

**INTRODUCED CUSTOMER ACCOUNT  
TERMS, CONDITIONS & DISCLOSURES**

## INTRODUCED CUSTOMER ACCOUNT TERMS & CONDITIONS - *Please read carefully*

In consideration of INTL FCStone Financial Inc. accepting and carrying, or continuing to maintain and carry for my benefit, one or more securities accounts introduced to you by my broker-dealer, bank or other introducing firm ("Introducing Firm"), which Introducing Firm is intended to have the benefit, and is a third-party beneficiary of, this Agreement, I agree to the following with respect to my securities accounts held by held by you.

### 1. DEFINITIONS

Throughout this Agreement, "I," "me," "we," "our," "us," and similar words means the owner(s) of the securities account(s) carried by Clearing Firm. "Clearing Firm" and "IFCF" mean INTL FCStone Financial Inc., and its respective officers, directors, agents and employees. "Property" means securities of all kinds, monies, commodities and all other property usually and customarily dealt in by brokerage firms. Introducing firm shall mean the broker-dealer introducing my account to Clearing Firm and with which my financial representative is associated.

### 2. ROLE OF CLEARING FIRM

I understand and agree that Introducing Firm is not acting as an agent of Clearing Firm, and Clearing Firm is not responsible for the conduct of Introducing Firm, even if Introducing Firm is one of Clearing Firm's affiliated companies. Clearing Firm's only responsibilities to me relate to custody of assets, the execution, clearing and bookkeeping of transactions in my accounts. Clearing Firm may accept from Introducing Firm, without inquiry or investigation, orders for the purchase or sale of securities and other property, on margin or otherwise, and any other instructions concerning my account, including but not limited to instructions to release confidential account information or other nonpublic personal or financial information to a third-party service provider. I agree to indemnify and hold Clearing Firm harmless from any loss, damage, or liability arising out of, or in any way related to its following instructions provided by Introducing Firm, including but not limited to instructions for the release of personally identifiable information to a third-party service provider.

### 3. MY REPRESENTATIONS

If I am a natural person, I represent and warrant the following: (a) I am of legal age to enter into contracts in the state of my domicile; (b) unless I have notified Introducing Firm otherwise in writing and, if required, provided Introducing Firm with a letter of approval from my employer, I am not an employee of (i) an exchange, (ii) a company a majority of the capital interests of which are owned by an exchange, (iii) a company that is a member of an exchange or of FINRA, or (iv) a bank, trust company or insurance company; and (c) I will promptly notify Introducing Firm in writing if any of the above representations becomes materially inaccurate. I further represent that unless I have notified Introducing Firm otherwise in writing, I am not a director, 10% shareholder, or policy-making officer of a publicly traded company and that I will inform Introducing Firm promptly, in writing, if I attain such a position. I agree to promptly notify Introducing Firm, in writing, if I am now, or if I become: (a) registered or qualified in any capacity with the Securities and Exchange Commission, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (b) an "investment adviser" as that term is defined in Paragraph 202(a)(11) of the Investment Advisers Act of 1940, as amended, (whether or not registered or qualified under that act); or (c) employed by a bank or other organization exempt from registration under federal and/or state securities laws to perform functions that would require me to be so registered or qualified if I were to perform such functions for an organization not so exempt. I also represent that no one except me has an interest in my account.

### 4. THE ACCOUNT

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

**Routing of Orders:** All orders authorized by me for the purchase or sale of securities or other property, which may be listed on more than one exchange or market, may be executed on any exchange or market selected by Introducing Firm or Clearing Firm or their respective agents unless otherwise specifically directed by me.

**Recommendations:** Neither Introducing Firm nor Clearing Firm is under any obligation to make any recommendations to me regarding the purchase or sale of securities or other property. I understand that Clearing Firm will not provide any investment advice to me, nor will Clearing Firm give advice or offer any opinion with respect to the suitability of any transaction or order. I understand that any recommendations made by Introducing Firm are merely suggestions that may be based upon Introducing Firm's then present opinion about the likelihood of future events. I understand that any recommendations made by Introducing Firm do not guaranty profit, performance or any future development. Neither Introducing Firm nor Clearing Firm is under any obligation to keep me informed about developments in the market concerning securities or other property, even if they have recommended such securities or other property.

**Order Placement:** I understand that Introducing Firm and Clearing Firm accept only verbal orders or orders placed through electronic order entry systems provided or approved by Clearing Firm ("Electronic Order Entry Systems") for the purchase and sale of securities and other property, and are not responsible for orders sent through the mail, fax, e-mail, text messages or other forms of electronic communication, or orders left via voice mail or answering machines. If I use an Electronic Order Entry System, I understand and agree that I am responsible for maintaining the confidentiality and security of my User ID, password and/or other information required to access the Electronic Order Entry Systems ("Access Information"). Any order placed through an Electronic Order Entry System accessed using my User ID and password shall be conclusively presumed to be placed or authorized by me. I hereby represent, acknowledge and agree with respect to all orders for the purchase or sale of securities or other property placed or authorized by me that I intend to purchase or sell of such securities or other property and that it is my intention and obligation in every case to deliver securities to cover all sales or to pay for all purchases.

**Purchases:** I understand that to process my orders to purchase securities and other property Introducing Firm and Clearing Firm generally require that my account contain available funds equal to or greater than the purchase price of the securities and other property prior to the placement of an order. Introducing Firm and Clearing Firm may, in their sole discretion, accept an order without sufficient funds in my account, in which case I will submit payment promptly to assure that payment will be received by settlement date. Any order accepted and/or executed by Introducing Firm or Clearing Firm while the account does not hold sufficient funds may be, in Introducing Firm's or Clearing Firm's sole discretion, cancelled or liquidated. I agree that if Clearing Firm fails to receive payment for securities and other property purchased Clearing Firm may, without prior demand or notice, sell securities and other property held in any of my accounts. Any loss resulting therefrom may be charged to my account.

**Sales:** I agree that in giving orders to sell securities and other property, all "short" sales orders will be designated as "short" and all "long" sales orders will be designated as "long." "Short sale" means any sale of a security not owned by the seller or any sale that is consummated by delivery of a borrowed security. I understand that the execution of a short sale is contingent upon Clearing Firm's affirmative determination that arrangements have been made to borrow the necessary securities or otherwise obtaining sufficient assurance that delivery can be made by the settlement date. I agree that Clearing Firm may, in its sole discretion, immediately cover any short sales in my account. The designation on a sale order as "long" is a representation on my part that I own the security, and if the security is not in the account at the time of the contract for sale, I agree to deliver the security to Clearing Firm by settlement date. In case of any non-delivery of a security sold by me (whether short or long), Clearing Firm is authorized to purchase the security to cover my position and charge any loss, commissions and fees to my account. I understand that Clearing Firm's systems are set to allocate sales to the oldest tax lots in my account (in other words, on a first in first out (FIFO) basis), and I am responsible to notify Introducing Firm if I wish to allocate a sale to a specific tax lot other than on a FIFO basis. I further understand that tax lot allocations may not be changed past transaction settlement date.

**Limit Orders:** If I place a limit order, I understand that Introducing Firm and Clearing Firm reserve their respective rights, while my limit order remains unexecuted, to trade for their own respective market-maker accounts at prices equal to or better than my limit order price and not to execute my order against incoming orders from other customers.

**Cancellation/Modification Requests:** I understand that any attempt to cancel or modify an order is merely a request to cancel or modify. Cancellation and modification requests are accepted on a best efforts basis only and cancellation or modification is not guaranteed.

**Corrected and Late: Trade Reports** I understand that from time to time Clearing Firm may receive late and/or erroneous trade reports from exchanges or market makers. I understand and agree that the status of orders which are not reported to me or which are reported as having expired, been cancelled or been executed, may be changed in response to such late and/or erroneous reports in order to reflect what actually occurred in the marketplace with respect to such order.

**Impartial Lottery Allocation System:** When Clearing Firm holds on my behalf bonds or preferred stocks in street or bearer form which are callable in part, I agree to participate in the impartial lottery allocation system of the called securities in accordance with Financial Industry Regulatory Authority ("FINRA") rules. Further, I understand when the call is favorable, no allocation will be made to any account in which Clearing Firm, its officers, or employees, have a financial interest until all other clients' positions in such securities are satisfied on an impartial lottery basis. For further details refer to the "Callable Securities Procedures" disclosure found in the important disclosure section of [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures) a hard copy of this disclosure will be provided upon request.

**Restrictions on Trading; Termination:** I understand that either Introducing Firm or Clearing Firm may, in its sole discretion, prohibit or restrict trading of securities or substitution of securities in any of my accounts. Each of Introducing Firm and Clearing Firm has the right to terminate any of my accounts (including multiple owner accounts) at any time by notice to me. Upon termination, each of Introducing Firm and Clearing Firm may liquidate the securities in my account.

**Options Positions:** I agree not to enter into any purchase or sale of equity, debt, foreign currency or index put & call options or Index Participations without having read and fully understood the terms, conditions and risks, as set forth in the Characteristics and Risks of Standardized Options booklet and/or Index Participations booklet, and applicable supplements, which will be furnished to me by Introducing Firm prior to any such transactions. I understand my short option positions are assigned on a random selection method pursuant to an automated system. All short option positions can be assigned at any time including the day written.

**Notice of Exercise of Options:** If I purchase any listed option, I will notify Introducing Firm of my intention to exercise such option no later than two hours before the expiration time of the option (one hour in the case of an over-the-counter option). Failure to give such notice will constitute an abandonment of the option, in which event it may be exercised for my account if it would be profitable to do so. Except as required by the Options Clearing Corporation Rules, neither Introducing Firm nor Clearing Firm has any obligation to exercise any option absent specific instructions from me to that effect. If it would not be profitable for my account due to commission expenses, it may be permitted to expire or, in their sole discretion, sold or acquired by Introducing Firm or Clearing Firm for some equitable payment to me based on their expenses and risk, without any liability or responsibility to me.

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

**Rules and Regulations:** I understand that all transactions in my account are 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. Also, where applicable, the transactions shall be subject to the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Commodities Exchange Act, as amended, and to the rules and regulations of the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and any applicable self-regulatory organization, and all other federal, state and local statutes, rules and regulations.

## 5. TRANSFER OF FUNDS BY WIRE

By providing instructions to transfer funds by wire from my account to any bank or other entity, I agree to provide an accurate account number designating the account to receive such funds. I acknowledge that the bank or other receiving entity may be under no obligation to verify the identity of the beneficiary of the funds transfer and may rely exclusively upon the account number provided by me. I agree to indemnify and hold Introducing Firm and Clearing Firm harmless from and against all liabilities arising from the provision by me of an inaccurate account number.

## 6. TRANSFER OF EXCESS FUNDS; EXCHANGE RATE FLUCTUATIONS

Excess funds held in my account may be transferred between any of my accounts (including commodity accounts) for any reason not in conflict with the Commodity Exchange Act or any other applicable law. If any transactions are effected on an exchange in which a foreign currency is used, any profit or loss resulting from a fluctuation in the exchange rate will be charged or credited to my account.

## **7. TEMPORARY INVESTMENT OF FREE CREDIT BALANCES; BOND PRINCIPAL AND INTEREST PAYMENTS**

I acknowledge that I have received a copy of the FDIC Insured Deposit Program Disclosure Brochure, and I hereby authorize and direct that my account be enrolled in the FDIC Insured Deposit Program and the available cash balances (from securities transactions, dividend and interest payments, deposits or otherwise) be deposited in interest-bearing, FDIC insured deposit accounts in accordance with the Program. If my account is a retirement account, such as an individual retirement account or a self-directed 401k account, subject to the prohibited transaction provisions of Internal Revenue Code section 4975 or ERISA section 406, I hereby acknowledge that I have been informed of the fees that may be earned in connection with the provision of sweep services and have determined that such fees are reasonable and such fees constitute no more than adequate consideration.

I understand that from time to time, Clearing Firm may modify its Cash Sweep Programs. By way of example, and without limitation, Clearing Firm may change account eligibility criteria, make new Cash Sweep Options available, modify existing Cash Sweep Options, or cease to offer an existing Cash Sweep Option. I understand that Clearing Firm will give me prior notice of any such change that affects my account and, unless I notify Introducing Firm of my objection to such change within the timing specified by you, I will be deemed to have consented to such change. I understand that Clearing Firm will give me prior notice of any change in the available Cash Sweep Options that affects my account and, unless I notify Introducing Firm of my objection to such change within the timing specified by you, I authorize Clearing Firm, in its sole discretion, to redeem shares and/or withdraw cash from my prior Cash Sweep Option and transfer the entire balance to the new Cash Sweep Option. In the event Clearing Firm discontinues a Cash Sweep Option, I authorize Clearing Firm, in its sole discretion, to transfer balances over time by redeeming shares and/or withdrawing cash from the discontinued Cash Sweep Option as necessary to pay obligations relating to my account, while at the same time sweeping free credit balances into the new Cash Sweep Option.

With respect to bond principal and interest payments, Clearing Firm may credit my account with principal and interest due on the payment dates and is entitled to recover any such payments from me if Clearing Firm does not actually receive same from the trustee or paying agent. With respect to debts arising from bond principal and interest payments or any other debts, Clearing Firm may redeem my money market fund shares, without notice, to the extent necessary to satisfy any debts arising in any of my accounts. I acknowledge that interest will not be paid to me on credit balances in any of my accounts unless specifically agreed to by Clearing Firm in writing.

## **8. FEES AND CHARGES**

I understand that Introducing Firm and Clearing Firm may impose various service charges and other fees relating to my account as well as charge commissions and other fees for execution of transactions to purchase and sell securities, put & call options or other property, and I agree to pay such charges, commissions and fees at Introducing Firm's and Clearing Firm's then prevailing rates. I also understand that such charges, commissions and fees may be changed from time to time without notice to me and I agree to be bound thereby. I may be subject to an administrative fee on any of my accounts which produce insufficient commission revenue for any calendar year and I will be notified prior to this fee being applied. I agree to pay Clearing Firm a late charge, to the extent permitted by law, if I purchase securities on a cash basis and fail to pay for such securities by settlement date. Any late charge imposed will be at the maximum rate of interest set forth in Clearing Firm's disclosure statement and may be charged from the settlement date to the date of payment.

## **9. ACCURACY OF REPORTS; COMMUNICATIONS**

I understand that I am solely responsible to review trade confirmations and account statements for accuracy. Confirmation of orders and statements of my accounts shall be conclusive if not objected to in writing within ten days after mailing to me. In the event I fail to receive a confirmation within ten days from the date of a transaction in my account, I agree to notify Introducing Firm immediately in writing. Communications mailed to me at the address specified by me shall, until Introducing Firm and Clearing Firm have received notice in writing from me of a different address, be deemed to have been personally delivered to me and I agree to waive all claims resulting from failure to receive such communications.

## **10. SECURITY INTEREST**

As security for the payment of all liabilities or indebtedness presently outstanding or to be incurred under this or any other agreement between us, and for all liabilities or indebtedness I may have to Clearing Firm now or in the future, I grant Clearing Firm a continuing security interest, lien, and right of set-off in and to any and all securities and other property belonging to me or in which I have an interest and which is carried by Clearing Firm in any of my accounts or which is otherwise held by Clearing Firm. All such securities and other property shall be subject to such security interest, lien, and right of setoff as collateral for the discharge of my obligations to Clearing Firm, wherever or however arising and without regard to whether Clearing Firm has made loans, or not, with respect to such securities and other property. Clearing Firm is hereby authorized to sell and/or purchase all securities and other property in any of my accounts or otherwise held by Clearing Firm and to liquidate any open commodity futures or forward contracts in any of my accounts without notice in order to satisfy such obligations. In enforcing its security interest, Clearing Firm shall have the discretion to determine which property is to be sold and the order in which it is to be sold and shall have all the rights and remedies available to a secured party under the Alabama Uniform Commercial Code. Without Clearing Firm's prior written consent, I will not cause or allow any of the collateral held in my account, whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than Clearing Firm's security interest.

## **11. LIQUIDATION OF COLLATERAL OR ACCOUNT**

Clearing Firm may sell any or all securities and other property held in any of my accounts and cancel any open orders for the purchase or sale of securities and other property without notice in the event of my death or whenever in its sole discretion Clearing Firm considers it necessary for its protection. In such events Clearing Firm also may borrow or buy-in all securities and other property required to make delivery against any sale, including a short sale, effected for me. Such sale or purchase may be public or private and may be made without advertising or notice to me and in such manner as Clearing Firm may in its sole discretion determine. No demands, calls, tenders or notices which Clearing Firm may make or give in any one or more instances shall invalidate the foregoing waiver on my part. At any such sale, Clearing Firm may purchase the property free of any right of redemption and I shall be liable for any deficiency in my accounts.

## **12. Loans**

From time to time Clearing Firm may, in its discretion, make loans to me for any purpose, including the purpose of purchasing, carrying or trading in securities or other property, or for a purpose other than purchasing, carrying or trading in securities or other property. Any such loans shall be secured by the securities and other property in my account pursuant to the above granted security interest and are intended to be margin loans within the meaning of the United States Bankruptcy Code. The

minimum and maximum amount of any loan may be established by Clearing Firm in its sole discretion regardless of the amount of collateral delivered to Clearing Firm, and Clearing Firm may change such minimum and maximum amounts from time to time.

### **13. PAYMENT OF LOANS ON DEMAND**

I agree to pay ON DEMAND any balance owing with respect to any of my accounts, including interest and commissions and any costs of collection (including attorneys' fees, if incurred by you). I understand that Clearing Firm may demand full payment of the balance due in my accounts plus any interest charges accrued there on, at Clearing Firm's sole option, at any time without cause and whether (or not) such demand is made for Clearing Firm's protection. I understand that all loans made are not for any specific term or duration but are due and payable at Clearing Firm's sole discretion upon a demand for payment made to me. I agree that all payments received for my accounts including interest, dividends, premiums, principal or other payments may be applied by Clearing Firm to any balances due in my accounts.

### **14. MAINTENANCE OF COLLATERAL**

If my account is a margin account, I understand that the securities and other property in my Margin Account may be carried as general loans and may be pledged or hypothecated by Clearing Firm separately or in common with securities or other property, the pledge or hypothecation may secure Clearing Firm's indebtedness equal to or greater than the amount owed to Clearing Firm by me. I agree to deposit additional collateral, as Clearing Firm may in its discretion require from time to time, in the form of cash or securities in accordance with the rules and regulations of the Federal Reserve Board, the NYSE, other national securities exchanges, associations or regulatory agencies under whose jurisdiction Clearing Firm is subject and Clearing Firm's own minimum house margin maintenance requirements. In the event I no longer maintain a debit balance or indebtedness to Clearing Firm, it is understood that Clearing Firm will fully segregate all securities in my accounts in its safekeeping or control (directly or through a clearing house) and/or deliver them to me upon my request.

### **15. INTEREST CHARGES AND PAYMENTS**

I agree to pay interest, to the extent not prohibited by the laws of the State of Alabama, upon all amounts advanced and other balances due in my accounts in accordance with Clearing Firm's usual custom, which may include the compounding of interest. Clearing Firm's custom, which may change from time to time, is set forth in its disclosure statement, which by this reference is herein specifically incorporated. By entering into any transactions after I receive Clearing Firm's disclosure statement, I acknowledge that I have read and agreed to its terms for all past and future transactions in my account. I understand that interest on all debit balances shall be payable ON DEMAND and that in the absence of any demand interest shall be due on the first business day of each interest period. My daily net debit balance will include accrued interest I have not paid from prior interest periods, if any. I understand that to the extent permitted by applicable law Clearing Firm may charge me interest on the unpaid interest previously added to my debit balance; that is, Clearing Firm may charge me compound interest. Payments of interest and principal and all other payments made by me under this agreement shall be made to Clearing Firm's main office in Birmingham, Alabama. Clearing Firm may, in its sole discretion, not deem any check or other remittance to constitute payment until it has been paid by the drawee and the funds representing such payment have become available to it.

### **16. CREDIT AND BUSINESS CONDUCT INFORMATION AND INVESTIGATION**

I authorize Clearing Firm at its sole discretion to obtain reports and to provide information to others concerning my credit standing and my business conduct. Clearing Firm may ask credit reporting agencies for consumer reports of my credit history. Upon my request, Clearing Firm will inform me whether it has obtained any such consumer reports and, if it has, will inform me of the name and address of the consumer reporting agency that furnished the reports. I understand and acknowledge that I have been notified that a negative credit report reflecting on my credit record may be submitted to a credit reporting agency if I fail to fulfill the terms of my credit obligations.

I understand that, under the Fair Credit Reporting Act, I have the right to notify Clearing Firm if I believe it has reported inaccurate information about my account to any consumer reporting agency. Such notices will be in writing and include my name, current address, social security number, telephone number, account number, type of account, specific item or dispute, and the reason why I believe the information reported is in error.

### **17. JOINT ACCOUNTS**

With respect to our joint accounts: We agree that each of us has the authority (i) to give instructions concerning the account, including but not limited to instructions to buy, sell (including short sales), and otherwise deal in securities, options or other property, on margin or otherwise, and instructions to make deliveries or payment of securities or other property in the account, whether to one or more of us or to third parties; (ii) to communicate to and receive information concerning the account, including but not limited to confirmations, statements and communications of every kind; (iii) to receive money, securities and other property from the account and to dispose of same; (iv) to make, terminate, or modify agreements relating to these matters or waive any of the provisions of such agreements; and (v) generally to deal with Introducing Firm and Clearing Firm as if each of us alone were the account owner, all without notice to the other account owners. We agree that notice to any account owner shall be deemed to be notice to all account owners. Each account owner shall be jointly and severally liable for all obligations arising under this Agreement.

We agree that Introducing Firm and Clearing Firm are authorized to follow the instructions of any account owner in every respect concerning the account, including but not limited to demands for delivery of any securities or other property in the account to, or upon the instructions of, any account owner and demands for payment of any or all monies from time to time in the account to, or upon the order of, any account owner, even if such deliveries or payments are to or for the benefit of such account owner personally (including payments to third-parties) and not for the benefit of the joint account owners. We agree that neither Introducing Firm nor Clearing Firm shall 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 either Introducing Firm or Clearing Firm may, in its sole discretion and without liability because of fluctuating market conditions or otherwise, require joint or collective action by more than one account owner with respect to any matter concerning the account, including but not limited to the giving or cancellation of orders and the withdrawal of monies, securities or other property.

Notwithstanding any of the foregoing, each of Introducing Firm and Clearing Firm is authorized, in its sole discretion and without liability because of fluctuating market conditions or otherwise, to do any one or more of the following: (i) select which account owners instructions to follow and which to disregard; (ii) suspend all activity in the account and refuse to buy, sell or trade any securities or other property and refuse to disburse any securities or other property except upon the written instructions of all account owners; (iii) suspend all activity in the account and refuse to buy, sell or trade any securities or other property and refuse to disburse any securities or other property except upon the instructions of a court of competent jurisdiction; (iv) close the account and send any and all securities and other property by ordinary mail to the address of record, and (v) file an interpleader action in any appropriate court, in which event Introducing Firm or Clearing Firm, as the case may be, shall be entitled to recover all costs including reasonable attorneys' fees in an amount set by the court. (We agree that filing of such an interpleader is an extraordinary event and will not be deemed a violation or waiver of the arbitration provisions of this Agreement).

Each of us agrees, jointly and severally, to hold harmless and indemnify each of Introducing Firm and Clearing Firm from and against any losses, cause of action, damages, and expenses (including attorneys' fees) arising from following the instructions of any account owner or exercising any one or more of the rights granted in the immediately preceding paragraph.

In the event of the death of any account owner, the survivor(s) shall immediately give Introducing Firm and Clearing Firm written notice thereof, and each of them may, before or after receiving such notice, take such actions, require such documents, retain such portion of the account and/or restrict transactions in the account as it may deem advisable to protect against any tax, liability, penalty or loss under any present or future laws or otherwise. The estate of any deceased account owner and each surviving account owner will continue to be jointly and severally liable to Introducing Firm and Clearing Firm for any net debit balance or loss in the account resulting from the completion of transactions initiated prior to its receipt of a written notice of death of the deceased account owner or incurred in the liquidation of the account or the adjustment of the interest of the account owners and/or any interests. Any taxes or other expenses becoming a lien against or being payable out of the account as the result of the death of any account owner or through the exercise by his or her estate or representatives of any rights in the account may be charged against the interest of the estate of the decedent; provided, however, this provision shall not release the surviving account owners from any liability provided for in this agreement.

In the event we have failed to clearly manifestly express our intent otherwise in the Account Application, Introducing Firm and Clearing Firm may presume that it is our express intention to create an estate or account as joint tenants with rights of survivorship and not as tenants-in common or tenants by the entirety.

In the event of the death of an owner of an account held by spouses as tenants by the entirety or as joint tenants with right of survivorship, the death of either of the joint account owners shall vest the interest of the deceased account owner in the surviving account owner, who may continue to exercise full authority over the account, subject to Introducing Firm's and/or Clearing Firm's right of set-off against the account for any amounts owed by the decedent or the surviving account owner.

In the event of the death of an owner of an account held as tenants in common, we agree that the percentage of ownership of the account held by each of the account owners as of the close of business on the date of the death of the deceased account owner (of 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 account owners in the Account Application.

If we have designated our account as a community property account, we agree that Introducing Firm and Clearing Firm may treat all property placed in the account and any proceeds generated by the property in the account as community property. We understand that this designation is intended only for our convenience and is not intended in any way to change the substantive status of the ownership of the property or the proceeds thereof. We authorize Clearing Firm to receive into the account any securities and/or other property delivered to it by or for either of us without delineation as to the actual ownership of the property.

In any situation where Clearing Firm cannot determine to its sole satisfaction the proper distribution of securities and/or other property from a joint account upon the death of an account owner, Clearing Firm may, in its sole discretion, freeze the account indefinitely pending a resolution deemed satisfactory by Clearing Firm, 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.

We understand and agree that, notwithstanding the provisions of Section 22 of this Agreement which shall govern the contractual obligations of the parties with respect to my account; the legal ownership of my account shall be governed by and implemented under the internal laws of the state of my residence.

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

I understand and agree that neither Introducing Firm nor Clearing Firm provides any legal or tax advice. I understand and agree that neither Introducing Firm nor Clearing Firm shall be obligated under any circumstances to render any advice or take any action with respect to legal proceedings regarding securities or other property held or formerly held in my account or the issuer thereof.

#### **19. ARBITRATION**

THIS AGREEMENT CONTAINS ARBITRATION CLAUSE. BY SIGNING, THE PARTIES AGREE AS FOLLOWS:

- a. ALL 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 A CLAIM IS FILED.
- b. ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- c. THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
- d. THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARDS 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.
- e. THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.

- f. 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.
- g. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.
- h. ANY PARTY TO THIS AGREEMENT SHALL HAVE THE RIGHT TO SEEK JUDICIAL REVIEW IN ANY COURT OF COMPETENT JURISDICTION OR ANY COURT BEFORE WHOM AWARDS MAY BE CONFIRMED, CONSISTENT WITH APPLICABLE LAW WHAT WOULD BE AFFORDED IF THE MATTER HAD BEEN DETERMINED IN A JUDICIAL FORUM, OF ANY ARBITRAL AWARD; (i) WITH RESPECT TO ANY GRANT OR DENIAL OF RELIEF IN THE FORM OF PUNITIVE OR EXEMPLARY DAMAGES, OR IN THE FORM OF AN AWARD OF ATTORNEY'S FEES, TO THE EXTENT OF DETERMINING WHETHER SUCH GRANT OR DENIAL WAS IN ACCORD WITH APPLICABLE LAW; AND (ii) WITH RESPECT TO ANY OTHER MATTER, TO THE EXTENT OTHERWISE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE ABILITY OF A CUSTOMER TO FILE A CLAIM OR THE AUTHORITY OF THE ARBITRATORS TO MAKE AN AWARD, INCLUDING AN AWARD OF PUNITIVE DAMAGES OR ATTORNEY'S FEES, IF THEY WOULD BE AVAILABLE UNDER APPLICABLE LAW.
- i. ANY CONTROVERSY: (1) ARISING OUT OF OR RELATING TO ANY OF MY ACCOUNTS MAINTAINED INDIVIDUALLY OR JOINTLY WITH ANY OTHER PARTY, IN ANY CAPACITY, WITH YOU; OR (2) RELATING TO MY TRANSACTIONS OR ACCOUNTS WITH ANY OF INTRODUCING FIRM'S OR CLEARING FIRM'S PREDECESSOR FIRMS BY MERGER, ACQUISITION OR OTHER BUSINESS COMBINATION FROM THE INCEPTION OF SUCH ACCOUNTS; OR (3) WITH RESPECT TO TRANSACTIONS OF ANY KIND EXECUTED BY, THROUGH OR WITH INTRODUCING FIRM, CLEARING FIRM OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS AND/OR EMPLOYEES; OR (4) WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENTS ENTERED INTO WITH INTRODUCING FIRM OR CLEARING FIRM AND RELATING TO MY ACCOUNTS, OR THE BREACH THEREOF, SHALL BE RESOLVED BY ARBITRATION CONDUCTED ONLY AT THE NYSE, FINRA OR ANY SELF-REGULATORY ORGANIZATION ("SRO") SUBJECT TO THE JURISDICTION OF THE SECURITIES AND EXCHANGE COMMISSION AND PURSUANT TO THE ARBITRATION PROCEDURES THEN IN EFFECT OF ANY SUCH EXCHANGE OR SRO AS I MAY ELECT. IF I DO NOT MAKE SUCH ELECTION BY REGISTERED MAIL ADDRESSED TO INTRODUCING FIRM'S OR CLEARING FIRM'S MAIN OFFICE, AS THE CASE MAY BE, WITHIN 5 DAYS AFTER DEMAND THAT I MAKE SUCH ELECTION, THEN INTRODUCING FIRM OR CLEARING FIRM HAVE THE RIGHT TO ELECT THE ARBITRATION TRIBUNAL OF ITS CHOICE. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. 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 CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE ANY AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATE HEREIN.

## **20. USE OF THIRD-PARTY INVESTMENT ADVISERS**

If I have provided an investment adviser not affiliated with Introducing Firm or Clearing Firm (a "Third- Party Investment Adviser") authority to trade securities in my account on a discretionary basis, or if I am relying on the non-discretionary advice of a Third Party Investment Adviser in managing my account, I acknowledge and agree that neither Introducing Firm nor Clearing Firm has any responsibility or liability to me for trading strategies or securities transactions effected or recommended by the Third Party Investment Adviser.

## **21. SECURITIES CONTRACT**

It is the intent of the parties hereto that this contract, each purchase and sale of securities hereunder, and each extension of credit hereunder constitute a "securities contract" within the meaning of the United States Bankruptcy Code.

## **22. GOVERNING LAW AND APPLICABLE REGULATIONS**

This agreement, including the arbitration provisions contained herein, shall be governed by the laws of the State of Alabama without giving effect to the choice of law or conflict of provisions thereof.

## **23. BINDING EFFECT**

This agreement and its terms shall be binding upon my heirs, executors, successors, administrators, assigns, committee and/or conservators ("successors"). In the event of my death, incompetency or disability, any successors of my estate and property shall have qualified or been appointed, each of Introducing Firm and Clearing Firm may continue to operate as though I were alive and competent and may liquidate my account as described in Section 11 above without prior notice to or demand upon my successors. This agreement shall inure to the benefit of Introducing Firm, Clearing Firm and their respective assigns and successors, by merger, consolidation or otherwise, and each of them may transfer my accounts to any of their respective successors and assigns in their sole discretion).

## **24. WAIVER NOT IMPLIED**

Failure of Introducing Firm or Clearing Firm to insist at any time upon strict compliance with this agreement or with any of its terms or any continued course of such conduct on their part shall not constitute or be considered a waiver by either of them of any of their respective rights.

## **25. SEVERABILITY**

If any provision of this agreement is or becomes inconsistent with any applicable present or future law, rule or regulation, that provision will be deemed rescinded or modified to comply with the relevant law, rule or regulation. All other provisions of this agreement will continue and remain in full force and effect.

## **26. ASSIGNMENT OF RIGHTS**

I understand and agree that Introducing Firm and Clearing Firm may assign their respective rights and duties under this Agreement to any subsidiary, affiliate, or successor by merger or consolidation without notice to me, and to any other entity after thirty days written notice to me.

## **27. ELECTRONIC COMMUNICATIONS**

I understand and acknowledge that all electronic mail ("e-mail") communications from Clearing Firm and/or its affiliates regarding my account will be from an e-mail address ending in "@intfctstone.com" and that e-mails ending any other way are not authorized by Clearing Firm. I have been advised to contact Clearing Firm's Compliance Department at (888) 343.3621 in the event I receive any unauthorized communication from someone representing themselves as a representative of Clearing Firm.

With respect to electronic communications from me to Introducing Firm or Clearing Firm, I understand that it is my responsibility to maintain the confidentiality of my user names and passwords to my e-mail account(s) and the on-line portal to my account provided by Clearing Firm, if applicable. Further, I understand it is my responsibility to obtain, install and vigilantly maintain anti-virus and other malware protection from reputable vendors for my electronic devices. I understand and agree that Introducing Firm and Clearing Firm have no obligation to accept or act upon any electronic communication from me. However, I hereby agree that Introducing Firm and Clearing Firm may rely on, and will be fully protected in acting upon, any electronic communication or instruction received from electronic sources accessed using my username and password, including without limitation e-mails received from e-mail address (s), if any, provided in my account application (or otherwise identified to Introducing Firm and/or Clearing Firm as belonging to me), until such time as Introducing Firm or Clearing Firm, as applicable, receives actual notice in writing from me that it may no longer accept such electronic communications or instructions. I accept full and sole responsibility for all such communications and instructions and neither Introducing Firm nor Clearing Firm will have any liability for, and I hereby release each of them from, any losses, liabilities, damages, costs, expenses, claims, causes of action and judgments incurred or sustained by either of them connected to or as a result of reliance upon or compliance with such communications and instructions.

#### **28. PAYMENT FOR ORDER FLOW**

INTL FCStone Financial Inc. ("IFCF") may receive payment for order flow in the form of a rebate that will vary based upon order, execution type and venue. A rebate usually occurs when IFCF provides liquidity to the market; if IFCF removes liquidity from the market the firm is generally charged a fee. IFCF only takes payment for order flow into consideration for orders that at the time of entry are not executable. Any executable orders are sent to market centers meeting acceptable best execution standards and are reviewed for such on a quarterly basis by IFCF's best execution committee.

#### **29. CHANGES TO FINANCIAL CIRCUMSTANCES OR INVESTMENT NEEDS**

I hereby acknowledge that I will advise Introducing Firm in writing of any material change in my financial circumstances, investment objectives, risk tolerances or any other matter impacting my investment needs.

#### **30. RECORDING OF COMMUNICATIONS**

I (i) acknowledge that Introducing Firm and/or Clearing Firm may electronically monitor, view or record, at any time and from time to time, any and all communications (including without limitation all phone conversations, video chats, emails, electronic communications, written correspondence, instant messages, text messages, blog posts, "tweets," social media messages and posts, and any other types of communications now known or later developed) I may have with either of them, (ii) consent to such monitoring, viewing and recording and waive any further notice of such monitoring or recording, (iii) agree to notify my officers, employees and authorized agents (if applicable) who communicate with either of them on behalf of me, of such monitoring, viewing or recording, and (iv) agree that any such monitoring or recording may be submitted into evidence in any suit, trial, hearing, arbitration, or other proceeding.

#### **31. NOTICE TO ISSUERS**

Under Rule 14b-1(c) promulgated under the Securities Exchange Act of 1934, as amended, brokers are required to disclose to an issuer the name, address, and position of persons who are beneficial owners of that issuer's securities unless such person's object. Unless I notify Introducing Firm of my objection in writing, Introducing Firm and/or Clearing Firm will make such disclosures to issuers.

#### **32. ADOPTION OF AGREEMENT, MODIFICATIONS AND AMENDMENTS**

I understand and agree that my placement of any order with Introducing Firm or Clearing Firm, provision of any direction to either of them, or deposit of securities or other property with Clearing Firm following my receipt of this Agreement shall constitute conclusive proof of my acceptance of this Agreement. This agreement supersedes any prior Customer's or Client's Agreement (except those governing transactions in my commodity accounts) made with Introducing Firm or Clearing Firm or any of their respective predecessors or assignors. To the extent this agreement is inconsistent with any other agreement governing my account, the provisions of this agreement shall govern. Clearing Firm may modify this agreement at any time, in any respect, effective upon written notice to me. This agreement is not subject to any oral modification.

**IRS Non-Bank Trustee Approval.** INTL FCStone Financial Inc., has received approval from the Internal Revenue Service ("IRS") to serve as a nonbank trustee or custodian for individual retirement accounts ("IRAs") established under sections 401D and 408A of the Internal Revenue Code. Copies of the notices of approval are available at [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures). You may request a hard copy of the approval notices by writing to us at: INTL FCStone Financial Inc., 2 Perimeter Park South, Suite 100W, Birmingham, Alabama 35243 or by calling us at (888) 343-3621.

#### **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 for you: 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. A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement, or a trust agreement.**



## CREDIT TERMS AND POLICIES

The following Disclosure Statement of Credit Terms and Policies is required by the Securities and Exchange Commission and is part of your Client Agreement. Should you have any questions regarding this disclosure statement, please contact your Financial Advisor. Interest Charge Margin transactions normally involve the extension of credit made by INTL FCStone Financial Inc. (IFCF), when you deposit only a portion of the monies or the collateral required in a transaction. Withdrawals of cash from your account, or an increase in the market interest and any other applicable charges will be assessed to your account. Your account will be charged interest on any extension of credit to you by IFCF connected to the purchase, sale, or carrying of any securities. The interest charge will be based on your adjusted debit balance multiplied by the daily margin interest rate. You will receive a statement of your account, at least quarterly, showing the adjusted daily debit balance, interest charges, and the applicable interest rates. Interest will be charged to you if we approve prepayment of the proceeds from sales prior to settlement date. Interest may also be charged on debit balances in Cash Accounts due to a late payment.

### 1. DAILY MARGIN INTEREST RATE

The "daily margin interest rate" is based on a 360-day year and is calculated by dividing the applicable margin interest rate by 360. The applicable margin interest may be up to 3% above the current Broker Call rate.

IFCF sets its margin lending rates at its discretion with consideration of commercially recognized interest rates relating to the extension of credit, as well as general market conditions. The margin interest rate may be changed without notice to you to reflect changes in the current Broker Call rate. If your interest rate is increased for any other reason, IFCF will notify you in writing at least 30 days prior to the date of the increase. Please contact your Financial Advisor for the current margin rate.

The term "adjusted daily debit balance," means the daily balance less applicable free credits. The daily debit balance is the unpaid amount loaned to you as of the close of the business day. Debits and credits resulting from purchases and sales are posted to your account as of the settlement date. A credit balance in your Cash Account will be applied as a reduction of a debit balance in your Margin and/or Short Account. Should you deposit a check or other item that is later returned unpaid, your account may be adjusted to reflect additional interest or other charges that apply.

### 2. INITIAL MARGIN/ACCOUNT MAINTENANCE REQUIREMENTS

The Federal Reserve Board and various self-regulatory organizations require that the maximum amount currently available to you is 50% of the value of marginable securities purchased or held in your account ("initial margin").

The maximum loan available for debt securities varies with the type of security. Your minimum account equity must be \$2,000.00, or other amount as may be required by applicable rules, regulations, or IFCF house policies. Initial margin and margin maintenance requirements may change without notice. Equity securities with a market value of less than \$5.00 per share are not marginable.

A margin call (notification to deposit additional collateral) may be issued if your account equity drops below the margin maintenance requirement. Normally, additional collateral will be required if your account equity declines below 30% depending upon such factors as IFCF, in its sole discretion, may deem material, including but not limited to the type, price, quantities and marketability of securities, or combination thereof, held in your account. If the market value of a security falls below \$3.00 per share, the security will not be assigned a value as collateral to secure your margin obligations.

### 3. SHORT OPTION POSITIONS

Uncovered option contracts are subject to both initial margin and margin maintenance requirements. These positions involve higher levels of risk and more stringent requirements may be imposed. Please contact your Financial Advisor for details.

### 4. SHORT SALE TRANSACTIONS

Any credit resulting from a short sale (including a short sale against the box) will not reduce your debit balance on which interest is charged because the securities sold short must be borrowed to make delivery to the purchaser and an amount equal to the proceeds of the short sale must be deposited with the lender. You are liable for all dividends and interest paid on securities borrowed for "short sale" purchases. The value of securities held short in your account will be "marked to the market" daily. Any resulting increase or decrease in the market value will be included in your adjusted daily debit balance. IFCF may at its discretion, for any reason and without notice, immediately cover any short security position by purchasing securities for your account.

### 5. LIENS AND LIQUIDATIONS

All monies or securities held by IFCF at any time in any of your accounts (individual, joint or otherwise) for any purpose shall be collateral subject to a general lien and security interest for the discharge of all your obligations to IFCF. IFCF may also demand repayment of any loan balance in whole, or in part, at any time and for any reason. Additionally, IFCF may require you to deposit additional collateral as security for your obligations.

## DISCLOSURES

### MARGIN DISCLOSURE STATEMENT (applicable if you have elected to open a margin account)

INTL FCStone Financial Inc. (IFCF) serves as clearing broker to your brokerage firm. With respect to this relationship, IFCF offers many services to your brokerage firm as outlined in their clearing agreement and as disclosed to you under the terms of FINRA Rule 4311. Under the clearing agreement, IFCF is the lender with respect to margin loans.

This document is being provided 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 upon opening your margin account. Consult your brokerage firm regarding any questions or concerns you may have with your margin account.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from IFCF. If you choose to borrow funds from IFCF, you will open a margin account with IFCF through your brokerage firm. The securities purchased are IFCF'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, IFCF 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 IFCF, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in using margin, whether trading securities on margin or using your margin account equity for other purposes. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities purchased/held in your margin account may require you to provide additional funds to IFCF to avoid the forced sale of those securities or other securities or assets in your account(s).
- IFCF 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 higher "house" requirements, IFCF or your brokerage firm can sell the securities or other assets in any of your accounts held at IFCF to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- IFCF 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 firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their clients of margin calls, but they are not required to do so. However, even if IFCF or your brokerage firm has contacted you and provided a specific date by which you can meet a margin call, either 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, IFCF or your brokerage firm has the right to decide which security to sell to protect its interests.
- IFCF can increase its "house" maintenance margin requirements at any time and is not required to provide advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Failure to satisfy the call may cause IFCF 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 in order to meet margin requirements may be available to you under certain conditions, you do not have a right to the extension.

*INTL FCStone Financial Inc. is a member FINRA/SIPC*



### FDIC INSURED DEPOSIT SWEEP PROGRAM

#### Introduction

INTL FCStone Financial Inc.'s FDIC Insured Deposit Sweep Program provides you the ability to automatically "sweep" uninvested cash balances in your account into Federal Deposit Insurance Corporation (FDIC) insured bank deposit accounts at multiple FDIC-insured banks (Participating Banks). Participating in the FDIC Insured Deposit Sweep Program provides you the opportunity to earn interest on your funds while they are awaiting investment, or as needed to satisfy obligations arising in connection with your account. FDIC Insured Deposits are intended only as a short-term use of cash and should not be viewed as a long-term investment strategy.

If you are purchasing an investment, the automatic sweep feature allows the exact amount of the transaction to be swept from your account to fund such purchase on settlement date. If you are selling an investment, the proceeds are automatically swept from your account by the day following settlement. If you make a deposit to your account (by check, ACH, wire, etc.), it may take up to two business days before your deposit sweeps into an FDIC insured deposits, and such deposits will constitute Free Credit Balances until they are swept.

Upon opening your account, you will have the opportunity to enroll in the FDIC Insured Deposit Sweep Program. Alternatively, you may elect to receive distributions of available cash or to direct that we leave cash uninvested in your account as a free credit balance awaiting investment (Free Credit Balance). IFCF may use and earn income on Free Credit Balances, as permitted by law, and may or may not pay interest on such balances.

We may, upon prior notice to you, modify the terms and conditions of our FDIC Insured Deposit Sweep Program. If you do not object to any such notice within 30 days, you agree we may treat your non-response as your approval.

## FDIC Insured Deposit Accounts

When you enroll your account in the FDIC Insured Deposit Sweep Program, your available cash balances will be automatically swept from your brokerage account into one or more FDIC interested-bearing accounts ("IDP Accounts") at Participating Banks. The Program has a network of FDIC-insured Participating Banks to which funds can be spread to offer you access to increased FDIC coverage. A list of current Participating Banks is available at [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures). Participating Banks may be added to or removed from the Program without prior notice to you.

IFCF acts as exclusive custodian and agent with respect to all transactions relating to the IDP Accounts and has established a separate account for the benefit of customers at each Participating Bank and evidenced by a book entry on the account records on each such Participating Bank. Each such deposit account maintained at the Participating Banks is insured by the FDIC within certain applicable limits, as described below. IFCF maintains records of your interest in each deposit account at each Participating Bank. No evidence of ownership, such as passbook or certificate, will be issued to you, thus all transactions in the IDP Accounts must be made through us.

All questions regarding IDP Accounts should be directed to your financial advisor and not the Participating Banks. The Participating Banks will not accept any instructions concerning your deposits in a Participating Bank through the FDIC Insured Deposit Sweep Program unless such instructions are sent by us. Funds swept into IDP Accounts will begin earning interest from the day they are received by the Participating Bank up to, but not including, the date of withdrawal. Interest will accrue daily and be credited to your account monthly and appear on your periodic brokerage account statement. The daily rate of interest described below is 1/365 of the applicable interest rate. You will receive a Form 1099-INT from IFCF indicating the amount of interest income.

The rate at which you will earn interest on your deposits will be established periodically by us and will vary based upon a number of factors, including the aggregate amount of deposits by all participants in the IDP accounts, the interest rates paid by the Participating Banks, the fees paid to our intermediary bank, Cadence Bank (our "Intermediary Bank") (up to 25 basis points (0.250%)), the interest retained by us (up to 200 basis points (2.00%)), and prevailing market and other business conditions. Generally, the interest rate you receive will not vary depending on the particular Participating Bank in which your funds are deposited. Current rates of return for each available Cash Sweep Option can be found at [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/). IFCF may waive all or a portion of the fees payable to us, and a portion of any fees received by us may be paid to your financial advisor.

The rate you receive is subject to reduction to the extent a Participating Bank's premium costs to FDIC are increased. The rates paid with respect to the IDP Accounts may be higher or lower than rates of return available for money market mutual funds, or as a depositor directly with a bank, including any of the Participating Banks.

Cash swept into an IDP Account at a Participating Bank is federally insured up to applicable FDIC limits in the event of a bank failure. Although the Program's network of FDIC-insured Participating Banks provides you access to increased FDIC coverage, FDIC coverage limits are \$250,000 for all deposits (checking, money market, savings, CDs, etc.) per depositor, per insured bank, for each account ownership category. Therefore, if you had a checking account at one of the Participating Banks and the cash in your brokerage account was swept to that same Participating Bank, the total insured amount would be \$250,000 for all moneys held at that Participating Bank. See [www.fdic.gov](http://www.fdic.gov) for additional account category and coverage information.

FDIC insurance begins once funds are swept into the IDP Account at the Participating Bank. While in transit from us to the Participating Banks and from the Participating Banks to us, the funds pass through our Intermediary Bank. While at our Intermediary Bank such funds are also eligible for FDIC Insurance to the FDIC maximum per account type when aggregated with any other deposits held by you in the same capacity at our Intermediary Bank. It is possible that your funds in transit at our Intermediary Bank will exceed the maximum amount of FDIC coverage available through our Intermediary Bank as an individual bank; therefore, the amount that exceeds that amount may not be covered by FDIC insurance until such funds are remitted to Participating Banks.

It may take up to two business days for funds deposited in your brokerage account to sweep to our Intermediary Bank for allocation to Participating Banks. Until the sweep occurs, the funds will remain uninvested Free Credit Balances in your account. Because IFCF is a member of the Securities Investor Protection Corporation ("SIPC"), our customers are protected up to applicable SIPC limits if IFCF were to go out of business and there were customer securities or funds unaccounted for. Current SIPC limits are \$500,000 for securities and cash per customer, of which up to \$250,000 may be in cash (i.e., Free Credit Balances). IFCF carries excess SIPC coverage through Lloyd's of London that, if applicable, is designed to pick-up where SIPC protection ends by covering customers for up to an additional \$24.5 million per customer, which covers up to an additional \$900,000 in Free Credit Balances per customer. This policy has an aggregate policy limit of \$100 million in total protection. Neither SIPC protection nor excess SIPC coverage provides protection against market losses. Once funds are swept into an IDP Account they are held at an FDIC member bank and, accordingly, they are protected by FDIC insurance. They are not covered by SIPC or by Lloyds.

For additional information about SIPC coverage, an explanatory brochure is available at [www.sipc.org](http://www.sipc.org) or call SIPC at 202.371.8300

Your uninvested cash will be swept into one or more Participating Banks in accordance with a nondiscretionary mathematical formula (algorithm). Generally, no more than \$250,000 (\$500,000 for joint accounts) will be swept into any one Participating Bank. It is, however, possible that your Cash Sweep deposit combined with other deposits you make at a Participating Bank (directly or through an intermediary) could exceed the maximum amount of FDIC insurance available at an individual Participating Bank. We will inform you on each periodic statement of which Participating Bank(s) maintain deposits with respect to your account, all deposit and withdrawal activity, opening and closing balances, interest earned, and the detail of balances held at each Participating Bank. You are responsible for monitoring the total amount and insurable capacity of deposits you have at each Participating Bank (both as a part of and outside of the FDIC Insured Deposit Sweep Program). You may instruct us not to deposit your funds in a particular Participating Bank. Any such instruction will result in any current deposit in that Participating Bank being withdrawn and deposited in another Participating Bank, and no new deposits will be made in the Participating Bank in which you instructed us not to sweep your

funds. If the amount of your deposits exceeds the capacity of Participating Banks to provide deposit insurance, such excess deposits will be swept to and held in deposits at our Intermediary Bank, even if they exceed FDIC insurance coverage available for deposits at our Intermediary Bank.

In the event that any Participating Bank rejects any additional deposits, withdraws entirely or is terminated from the FDIC Insured Deposit Sweep Program, such balances will be reallocated to another Participating Bank to the extent possible. You also may, outside of the FDIC Insured Deposit Sweep Program, establish a direct depository relationship with the Participating Bank, subject to the Participating Bank's rules with respect to maintaining accounts. If you establish such direct relationship, these applicable deposits will no longer be part of your brokerage account.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period in which the FDIC must make insurance payments available, and IFCF is under no obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC and to us 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.

## **ADDING OR WITHDRAWING FUNDS FROM THE FDIC INSURED DEPOSIT SWEEP PROGRAM**

### **Adding Funds**

There is no minimum initial deposit in Participating Banks. All cash becoming available in your account will be swept into one or more IDP Accounts.

### **Withdrawing Funds**

You may access your funds in the FDIC Insured Deposit Sweep Program only through your brokerage account. You cannot access or withdraw cash held in the Program directly from a Participating Bank.

When funds are needed to cover transactions or satisfy a debit in your brokerage account, we will use the following sources in the order listed: (i) available Free Credit Balances, including money added to your brokerage account not yet swept into IDP Accounts, (ii) balances available in IDP Accounts, and (iii) if you have a margin account, any margin credit available. For more information about margin accounts, see our Margin Disclosure Statement at <http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/>

Withdrawals from the FDIC Insured Deposit Sweep Program will normally be made on the business day following transactions in your brokerage account; however, your brokerage account is credited on the day of any debit. This process might result in you having an obligation to make us whole for the sum of the debits in your brokerage account if there is a problem withdrawing funds from an IDP Account or if you otherwise fail to sufficiently fund your brokerage account for the full amount of your daily debits.

Balances in the FDIC Insured Deposit Sweep Program can be liquidated on your order and the proceeds returned to your brokerage account or to you. However, Federal banking regulations require each Participating Bank in the Program to reserve the right to require seven (7) calendar days prior notice before permitting a withdrawal of any deposit.

### **FEES**

No direct fees will be assessed to your account for enrolling taking advantage of our FDIC Insured Deposit Sweep Program. Instead, we receive compensation from the Participating Banks, and/or their respective affiliates, as described in more detail above.

### **FREE CREDIT BALANCES**

If you determine not to sweep your uninvested cash into the FDIC Insured Deposit Sweep Program, you may elect to receive distributions of available cash (certain charges may apply – refer to your broker-dealer's schedule of fees) or, if eligible, to leave available cash balances uninvested in your account in the form of a Free Credit Balance. Free Credit Balances generally include the cash in your account held for investment minus certain items such as purchase transactions due to settle within a specified time period, other charges to your account, and credit balances that are designated as collateral for your obligations. Free Credit Balances are payable to you upon demand. We may use your Free Credit Balances to fund certain of our business operations, as permitted by law, and may earn income through such use.

We are required by rules of the Securities and Exchange Commission to perform a weekly computation to determine whether we have a net payable to, or receivable from our customers. In the event the computation indicates a net payable, we must place required funds or qualified securities (treasury securities) on deposit in a special reserve bank account for the exclusive benefit of our customers. We keep standard control letters current with each bank where a special reserve bank account is held. The control letters provide that the funds on deposit are for the exclusive benefit of our customers and will at no time secure, directly or indirectly, any loan made to us. The control letters also provide that assets in the special reserve bank account will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the bank or any person claiming through the bank.

Free Credit Balances are generally guaranteed as to principal and interest by SIPC for up to \$250,000 per account. For more information on SIPC coverage of Free Credit Balances in your account see <http://www.sipc.com>. We carry excess SIPC coverage through Lloyd's of London that, if applicable, is designed to pick-up where SIPC protection ends by covering customers for up to an additional \$24.5 million per customer, which covers up to an additional \$900,000 in Free Credit Balances per customer. This policy has an aggregate policy limit of \$100 million in total protection.

## NEW ACCOUNT INFORMATION

You have chosen a brokerage firm (your broker) who utilizes INTL FCStone Financial Inc. (IFCF) to provide their clearing needs. IFCF is one of the leading clearing firms in the United States. Our responsibility is to execute and process securities transactions and carry client accounts on a fully disclosed basis for your brokerage firm.

Through your broker's clearing arrangement with us, described in the clearing client agreement, we will strive to provide your brokerage firm and you with the best professional services and products available.

We understand that you may have some questions about this clearing arrangement, and how clearing firms work. The following are a few of these commonly asked questions about these issues. Please feel free to contact your broker if you have any additional questions – and again – welcome to IFCF.

## YOUR QUESTIONS ANSWERED

- 1. What is "clearing" and why does my broker need clearing services?** Because securities markets are highly regulated, whenever money and securities are exchanged, regulatory bodies such as the Securities and Exchange Commission require that every aspect of the transaction be documented and verified. The process of transferring ownership of a security, recording and confirming the transfer, performing the required calculations, and completing and documenting the trade is known as "clearing."
- 2. How are clearing functions different from brokerage activities?** Your broker dealer (or brokerage firm) is not affiliated with IFCF. It is responsible for initiating transactions on your behalf. IFCF handles the processing relative to those transactions. IFCF does not provide investment advice, supervise the activities of your broker dealer, nor do we execute any order received directly from you. Your brokerage firm is responsible for investigating and resolving any inquiries you may have concerning your account. For a detailed description of the separate responsibilities of IFCF and your brokerage firm, please refer to the "Clearing Responsibilities" section of this document.
- 3. What is a fully disclosed relationship between my broker and IFCF?** The term "fully disclosed" simply means that your brokerage firm discloses your name and address information to us.
- 4. Will I be interacting with IFCF?** On behalf of your brokerage firm and its clients, IFCF operates in an execution and clearing capacity that is almost totally behind the scenes. You will seldom, if ever, have the occasion for direct contact with IFCF.
- 6. Who keeps me informed of activity in my account?** You place all transactions and inquiries through your broker. IFCF sends you a confirmation of every securities transaction in your account. We also provide you with a monthly statement of your account in a clear, easy-to-read format. For further information about your statement, please contact your broker.
- 7. Are the assets in my account protected?** Yes. IFCF is a member of the Securities Investors Protection Corporation ("SIPC"), which generally replaces securities and cash missing from client accounts when a broker - dealer fails. SIPC provides protection of up to \$500,000 per client, including a maximum of \$250,000 for cash claims. IFCF provides additional coverage through Lloyd's of London of \$24.5 million per client, including up to \$900,000 for cash, subject to an aggregate loss limit of \$100 million. Neither SIPC protection, nor the additional protection, covers a decline in the value of clients' assets due to market loss. SIPC coverage may change in accordance with applicable law and regulation. For current information about SIPC, please view the organization's website at [www.sipc.org](http://www.sipc.org) or call them at 202.371.8300. We may also change our excess SIPC coverage upon notice to you.
- 8. What other ways does the relationship with IFCF benefit my broker?** Through IFCF, your broker has execution capabilities on the New York Stock Exchange and all other major exchanges. We further support your brokerage firm with an Over-the-Counter Trading Department and a Fixed Income Trading Department specializing in government, corporate and municipal bonds, certificates of deposit (CDs), and collateralized mortgage obligations (CMOs). These capabilities allow your brokerage firm to provide the same service found at the largest nationally based brokerage firms.
- 9. Does IFCF provide features that can benefit me directly?** For your convenience and in anticipation of future T+1 settlement requirements, we offer an enhanced cash management account, which features a no minimum balance requirement, unlimited check-writing, a Platinum VISA debit/ATM card, and a credit reserve which will automatically loan you up to 50% of the value of marginable securities in your account.

The following pages contain some required information for your review. Please contact your broker with any questions you may have. Securities regulations require that all transactions be paid by settlement date. Make checks payable to INTL FCStone Financial Inc.

## CLEARING RESPONSIBILITIES

FINRA Rule 4311(d) requires that the broker dealer who carries customer accounts on a fully disclosed basis pursuant to a clearing agreement must notify the customer of the existence of such an agreement and of the relationship between the parties. INTL FCStone Financial Inc., is carrying your account on behalf of your brokerage firm. The following is to advise you of our contractual relationship and to list the allocation of certain key functions performed by each party:

1. We effect the execution, clearance and settlement of securities transactions processed through us by your brokerage firm;
2. We prepare and transmit confirmation of executed transactions directly to you or to your broker for transmittal to you;
3. We act as custodian for funds and securities you may deposit with us directly or that have been accepted by us through your broker and have been evidenced by our monthly statement sent to you. Additionally, this includes funds and securities we receive as the result of securities transactions we process;
4. We issue monthly statements of your accounts when there is activity;
5. We receive and deliver funds and securities held by us as instructed by you or your broker;
6. If you request a margin account, and we extend credit to you, your broker is responsible for obtaining from you the initial margin required by Regulations of the Federal Reserve Board. Thereafter, we will calculate the amount of collateral and maintenance margin required by New York Stock Exchange rules as well as our in-house requirements. We will advise you of such requirements through your broker. Occasionally, we may contact you directly. We also compute and charge to your account the interest on any debit balance at a rate agreed to by your broker.

We maintain the books and records required by law and by business practice. For purposes of the Securities and Exchange Commission's financial responsibility rules adopted under the Securities Exchange Act of 1934, as amended, and regulations adopted thereunder, customers are customers of INTL FCStone Financial Inc.

We may also provide other services related to your account. These services include: collection and handling of dividends; interest; distributions; rights; warrants; the crediting of same to your account; and dealing with (including giving notice of) exchanges, tender offers, redemptions, calls, etc. When we hold securities for you in your name, we perform the same service if we are designated to receive payments and notices.

Your broker dealer is responsible for adherence to the Securities Laws, regulations and rules which apply to it regarding its own operations and the supervision of its activities, your accounts, its sales representatives and other personnel. Our broker dealer is also responsible for approving the opening of new accounts, maintenance of account documents, the acceptance and, in certain instances, execution of securities orders, the assessment of the suitability of those transactions, the rendering of investment advice to its customers and, in general, for the on-going relationship that it has with its customers. Inquiries regarding your account should be directed to your broker dealer.

We comply with all applicable securities laws, regulations and rules, particularly those involving capital and safety of customers' funds and securities received by us. In this regard, our firm is a member of the Securities and Investors Protection Corporation (SIPC).

We have no control, agency, supervisory relationship or affiliation with your broker other than as processor for those transactions presented to and accepted by us for processing. In this role, we do not address issues of suitability or soundness of investments presented by your broker for processing.

Any monthly statement discrepancies or questions about INTL FCStone Financial Inc.'s obligations should be directed to the Customer Service Department at 1-800-264-4863.

This information has addressed the allocation of responsibility for the basic functions performed in handling your securities account. It is not meant as a definitive enumeration of every possible circumstance, but is meant as a general disclosure.

If you have any questions regarding these clearing responsibilities, please contact your brokerage firm.

#### **ORDER FLOW/ROUTING INFORMATION**

All broker dealers are required by the Securities and Exchange Commission to make disclosure to customers concerning order routing practices and payment for order flow received from market centers and regional exchanges to which the broker dealer routes orders for execution. We are providing you the following details to assist you in better understanding the process IFCF employs.

INTL FCStone Financial Inc. could receive payment for routing certain orders in equity securities to specialized market maker firms and alternative market centers ("market makers") for execution. Orders for securities entered at the market or "at quote" limit prices may be eligible for such payments. Other types of orders generally are not eligible for payments.

In the absence of specific instructions from customers, INTL FCStone Financial Inc. and its affiliates generally direct orders for certain securities to market makers regardless of whether an order qualifies for payment as described above. However, orders normally directed to a market maker or alternative market center may be re-routed because of extraordinary market conditions or other emergencies such as equipment failure.

INTL FCStone Financial Inc. and its affiliates believe that our order-routing policies may provide significant benefits to our customers. Practices engaged in by specialized market maker firms and alternative market centers are designed to enhance execution quality and, most of all, provide opportunities for price improvement.

INTL FCStone Financial Inc. and its affiliates, upon written request, will provide specific information (i.e. whether (or not) payment for order flow was received, the source of such payment, and the amount of such payment) about any transaction in your account. These requests should be directed to our Compliance Department.

Additionally, upon written request, INTL FCStone Financial Inc. and affiliates will provide you with details regarding the destination to which your orders (for up to six months preceding your request) were routed for execution, whether the orders were directed or non-directed orders, and the times of execution. We also invite you to visit our website at [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/) for the most recent quarterly reports on our order routing practices. You may request a printed copy of this information which we will provide free of charge.

#### **BUSINESS CONTINUITY PLAN**

INTL FCStone Financial Inc. ("IFCF") custodies your assets as introduced by your broker dealer. IFCF has a business continuity plan ("BCP") as required under FINRA Rule 4370 that contemplates both temporary and longer-term business interruptions. In the event of an interruption, your broker dealer will be advised of contingency plans that would allow them to continue to process transactions and provide access for you to your assets on deposit at IFCF. Contact your broker dealer for details of his or her BCP. Visit our Web site at [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/) or call 800.264.4863 for information about your access during a business interruption.

#### **EXTENDED HOURS TRADING RISK DISCLOSURE**

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 amount of uncertainty or risk about the size of changes in a security's value. Generally, the higher the volatility of a security, the greater its price swings. Due to the lack of liquidity, there may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than 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 an 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 an inferior price in one extended hours trading system than 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 security.

## WHAT DOES IFCF DO WITH YOUR PERSONAL INFORMATION?

**Why?** 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.

**What?** The types of personal information we collect and share depend on the product or service you have with us. This information can include: Social Security number and income, Investment experience and account balances, Credit card/other debt and credit history.

**How?** 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 IFCF chooses to share; and whether you can limit this sharing.

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

To limit our sharing call (888) 343-3621 please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

**Questions?** Call (888) 343-3621 or go to [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/).

- Who is providing this notice?** One or more of INTL FCStone Financial Inc., INTL Custody and Clearing Solutions, Inc., and INTL Advisory Consultants, Inc.,
- How does IFCF protect my personal information?** 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 secured files and buildings.
- How does IFCF collect my personal information?** We collect your personal information, for example, when you: Open an account with us or apply for a loan, make deposits in accounts or withdrawals from accounts, give us your income information or employment history. We collect your personal information from others, such as credit bureaus or certain other companies.
- Why can't I limit all sharing?** Federal law gives you the right to limit only: Sharing for affiliates' everyday business purposes – information about your creditworthiness, affiliates from using your information to market to you, sharing for non-affiliates to market to you. State laws and individual companies may give you additional rights to limit sharing. See "Other important information (continued)."
- What happens when I limit sharing for an account I hold jointly with someone else?** Your choices will apply to everyone on your account.

## DEFINITIONS

**Affiliates:** Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include broker-dealers, investment advisors, future commission merchants and insurance sales agencies, such as INTL FC Stone Financial Inc., INTL Custody and Clearing Solutions Inc., and INTL Advisory Consultants, Inc.

**Non-Affiliates:** Companies not related by common ownership or control. They can be financial and nonfinancial companies: credit bureaus, closing agents, card processors, check printers, mutual fund companies, annuity companies, insurance companies, and internet banking service providers.

**Joint marketing:** A formal agreement between nonaffiliated financial companies that together market financial products or services to you. Some of IFCF's affiliates have joint marketing agreements with credit card companies or others.

**Do Not Call Policy:** This notice is the Do Not Call Policy of IFCF and its affiliates under the Telephone Consumer Protection Act. We do not solicit via phone numbers listed on the state or federal Do Not Call lists, unless the law permits. Consumers who ask not to receive telephone solicitations from IFCF will be placed on the Do Not Call list and will not be called in any future solicitations, including those of IFCF affiliates. If you communicate with us by telephone, we may monitor or record the call.

**For Nevada residents only:** We are providing you this notice pursuant to state law. You may be placed on our internal Do Not Call List by following the directions in the "Can you limit this sharing" section by choosing to limit sharing "For our affiliates to market to you." Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington Street, Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; e-mail: [BCPINFO@ag.state.nv.us](mailto:BCPINFO@ag.state.nv.us). IFCF, 2 Perimeter Park S, Suite 100W, Birmingham, AL 35243; Phone Number (888) 343-3621; e-mail: Click on "Contact Us" at the bottom of [www.intlfcstone.com](http://www.intlfcstone.com).

**Vermont:** In accordance with Vermont law, we will not share information we collect about Vermont residents with companies outside of our corporate family, except as permitted by law, such as with your consent, to service your accounts or to other financial institutions with which we have joint marketing agreements. We will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

**California:** In accordance with California law, we will not share information we collect about you with companies other than our affiliates, unless the law allows. For example, we may share information to service your accounts, or to provide rewards or benefits you are entitled to. We will limit sharing with and among our affiliates to the extent required by California law.

We collect personally identifiable information from online customers when those customers choose to enter their personal information while using our web site and/or online services (including mobile applications). This information includes, but is not limited to, customer names, e-mail and mailing addresses, phone numbers, and social security numbers. We do not collect personally identifiable information from general online site visitors unless those consumers unilaterally opt to provide personally identifiable information to us. We also do not share personally identifiable information with third-party persons or entities unless authorized by the customer.

Online customers wishing to change the contents of the personally identifiable information previously supplied to us may do so by contacting our local branch office and requesting the change. Alternatively, some web sites and online services we offer permit customers to change the contents of their personally identifiable information online.

As stated above, we do not collect personally identifiable information about individual consumers unless those consumers choose to provide such information. We are aware that some internet browsers have incorporated Do Not Track ("DNT") features. Most of these features, when turned on, send a signal or preference to the web sites you visit indicating that you do not wish to be tracked. Because we do not collect personally identifiable information unless the online customer voluntarily submits it, and because of a lack of industry standard, we do not currently respond to DNT signals, whether on its web sites or other online services.

We do not allow other parties to collect personally identifiable information about our online customers' individual online activities over time or across different web sites. We cannot, however, guarantee protection from web-based criminal conduct that could result in the collection of an online customer's personally identifiable information by an outside party.

**For Insurance Customers in AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, and VA only:** The term "Information" in this part means customer information obtained in an insurance transaction. We may give your Information to state insurance officials, law enforcement, group policy holders about claims experience, or auditors as the law allows or requires. We may give your Information to insurance support companies that may keep it or give it to others. We may share medical information so we can learn if you qualify for coverage, process claims, or prevent fraud or if you say we can. To see your Information, contact the employee who services your account by mail or telephone. You must state your full name, address, the insurance company, policy number (if relevant), and the Information you want. We will tell you what Information we have. You may see and copy the Information (unless privileged) at our office or ask that we mail you a copy for a fee. If you think any Information is wrong, you must write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

**For MA Insurance Customers only:** You may ask in writing the specific reasons for an adverse underwriting decision. An adverse underwriting decision is where we decline your application for insurance, offer to insure you at a higher than standard rate, or terminate your coverage.

We may change this privacy policy at any time, and any changes or updates will be effective immediately on the date of posting. For a current version, please visit [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures/).



## IFCF ERISA 408(B)(2) COMPENSATION DISCLOSURE STATEMENT

### INTRODUCTION

This Compensation Disclosure Statement is provided to satisfy Department of Labor requirements that “covered service providers” provide certain disclosures regarding their compensation to qualified plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). This Disclosure Statement only applies to qualified plans or accounts that are custodied at IFCF. The following information is current as of June 30, 2012 and may be subject to change.

### STOCKS

**New Issues:** IFCF may make certain new issue products available without a separate commission. IFCF may receive compensation from issuers for participating in offerings as a selling group member and/or underwriter. If IFCF acts as underwriter but securities are sold through selling group members, IFCF will receive the underwriting fee less the selling group fees. The compensation IFCF receives is generally within the following ranges:

Securities Selling	Group Fee	Underwriting Fee
IPOs	3 – 4.5%	5 -7%
Follow-on offerings	2 – 2.5%	3 – 4%

Fee ranges are based on the investment amount. Refer to the applicable pricing supplement or other offering document for the exact percentage of sales concessions or underwriting discount.

**Secondary Market Trading:** IFCF may receive commissions for execution of purchases and sales of stocks. Commissions may be up to five percent (5%) of the principal amount of securities purchased or sold; however, IFCF may impose a minimum commission of up to \$65.00. Actual commission rates may vary by IFCF affiliate and branch. Please contact the registered representative servicing your plan should you require further information.

**Payment for Order Flow:** IFCF may receive compensation for directing orders in equity securities or options to particular broker-dealers and/or market centers for execution. The payer, source and nature of compensation received, if any, will vary based on the venue to which a trade is routed. Any such compensation received is generally less than or equal to 3 mills per share, which may be used to offset execution costs.

### BONDS AND CDS

**New Issues:** IFCF may make certain new issue products available without a separate commission. IFCF may receive compensation from issuers for participating in offerings as a selling group member and/or underwriter. If IFCF acts as underwriter but securities are sold through selling group members, IFCF will receive the underwriting fee less the selling group fees. The compensation IFCF receives is generally within the following ranges:

Securities	Selling Group Fee	Underwriting Fee
Agency/GSE	N/A	.05% - 1%
Corporate Notes/Bonds	0.004% - 2.5%	0.005 % – 3%
Municipal Bonds	0.1% - 2%	0.1% - 3%
CDs	0.1% - 2%	.01% – 2.5%

Fee ranges are based on the investment amount. Refer to the applicable pricing supplement or other offering document for the exact percentage of sales concessions or underwriting discount.

**Secondary Market Transactions:** IFCF may act as principal or agent in executing individual bond and other fixed income trades. When acting as principal, the price the client pays or receives will reflect the bid-ask spread at which an order is executed. IFCF stands to make or lose money depending on what happens to the price of the security while we hold it.

### MUTUAL FUNDS

IFCF has contracted with certain mutual funds, their investment advisors, their affiliates and/or clearing brokers to receive compensation in connection with the sale and/or ongoing maintenance of positions in mutual fund shares in brokerage accounts. Such fees typically range from 0.25% to 1.10%. When clients purchase or sell mutual funds, either a front-end or back-end sales charge may be assessed by the fund company. IFCF may receive all or a portion of such sales charges. Compensation paid by mutual funds is further described in the applicable fund’s prospectus and statements of additional information. If you would like more information on specific contractual rates payable on mutual funds, call your Financial Advisor.

### OTHER INVESTMENTS

**Options:** IFCF may charge a commission of up to 5% of the principal amount of the option transaction; however, IFCF may impose a minimum commission of up to \$65.00. IFCF may receive compensation for directing orders to particular broker-dealers and/or market centers for execution. The payer, source and nature of compensation received, if any, will vary based on the venue to which a trade is routed. Any such compensation received is generally less than or equal to twenty-five cents per contract, which may be used to offset execution costs.

**Unit Investment Trusts:** IFCF may make certain new issue products available without a separate commission. IFCF may receive compensation from issuers for participating in offerings as a selling group member and/or underwriter. Fees from participating in distribution of Unit Investment Trusts generally range from 1% to 5% of the public offering price. Refer to the applicable pricing supplement or other offering document for the exact percentage of sales concessions or underwriting discount.

**Real Estate Investment Trusts:** IFCF may make certain new issue products available without a separate commission. IFCF may receive compensation from issuers for participating in offerings as a selling group member and/or underwriter. Fees from participating in distribution of REITs generally range from 1% to 5% of the

public offering price. Refer to the applicable pricing supplement or other offering document for the exact percentage of sales concessions or underwriting discount.

**Private Placements:** IFCF may act as Placement Agent or Selected Dealer for certain issuers of securities for which there is no secondary market and/or which have limited liquidity. Fees from participating in distribution of Private Placements generally range from 1% to 5% of the offering price. Refer to the applicable offering document for the exact percentage.

#### **OTHER FEES AND COMPENSATION**

**Float:** IFCF provides clearing and other related services to customer accounts. In connection with the provision of those services, IFCF receives the use of amounts from the sale of securities prior to settlement, amounts deposited before investment, and disbursements amounts made by check prior to the check being cleared by the bank on which it was drawn. The use of such amounts may generate earnings ("float") for IFCF or may be used by IFCF to offset its other operational obligations. To the extent such amounts generate float earnings, such earnings will generally be realized at rates approximating the Target Federal Funds Rate. Amounts deposited into an account, whether through sale of securities, receipt of dividends, wire, check or otherwise, are generally invested in the accounts core sweep vehicle by close of business on business day following receipt of the funds. Accordingly, IFCF receives use of the funds during that time. IFCF receives use of funds for amounts disbursed by check from the date the check is issued by IFCF.

**Trade Errors:** When a trade error is made in connection with our services to the plan, IFCF will correct the error as soon as possible after the error has been identified, with the goal of putting the plan in the same position that would have resulted if the error had not occurred. If the error is a result of our breach of our responsibilities to the plan, we will make the plan account "whole" for any losses that may have resulted. In some circumstances, correction of the error will result in a gain. If there is such a gain, IFCF may retain the amount of the gain, which may constitute part of our compensation for services to the plan. IFCF may also charge its representatives or third-party investment advisors a fee (generally \$25) for processing the error correction. In certain instances, IFCF may seek to recover any loss it incurs as a result of an error made by its representatives or third-party advisors.

**Educational Conferences:** From time to time, IFCF may host or attend educational conferences for audiences that may include independent record keepers and consultants, individual investors or other persons. Unrelated third parties may provide financial subsidies in connection with our hosting or attending such events. These sponsorships are generally unrelated to the services provided by IFCF to any individual plan.

**Compensation paid by Correspondent Brokers:** IFCF acts as a carrying broker for accounts introduced by correspondent broker-dealers and may receive compensation for providing services to those correspondent-broker dealers. Compensation received will vary by correspondent broker-dealer. Correspondent broker-dealers will charge separate fees for services they provide to qualified plans.

**Compensation Paid by Financial Advisors:** IFCF may receive compensation from registered investment advisors who act as fiduciaries to a plan. Compensation received will vary by advisor.

**Special Fees:** IFCF receives compensation for special services provided to accounts such as wire transfers, ACH transactions, additional statements, legal transfer fees, and other charges for special services. Refer to the Schedule of Fees provided by your Introducing Broker for details.

**Trading Venue and Platform Ownership:** IFCF may have an ownership interest in certain trading venues. To the extent that such venues are used, IFCF may receive an indirect benefit because the value of its interest in the venue may increase. IFCF may also have ownership interests in trade order management systems which it licenses or sublicenses to independent contractors or other third parties and for which it receives compensation.

#### **MSRB CLIENT EDUCATION AND PROTECTION**

IFCF is registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). Complaints about financial professionals may be directed to the MSRB, which will direct the complaint to the appropriate authority. The "MSRB Investor Brochure" describing the protections that may be provided by the Municipal Securities Rulemaking Board rules along with how to file a complaint with an appropriate regulatory body can be found on MSRB's website ([msrb.org](http://msrb.org)) or by using the following link: <http://msrb.org/msrb1/pdfs/MSRB-Investor-Brochure.pdf>

#### **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 for you: 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. A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, a partnership agreement, or a trust agreement.

#### **IRS NON-BANK TRUSTEE DISCLOSURE STATEMENT**

IRS Non-Bank Trustee Approval. INTL FCStone Financial Inc., has received approval from the Internal Revenue Service ("IRS") to serve as a nonbank trustee or custodian for individual retirement accounts ("IRAs") established under sections 401D and 408A of the Internal Revenue Code.

Copies of the notices of approval are available at [www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures](http://www.intlfcstone.com/Main-Channels/Securities/Capabilities/Securities/Disclosures)

You may request a hard copy of the approval notices by calling 888-343-3621 or writing us at: INTL FCStone Financial Inc.  
2 Perimeter Park South  
Suite 100W  
Birmingham, Alabama 35243

## Introduced Customer Account Agreement

### IT IS IMPORTANT THAT YOU THOROUGHLY READ THE INTRODUCED CUSTOMER ACCOUNT TERMS, CONDITIONS AND DISCLOSURES BEFORE SIGNING

1. I/We have received a copy of, read and understand the document titled "Introduced Customer Account Terms, Conditions and Disclosures" and agree to the Introduced Customer Account Terms and Conditions (including the Credit Terms and Policies).
2. I/We am at least 18 years of age and of full legal age in the state in which I/we reside.
3. I/We acknowledge receipt of the Cash Sweep Program Disclosure Statement included in the Introduced Customer Account Terms, Conditions and Disclosures. If I/we have instructed my/our Introducing Firm or its representative to sweep free credit balances in my/our account into an investment option available in the Cash Sweep Program, I/we hereby consent to the inclusion of the free credit balances in my/our account in the Cash Sweep Program.
4. I/We understand that, unless specifically noted to the contrary in writing, investments: (i) are not FDIC insured;(ii) are not obligations of a bank; and (iii) are subject to investment risks, including the possible loss of the principal amount invested.
5. I/We will carefully review trade confirmations and account statements and will promptly notify my Introducing Firm of any inaccuracies. If I/we fail to notify my Introducing Firm of any errors or omissions within 30 days of the date of a confirmation or account statement, I/we agree that I/we will not later assert that I/we did not authorize any transaction reported therein, that such statement or confirmation omitted any transaction or was otherwise inaccurate.
6. I/We acknowledge receipt of the Schedule of Fees associated with my Introducing Firm. I/we understand that the fee schedule may change from time to time, and I/we agree to be bound by such changed fee schedule.
7. I/we do not want my/our name, address and securities positions disclosed to all the companies in which I/we own securities that are being held for me/us in this account.
8. I/we would like to be able to view my/our account(s) on-line. (e-mail address required below).
9. \_\_\_\_\_ By initialing this line I am (we are) electing margin at account opening, and I/we have received, read and understand the Margin Disclosure Statement.

**I UNDERSTAND THAT THE INTRODUCED CUSTOMER ACCOUNT TERMS AND CONDITIONS CONTAIN A PRE-DISPUTE ARBITRATION CLAUSE, LOCATED IN PARAGRAPH 19 OF THE DOCUMENT TITLED INTRODUCED CUSTOMER ACCOUNT TERMS, CONDITIONS AND DISCLOSURES.**

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Sub Firm

\_\_\_\_\_  
Signature of Primary Account Holder

\_\_\_\_\_  
Signature of Joint Account Holder (if applicable)

\_\_\_\_\_  
Name of Primary Account Holder

\_\_\_\_\_  
Name of Joint Account Holder (if applicable)

\_\_\_\_\_  
Email Address of Primary Account Holder

\_\_\_\_\_  
Email Address of Joint Account Holder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date