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. Irrespective of the margin value of collateral in your margin account, your total margin debt shall not at any time exceed $50,000,000 (or such higher amount as we may offer in our sole discretion and based on additional financial information provided by you, as periodically requested by us).

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.
- **First Clearing or your brokerage firm has no obligation to extend credit on margin to you and can demand full or partial payment of any outstanding margin balance at First Clearing's or your brokerage firm's sole option without cause at any time, including interest, fees, and any costs of collection.** Furthermore, all payments received, including interest, dividends, proceeds from liquidations, deposits or other transfers into your margin account may be applied at our sole discretion, first to repay any interest accrued, and then to any other amounts as otherwise payable to us under the Margin Account Agreement.

Upon your death, your margin loan shall be immediately due and payable, and we shall send a demand notice to your last address of record requesting payoff of the margin loan balance. If your beneficiaries or executor (as applicable) have not paid off the margin loan balance in full within ninety (90) days from the date of the demand notice, we shall liquidate positions in your account at our discretion to fully satisfy the margin loan and any applicable fees, interest, and/or charges.

If you are opening a margin account for an estate in connection with the transfer of a margin loan from a decedent's account, the margin loan balance must be paid off in full by the thirtieth (30th) calendar day from account opening, at which time the margin feature of the account shall terminate. If the margin loan is not paid off by this time, we shall liquidate positions in your account at our discretion to fully satisfy the margin loan and any applicable fees, interest, and/or charges. We reserve the right to prohibit margin transactions in the account and to force the sale of securities in the account regardless of whether the equity is above the margin requirements or our higher "house" requirements.

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.

Investment products and services offered through your introducing broker, which is not affiliated with Wells Fargo & Company. 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.