advisability of purchasing or selling a specific security (although Your Firm may receive materials from First Clearing that discuss in general the condition of a specific company or industry group that may be used by your Broker in making specific recommendations to you);
  - (f) If you have an options account or engage in transactions in listed securities options:
    - delivering a current Options Clearing Corporation (OCC) brochure - Characteristics and Risks of Standardized Options - to you prior to your first options trade and delivering to you periodic updated versions of this brochure as they are published by the OCC;
    - determining which options strategies are suitable for you;
    - notifying you when you have been assigned delivery responsibility on a short option position;
    - accepting exercise notices from you for long option positions in your account.  
(If you have retained a third party investment adviser to manage your account, the investment adviser may undertake some of the duties set forth above. Please refer to your agreements with the investment adviser and Your Firm.)
2. First Clearing will be responsible for extending credit to you for transactions involving margin or otherwise effected through your account. Your Firm, however, is responsible for setting the rate of interest and communicating all information to you regarding margin calls. First Clearing may, nevertheless, contact you as well with respect to margin deficiencies in your account(s).
3. First Clearing shall maintain books and records relating to the settlement and clearing of cash and securities transactions in your First Clearing account. To the extent First Clearing provides execution services for Your Firm (see paragraph 6 below) it will maintain records relating to execution. All other books and records including information and investment objectives, records relating to orders to purchase or sell securities and communications between you and Your Firm, including correspondence and documents relating to advertising and promotion, will be maintained solely by Your Firm.
4. First Clearing shall be responsible for holding and safekeeping your money, funds and securities. You may deliver money and securities to First Clearing or Your Firm for deposit to your account provided, however, that First Clearing shall only be responsible for holding and safekeeping your money, funds and securities from the time they are actually received by First Clearing from you or Your Firm.
5. First Clearing is responsible for providing you with at least one quarterly summary of the status of your account that will list your securities and cash positions, margin debt and open options positions, if applicable.
6. Your Firm is solely responsible for accepting orders from you to buy, sell, margin, tender, or exchange securities for settlement in your account. Your Firm is also responsible for execution of those orders on the applicable exchange or market. Your Firm may request that First Clearing assist with the execution of orders settled in your account. In those cases where First Clearing assists Your Firm with execution, First Clearing is acting on behalf of Your Firm only and not directly for you. First Clearing may rely on any order or instruction it receives from Your Firm without further inquiry, and orders for your account may only be entered by and through Your Firm.
7. In addition, as part of its clearing and settlement services, First Clearing will:
  - (a) collect from or pay to third parties money due to or from you for securities transactions in your account;
  - (b) receive from third parties or deliver to third parties securities purchased or sold, as the case may be;
  - (c) collect and pay to you dividends or interest due on securities held in your First Clearing account in First Clearing's name ("street registration") and charge your account for interest or dividends improperly credited to your account;
  - (d) upon Broker instruction, process exchange, rights, and tender offers with respect to securities in your account; and
  - (e) in the case of an account which trades in listed securities options, allocate assignment or exercise notices or execute notices to exercise, as the case may be.
8. First Clearing is a member of the New York Stock Exchange, the NASDAQ Stock Market, and other major regional stock exchanges. First Clearing's automated computer systems and trading procedures for equity securities enable them, in those situations where you have not directed otherwise, to route your orders to market centers including other broker-dealers which, based on First Clearing's experience, combine price, speed, and size to provide you with what First Clearing believes are best executions. Whenever possible, First Clearing routes such orders to dealers or market centers that have the opportunity to provide executions at prices superior to the nationally displayed best bid or offer. First Clearing receives payment per share, or in some cases reciprocal order-flow consideration, from dealers, and credits against exchange fees, in return for certain orders that First Clearing routes or directs. At all times, First Clearing's foremost concern is to obtain the best execution regardless of any compensation factor. First Clearing uses the compensation received to help keep commissions competitive and provide quality investment and execution services.
9. Certain fees may be charged for the various services listed below. Please bear in mind that there may be other fees applicable to specific programs, which are not listed here. Check with your Broker 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 First Clearing)
  - Optional Exchanges
  - Wire Transfers
  - Cash Management Accounts
  - Retirement Plan Accounts
  - Delivery of U.S. Government Securities

First Clearing is a trade name used by Wells Fargo Clearing Services, LLC (WFCS), a non-bank affiliate of Wells Fargo & Company. WFCS is a member of the New York Stock Exchange (NYSE), Financial Industry Regulatory Authority (FINRA), and the Securities Investor Protection Corporation (SIPC).

Abandoned Property  
Returned Checks  
Internet Account Access (if applicable)  
Various Fees on foreign securities may apply, including, but not limited to transfers, registration, custody and depository Fees  
Annual Inactive or Maintenance Fees  
Postage and Handling Fees

**SIPC Protection** - Securities and cash in client accounts have two sources of protection. First Clearing is a member of the Securities Investor Protection Corporation (SIPC). SIPC protects the clients of its member firms against the loss of their securities in the event of the member's insolvency and liquidation. Each client is insured up to a maximum of \$500,000 (including \$250,000 for claims for cash). For more information on SIPC coverage, please see the explanatory brochure at [sipc.org](http://sipc.org) or contact SIPC at 202-371-8300. Above and beyond SIPC coverage, First Clearing maintains a program of additional insurance coverage through London Underwriters (led by Lloyd's of London Syndicates), referred to here as "Lloyd's." For clients who have received the full SIPC payout limit, First Clearing's policy with Lloyd's provides additional coverage above the SIPC limits for any missing securities and cash in client brokerage accounts up to a 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 [sipc.org](http://sipc.org) or call 202-371-8300. For more information about Lloyd's, please visit [lloyds.com](http://lloyds.com).

**If, however, you have questions concerning those areas for which First Clearing is responsible, which Your Firm cannot answer, please feel free to contact First Clearing at the following address:**

**First Clearing  
Attention: Correspondent Services  
One North Jefferson  
St. Louis, MO 63103**

# First Clearing U.S. Privacy Notice

First Clearing acts as a clearing broker for your brokerage firm, providing back-office and other services for its customers' accounts. In that capacity, First Clearing may receive personal information about you and your transactions.

FACTS	WHAT DOES FIRST CLEARING DO WITH YOUR PERSONAL INFORMATION?
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number</li> <li>• account balances and transaction history</li> <li>• credit history and investment experience</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons First Clearing chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does First Clearing share?	Can you limit this sharing?
<b>For our everyday business purposes</b> - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> - with service providers we use to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> - information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> - information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

Who we are	
<b>Who is providing this notice?</b>	Wells Fargo Clearing Services, LLC d/b/a First Clearing
What we do	
<b>How does First Clearing protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secure files and buildings. For more information visit <a href="https://www.wellsfargoclearingservicesllc.com/disclosures/security-statement.htm">https://www.wellsfargoclearingservicesllc.com/disclosures/security-statement.htm</a> .
<b>How does First Clearing collect my personal information?</b>	We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• open an account with your broker</li> <li>• enter into an investment advisory contract with your broker or an affiliate of First Clearing</li> <li>• provide account information to us or your broker;</li> <li>• give your broker or us your contact information;</li> <li>• tell your broker about your investment or retirement portfolio and earnings;</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>

First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

What we do	
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law. First Clearing does not share information about your creditworthiness or for affiliates or nonaffiliates to market to you.</p>
<b>What happens if I hold an account jointly with someone else?</b>	<p>First Clearing does not share information about your creditworthiness or for affiliates or nonaffiliates to market to you, whether the account is held individually or jointly.</p>

Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>First Clearing affiliates include financial companies with Wells Fargo in their names such as Wells Fargo Bank, N.A.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>First Clearing does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>First Clearing does not jointly market.</i></li> </ul>

Other important information	
<p><b>Important Notice about Credit Reporting:</b> We may report information about your account(s) to credit bureaus and/or consumer-reporting agencies. Late payments, missed payments, or other defaults on your account(s) may be reflected in your credit report and/or consumer report.</p>	
<p><b>Do Not Call Policy.</b> This Privacy Notice constitutes Wells Fargo &amp; Company's Do Not Call Policy under the Telephone Consumer Protection Act for all consumers. Wells Fargo &amp; Company maintains an internal Do Not Call preference list. Do Not Call requests will be honored within 30 days and will be effective for at least five years from the date of request. Telemarketing calls or prerecorded/artificial message calls may be made to residential or cellular phone numbers that appear on the Wells Fargo Do Not Call list with the appropriate consent. To be placed on the Wells Fargo &amp; Company's Do Not Call list, call 1-888-528-8460 and follow the prompts. If an individual does not have an account with Wells Fargo &amp; Company, the individual must call 1-800-869-3557 (1-800-TO-WELLS) to be placed on the Wells Fargo &amp; Company's Do Not Call list.</p>	
<p><b>Nevada residents:</b> We are providing you this notice pursuant to state law. You may be placed on Wells Fargo &amp; Company's internal Do Not Call List by following the directions in the Do Not Call Policy section. For more information regarding our telemarketing practices, contact us at 1-800-869-3557; <a href="mailto:PrivacyCenter@wellsfargo.com">PrivacyCenter@wellsfargo.com</a>, or Wells Fargo, P.O. Box 5110, Sioux Falls, SD 57117-5110. If you would like more information regarding this Nevada law, contact the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; 702-486-3132; <a href="mailto:AgInfo@ag.nv.gov">AgInfo@ag.nv.gov</a>.</p>	
<p><b>State Law:</b> We follow state law where state law provides you with additional privacy protections. For example, we automatically treat customers with a Vermont mailing address as having limited our sharing with affiliates and nonaffiliates, unless you give us authorization.</p>	
<p><b>Business-to-business:</b> First Clearing is committed to protecting personal information that may be collected online and offline in a business-to-business context, including the personal information of individuals in their capacities as representatives of business entities that are consumers and partners. For the categories of personal data that First Clearing may collect and how we use it, see the Wells Fargo California Consumer Privacy Notice at Collection at <a href="https://www.wellsfargo.com/privacy-security/notice-of-data-collection/">https://www.wellsfargo.com/privacy-security/notice-of-data-collection/</a>.</p>	

Legal entities and businesses not covered by this notice	
<p>First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo &amp; Company. This Privacy Notice applies only to consumers whose accounts are introduced to First Clearing in its capacity as a clearing broker-dealer.</p> <p>The following legal entities and businesses are <b>not</b> covered by this notice and have separate privacy notices:</p> <ul style="list-style-type: none"> <li>• Wells Fargo Bank, N.A.</li> <li>• Wells Fargo Retail Services, a division of Wells Fargo Bank, N.A.</li> <li>• Wells Fargo Advisors Financial Network, LLC</li> <li>• Wells Fargo Investment Institute, Inc.</li> <li>• Businesses that have provided a separate privacy notice governing specified accounts or relationships.</li> </ul>	





## **ACKNOWLEDGMENT OF OUR FIDUCIARY STATUS WITH RESPECT TO RETIREMENT ACCOUNTS**

The U.S. Department of Labor recently issued a new rule pertaining to investment advice provided to retirement investors, called Improving Investment Advice for Workers & Retirees. The rule applies to retirement accounts governed by the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code (Code), including Individual Retirement Accounts (IRA) and Education Savings Accounts (ESA). Pursuant to the rule, we are providing the following acknowledgment:

When we provide "investment advice," as defined under Title I of ERISA or the Code, to you regarding your retirement plan account, IRA, or ESA, we are fiduciaries within the meaning of ERISA and/or the Code. The way we make money creates some conflicts with your interests, so when we operate as a fiduciary for your retirement account(s) we operate under a special rule, PTE 2020-02, that requires us to act in your best interest and not put our interest ahead of yours. To the extent that particular communications to you or activities are considered "investment education" or otherwise non-fiduciary under ERISA, we are not a fiduciary in connection with such communications or activities.

The Department of Labor has published a guide available on the Department of Labor website entitled, [Choosing the Right Person to Give You Investment Advice: Information for Investors in Retirement Plans and Individual Retirement Accounts](#).

## NATIONS FINANCIAL GROUP, INC. PRIVACY STATEMENT

During the normal course of business, Nations Financial Group, Inc. (NFGI) gathers information about you, which can be considered nonpublic personal information. We at NFGI take great care to ensure that your personal information is protected and treated with respect. To this end NFGI has created policies to protect your personal information.

In order to facilitate the servicing of your account and comply with regulatory requirements, NFGI collects nonpublic personal information about you:

- From your account applications or forms (examples include name, address, Social Security number, birth date, assets and income)
- From personal contact with you
- From transactional activity in your account (examples include trade history and balances)
- From verification services and consumer reporting agencies (to ensure accuracy of application data and credit worthiness)
- From other sources with your consent, such as past broker/dealers, mutual fund companies, advisory services or "First Clearing," which is our clearing firm.

NFGI does not disclose any nonpublic personal information about our customers or former customers except as necessary to establish and manage your account(s), as permitted by law or in certain circumstances as mentioned below.

We may disclose nonpublic personal information about you to our staff, affiliates, representatives, their affiliated businesses, and third parties who provide you with financial products and services. Nonaffiliated third parties may include retirement plan sponsors or third-party administrators, mutual fund companies, insurance companies and agencies, other broker-dealers and clearing firms. Also, included may be companies that provide NFGI services, such as printing and mailing account statements or confirmations. Our privacy policy is the same for current, as well as former clients. If you close your account, in the process of transferring your investments we may share your information with the new broker-dealer or custodian that you or your representative selects. If the representative servicing your account leaves us to join another broker-dealer, the representative is permitted to retain copies of your new account information so that he or she can assist with the transfer of your account. The representative's continuing use of your information will be subject to the new firm's privacy policy.

We may disclose information such as your name, address, social security number, date of birth, transactional information, or other financial information when necessary for us to provide you with financial products and services or report on your account, or where disclosure is required by law. For example, we may disclose information during the course of an audit or to law enforcement or regulatory agencies. NFGI does not sell your personal information to anyone.

If you do not want us to share your information (other than as required by law) with any nonaffiliated third parties, including the registered representative servicing your account when they leave NFGI to join another firm, you may contact our Compliance Department at 800-351-2471.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. They are required to follow our reasonably designed procedures to keep your information secure and confidential. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' nonpublic information.

**Important Information About Procedures for Opening A New Account:** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means to you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

If you have any questions regarding this policy, you may contact us at 800-351-2471 or by writing us at Nations Financial Group, Inc., Attn: Compliance Department, 3925 Fountains Blvd. NE Suite 200 Cedar Rapids, IA 52411.

## NATIONS FINANCIAL GROUP BUSINESS CONTINUITY PLAN

Nations Financial Group, Inc. (NFGI) has developed a Business Continuity Plan detailing how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information regarding our Business Continuity Plan.

The majority of the branch offices served by NFGI, where most of our clients interact with their representatives, are located out of the immediate area of the home office in Cedar Rapids, IA. In the event of a business disruption we urge you to first contact your local branch. It is possible if not probable that your local location would be unaffected by

an event that would cause a disruption at our home office location and would be able to operate independently and transact business for you normally. If you are unable to contact your local branch, please contact us directly here at the home office at (800) 351-2471.

**Contacting Us** – During a significant business disruption, we will re-establish telephone service with our clients as soon as possible. Our clients should check our website [www.nationsfg.com](http://www.nationsfg.com) for our latest information. As a client of NFGI we recognize you may need access to your account to sell a position or request a check before we re-establish telephone or other communication services with you. During this time, First Clearing, our clearing firm, will assist you with sell or liquidation orders and provide check disbursements, as required. If you cannot contact our firm by any means, please call First Clearing for assistance at 877-496-3223. For assets held directly with Schwab, or product sponsors, they will need to be contacted directly.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

**Our Business Continuity Plan addresses:** data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

For brokerage clients, our clearing firm, First Clearing, regularly backs up its important information in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, First Clearing, has a thorough Business Continuation Plan in place. First Clearing has advised us that its objective is to restore its own operations in order to complete existing transactions and accept new transactions and payments in a timely manner.

Clients holding assets directly with Schwab, or product sponsors will need to contact them directly and should refer to their specific policies for guidance.

**Varying Disruptions** – Significant business disruptions can vary in their scope, a single building, a business district, city or an entire region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 4 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within 1 business day. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site, [www.nationsfg.com](http://www.nationsfg.com), how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

**For more information** – If you have questions about our Business Continuity Plan, you can contact us at (319)-393-9541 or (800)-351-2471 or e-mail us at [compliance@nationsfg.com](mailto:compliance@nationsfg.com). Nations Financial Group, Inc. is a member of FINRA, SIPC and is a Registered Investment Advisor.

## PROTECTING YOUR ASSETS

NFGI and First Clearing are members of SIPC. Securities and cash in client accounts held at First Clearing have two sources of protection in the event of First Clearing's insolvency. SIPC coverage insures each client up to a maximum of \$500,000 (including \$250,000 for claims for cash). For more information about SIPC, please visit [sipc.org](http://sipc.org). In addition, First Clearing maintains a program of additional protection provided through London Underwriters, led by Lloyd's of London Syndicates, ("Lloyd's"). For clients who have received the full SIPC payout limit, First Clearing's policy with Lloyd's 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).

SIPC and the additional protection of Lloyd's do not protect against losses from the failure of a security, nor do they insure the quality of investments or protect against losses from fluctuating market value. All coverage is subject to the specific policy terms and conditions. First Clearing's SIPC and additional coverage do not apply in the event of Nations Financial Group's insolvency.

### About Lloyd's of London Syndicates

Lloyd's is the world's specialist insurance market. The business written at Lloyd's is brought to a specialist syndicates, who price and underwrite risk, via brokers and cover holders. Currently, A.M. Best has given Lloyd's a financial strength rating of "A (Excellent) Stable Outlook." For more information about Lloyd's, please visit [lloyds.com](http://lloyds.com).

## ANNUAL ACCOUNT FEES (First Clearing)

Account fees, if applicable, will be assessed for the following account types unless one of the waiver criteria is met:

- Advantage Account (\$125 charged annually as described in your original account agreement). Excludes Advantage Basic Accounts. (Advantage Basic Accounts do not include credit/debit cards and other features)
- Investment Account (\$65 fee charged annually). Includes Standard Brokerage and Advantage Basic Accounts.
- Individual Retirement Account (\$50 fee charged annually) An invoice will be mailed to you in August. Includes Traditional, Spousal, Roth, SEP, and SIMPLE IRAs and Advantage IRA.
- UGMA/UTMA Account (\$45 fee charged annually)

The Annual Account Fees will be charged in September each year and will be based on the type of account you maintained on June 30 of that year.

### Waiver Criteria

Annual Account Fees will be waived if one of the following criteria is met:

1. One or more accounts that contain assets totaling \$500,000 or more as of June 30. This includes all personal brokerage accounts householded by your brokerage firm.
2. Any Investment Account, IRA, or Advantage Account with mutual fund positions of \$100,000 or more. (Money market funds, closed-end funds and exchange-traded funds do not count toward this exemption.)
3. Accounts with four open end mutual fund positions with each mutual fund position having a value greater or equal to \$1,000.
4. Investment Accounts, UGMA/UTMA Accounts (Non-Retirement) that have completed at least six trades between July 1 of the prior year and June 30 of the current year.
5. Managed accounts that pay a fee in lieu of commissions. Some exceptions may apply. (Normal quarterly asset management fees will continue to apply.)
6. Delivery Versus Payment accounts.
7. Investment Accounts opened on or after January 1.
8. Individual participant's accounts that are part of a Qualified Retirement Plan (QRP), excluding IRA accounts.
9. 529 Education Savings Plan accounts.

### Payment Options

For all accounts except IRAs, the annual account fee will be deducted automatically from the respective account(s) in September. Clients with IRAs will receive an invoice in August. Clients will have the choice of paying the fee by returning the invoice with a check or having the fee automatically deducted from the IRA account in September. If you have any questions regarding the applicability of these fees, please contact the financial professional who services your account.

If the fee causes a debit balance due to insufficient money market funds, we may have to liquidate enough of one or more security positions to cover the fee, and regular commission(s) will be charged on the trade(s).

### MSRB G-10 Notification

Nations Financial Group, Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB").

The website address for the MSRB is [www.msrb.org](http://www.msrb.org).

On its website, the MSRB has posted an investor brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

## MISC ACCOUNT & PRODUCT FEES (First Clearing)

ACAT Out Fee .....	\$95.00
Advantage Basic – (Basic Checking) .....	No Annual Fee
Initial Order - Standard .....	Free
Initial Order - Duplicate .....	\$20.00
Initial Order - Corporate .....	\$201.73
Check Re-Order Fees (Standard Individual) .....	\$9.00
Check Re-Order Fees (Standard Duplicate) .....	\$20.00
Check Re-Order Fees (Corporate) .....	\$135.31
Check Copies .....	3 free/month. \$15 each copy over 3
Check Research .....	\$5.00 each
Stop Payment (check or ACH Transaction) .....	\$15.00
Debit Card - Additional Card .....	\$15.00 each
Debit Card - Fast Card Fee .....	\$20.00
Insufficient Funds .....	\$20.00
Outside Investments in IRA Account.....	\$100.00 per position/yr. Max \$600/account
American Depository Receipt (ADR) Fees .....	As Charged by Depository
Direct Registration (DRS) Reject Fee .....	\$75.00
DWAC (Deposit or Withdrawal at Custodian) .....	\$150.00 per transaction
Wells Fargo Advisory Programs .....	\$4 per month minimum account fee
Lost Certificate Replacement – Issued by First Clearing	
Within 90 days .....	No Charge
After 90 days .....	\$50 + Transfer Bonding
Lost Certificate Replacement – Lost by Customer .....	\$100 + Transfer Bonding
No-Load Mutual Fund Accommodation .....	\$35.00 maximum
Option Regulatory Fee - ORF (OCC) .....	\$0.0038 per contract
Overnight Fee .....	\$15.00
Prepay Margin Fees – Trades .....	\$15 or Margin Interest (whichever is greater)
Regulatory Transaction Fee (SEC) .....	(Sell Order Principal) x \$0.0000278
Reorg Activity	
Physical Reorganization Item .....	\$30.00
Instructions received after expiration .....	\$100.00
Research or Doc Retrieval .....	\$15/hr (1 hr min)
Retirement Account (IRA) Termination Fee .....	\$95.00 (Waived at age 70.5)
Returned Check Deposit Fee .....	\$10.00 per item
Safekeeping Presentment Fee .....	\$500.00 (one time)
Trading Activity Fee - Equity - TAF (FINRA) .....	\$0.000166 per share sold
Trading Activity Fee - Option - TAF (FINRA) .....	\$0.0027944 per contract sold
Trading Activity Fee - Bond - TAF (FINRA) .....	\$0.00105 per bond sold
Trade Extension .....	\$10.00
Transfer and Ship Certificates	
Standard Delivery – Non-DRS eligible .....	\$500.00 per item
Rush Delivery – Non-DRS eligible .....	\$500.00 per item
Re-registration of Physical Cert (Non-DRS) .....	\$125.00 per item
Rush Withdrawal Registration (3-5 days) .....	\$500.00 per item
Delivery of GNMA certificates .....	\$35.00 per item
Foreign Securities (order out) .....	\$500.00 per item
Rejection of Ineligible Physical Cert for Deposit.....	\$50.00
Postage & Handling .....	\$6.00 per trade (non-advisory trades)
Wire Transfer .....	\$25.00
Alternative Investment .....	\$100.00 per position annually (\$600 max)

All service fees are subject to change with 30-day notice. Some fees may differ from above as disclosed by your financial professional. Other fees may not be applicable depending upon the services being provided. For example, advisory versus brokerage. Please contact your financial professional for additional information.

Fees are passed directly to the regulatory agencies - SEC, FINRA, OCC. The fee rates may change per the discretion of each agency. Apply to Equity, ETF, and Option transactions.

# Statement of Interest Charges

## Accounts on which Interest is Charged • Calculation of Interest • Lien and Collateral

To assist you in managing your borrowing needs and to familiarize you with the terms under which credit is extended on your account(s), we have developed this Statement of Interest Charges. Please review this Statement of Interest Charges prior to utilizing credit.

### Accounts on which Interest is Charged

Interest may be charged on Priority Credit Line (PCL) debit balances and/or margin extended for the purpose of purchasing, carrying or trading in securities. Interest charges are calculated on a settlement date basis and details supporting such calculation will be displayed on your monthly statement.

Payments for purchases in cash accounts should be received on or before the settlement date shown on the trade confirmation. If your payment is received after that date, an interest charge may be posted to your cash account.

Proceeds from a sale in a cash account are not required to be disbursed prior to the settlement date shown on the trade confirmation. Occasionally, we may honor a request to disburse sale proceeds prior to settlement date. If this privilege is utilized, an interest charge may be posted to your account.

### Calculation of Interest

Your annual rate of interest will vary depending on the size of your daily adjusted debit balance. The daily adjusted debit balance is the net total of the settled balances in your account, which holds the collateral for the loan.

In margin accounts, short positions are "marked-to-market" daily. Since the security sold short must be borrowed in order to deliver it to the buying broker, the credit that results from the sale is not available to you. The market value of the short sale is debited against your margin balance to arrive at a daily adjusted debit balance for interest purposes. The daily closing price is used to determine any appreciation or depreciation of a security sold short, which will adjust your daily adjusted debit balance.

You may be charged additional fees in connection with establishing and maintaining a short position and such charges may be disclosed to you at the time a short position is established or may be imposed or increased from time to time in light of changing market conditions. When a security that you have sold short is no longer easy-to-borrow, we may make an immediate change to any fees that may be paid by you or assessed to your margin account to reflect current rates relating to the borrow.

*The annual rate of interest applicable to your margin or PCL account will be computed using a selected rate above, at, or below the Call Money Rate, also referred to as the Broker Call Rate, as published in the Wall Street Journal. For the current Call Money Rate, please visit [www.wsj.com](http://www.wsj.com) or contact your financial professional. Your annual rate of interest will change, without prior notice to you, in accordance with changes in the Call Money Rate. If the interest rate charged to you is individually negotiated (a "Negotiated Rate"), such Negotiated Rate will be a percentage at, above or below the Call Money Rate. Your Negotiated Rate will change consistent with changes to the Call Money Rate without prior notice to you. We may terminate your Negotiated Rate without prior notice to you and you will be charged an interest rate above your Negotiated Rate but not more than our table of interest rates.*

The table of interest rates is as follows:

Debit Balance	Rate of Interest
\$0 to \$24,999.99	Call Money Rate + 4.500%
\$25,000.00 to \$49,999.99	Call Money Rate + 4.000%
\$50,000.00 to \$99,999.99	Call Money Rate + 3.750%
\$100,000.00 to \$249,999.99	Call Money Rate + 3.000%
\$250,000.00 and above	Call Money Rate + 2.850%

Interest is computed daily on the basis of a 360-day year using the following formula:

$$\frac{\text{Adjusted Debit Balance}}{1} \times \frac{\text{Interest Rate}}{100} \times \frac{\text{Number of Days}}{360}$$

### Lien and Collateral

Clearing Firm will maintain a first priority perfected security interest in the securities or other property (the "Securities Collateral") in your margin account or, in the case of PCL, collateral account(s) when credit is extended to you. You agree to promptly satisfy all margin and maintenance calls. Should your margin account or collateral account(s) fall below margin maintenance requirements, Clearing Firm may liquidate the Securities Collateral in your account, or any other account you may have an interest in held at Clearing Firm, without notice to you.