

# 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
  - 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 [www.sipc.org](http://www.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 [www.sipc.org](http://www.sipc.org) or call 202-371-8300. For more information about Lloyd's, please visit [www.lloyds.com](http://www.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 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).

# First Clearing Privacy Statement

First Clearing\* provides execution, clearance and settlement services for your Firm's customer and proprietary accounts. First Clearing is dedicated to protecting your privacy and providing the highest level of service. We want you to understand how we gather and may share client information at First Clearing and how we protect that information in everything we do.<sup>1</sup>

## How We Protect Client Information

Keeping financial information secure is our responsibility and our commitment to you.

- We protect client information through physical, electronic, contractual and procedural measures that comply with or exceed applicable laws and standards.
- We train our employees to protect client information and only authorize access for employees who we believe have a business need for that information. Employees are held accountable by our Code of Conduct and Ethics to properly protect client information, which includes standards to protect customer confidentiality.
- We maintain processes that provide for the proper physical security of workspaces and records.
- We require contractors and other companies that provide services on our behalf to protect information, and we prohibit those companies from using it for any other purpose. We limit the information to these companies to the information that we believe is necessary to fulfill their responsibilities or to deliver a financial service to you.

If you believe you may be a victim of fraud or identity theft, please contact Your Firm for assistance, which may include placing holds on your accounts. Also, see the "Fraud and Identity Theft Assistance" section of our Privacy Statement for additional information.

## How We Gather Client Information

The information we gather comes from a variety of sources, including:

- Information you provide (such as your name, address and telephone number).
- Information about your transactions with First Clearing and Your Firm (such as account balance and payment history).
- Information from First Clearing affiliate(s).
- Information we receive from credit reporting agencies and other companies and agencies (such as your credit history).

## How We Manage Information to Serve Your Needs

In the course of conducting business, we may disclose some or all of the previously described information about clients and former clients to our affiliates and non-affiliated third parties, as allowed by law. For example, in order to serve your needs, we may provide all of the information we gather to:

- Companies that perform business operations for us (such as check printing).
- To select credit reporting agencies.
- Others as permitted or required by law (such as to protect against fraud or in response to a subpoena).

We do not provide information about clients to other companies for their own marketing purposes. Our policies for sharing client information, both within and outside of First Clearing as described above, also apply to all of the information we have gathered about former clients of First Clearing.

## Fraud and Identity Theft Assistance

If you believe you may be a victim of identity theft:

1. Contact Your Firm for assistance, such as to place holds on your accounts.
2. Contact the Social Security Administration's Fraud Hotline at 800-269-0271 to report fraudulent use of your identification information.
3. Report the incident as quickly as possible to any one of the credit reporting agencies:  
Experian 888-397-3742  
Equifax 800-525-6285  
Trans Union 800-680-7289

You should review your current credit bureau report to identify any unauthorized accounts or inquiries and ask the credit reporting agency about placing a Victim Alert Flag on your files.

4. File a police report in your local jurisdiction and retain the report number and the name of the officer who took the report.
5. File a complaint with the Federal Trade Commission (FTC) by contacting the FTC's Identity Theft Hotline: 1-877-IDTHEFT.

\*Accounts 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.

## How to Protect Yourself

We recommend that you follow these security measures to protect and help prevent potential misuse of personal information about you:

- Protect and properly dispose of your account records.
- Do not share account information, passwords, user IDs, PINs, code words or other confidential information with others.
- Do not provide confidential information by telephone to unknown callers.
- Do not provide confidential information online unless you initiated the contact, know the party with whom you are dealing, and provide the information through a secure channel.
- When conducting business over the Internet, always use a secure browser, exit online applications as soon as you finish using them, and make sure you have virus protection and a firewall and update them regularly.
- Monitor your credit report for accuracy. By law, you are entitled to receive one free credit file disclosure every 12 months from each of the nationwide consumer credit reporting companies. To learn more or request a copy of your credit report, visit [annualcreditreport.com](http://annualcreditreport.com) or call 1-877-322-8228.

## We Strive to Maintain Accurate Information

We strive to maintain complete and accurate information about you and your accounts with Your Firm. If you ever believe that our records contain inaccurate or incomplete information about you, please let us or Your Firm know immediately. We are committed to resolving any inaccuracies as quickly as possible.

## Credit Reporting Agencies

If you believe we have reported inaccurate information about your account to any credit reporting agency, please let us know in writing. Be sure to include your complete name, current address, Social Security number, telephone number, account number, type of account, specific item of dispute and the reason you believe the information is wrong. Send your notice to: First Clearing, One North Jefferson Ave., St. Louis, MO 63103. We will investigate your concern and correct any inaccuracies we find. We will inform you of any actions we take.

## If You Have Questions, Contact Us

We welcome the opportunity to answer any questions you may have about this statement or the safeguarding and confidentiality of information about our clients. Please contact Your Firm, or write to us at First Clearing, One North Jefferson Ave., St. Louis, MO 63103.

## Other Applicable Laws

The practices described above are in accordance with federal law. You may have other protections under applicable state laws, such as those in Vermont, California and Nevada. To the extent these state laws apply, we will comply with them when we share information about you. For example, Vermont law places additional limits on sharing information about Vermont residents. As long as they remain residents of Vermont, we will not share information we collect about Vermont residents to companies outside of First Clearing, except:

- To companies that perform services on our behalf;
- With the authorization or consent of the Vermont resident; or
- As permitted or required by law.

We also will not share credit information about Vermont residents received from others within First Clearing except with the authorization or consent of the Vermont resident.

**For Nevada residents:** Nevada law also requires that we provide you with the following contact information:

First Clearing  
One North Jefferson Ave.  
St. Louis, MO 63103

Bureau of Consumer Protection  
Office of the Nevada Attorney General  
555 E. Washington Street, Suite 3900  
Las Vegas, NV 89101  
Phone: 702-486-3132  
Email: [AgInfo@ag.nv.gov](mailto:AgInfo@ag.nv.gov)

<sup>1</sup> This Privacy Statement explains how we handle and protect information and replaces any Privacy Statements previously provided. The Privacy Statement applies only to consumers who are clients or former clients whose accounts are introduced to First Clearing by introducing firms and have established such relationships with First Clearing in the United States. The policies and practices described in this Privacy Statement are subject to change. This Privacy Statement is issued as of May 15, 2017.