

BANK DEPOSIT SWEEP PROGRAM (BDSP<sup>SM</sup>)  
DISCLOSURE DOCUMENT

**Please read the complete Disclosure Document describing the Bank Deposit Sweep Program and your core account investment vehicle. You may consult your Investment Representative for more information.**

## I. INTRODUCTION

Ladenburg Thalmann & Co. Inc., along with its affiliated broker-dealers, Securities America, Inc., Triad Advisors, Inc., Investacorp, Inc., and Securities Service Network, Inc. (each referred to in this Document as “Broker/Dealer”, “we”, “our” or “us” as it applies to your applicable Broker/Dealer) each separately offers certain investments to you in your brokerage account held with us in conjunction with National Financial Services LLC (“NFS”) (“Brokerage Account”). The terms “account owner,” “you” and “your” refer to the account owners indicated on the Account Application to your applicable Broker/Dealer Customer Agreement for your Brokerage Accounts. For joint accounts, these terms refer to all owners, collectively and individually. For trust accounts, these terms refer both to the entity and to all account owners.

Your Brokerage Account has a core account that is used for settling securities transactions and holding credit balances. We may provide you with access to different cash sweep vehicles, including money market funds and bank deposit accounts (each a “core account investment vehicle”), that may be used to hold a cash balance that is awaiting reinvestment. The Bank Deposit Sweep Program (the “Program” or the “BDSP”) is the only core account investment vehicle we make available to you for available cash balances (from deposits to your account, securities transactions, dividend and interest payments and other activities) in your eligible Brokerage Account.

Available cash in your eligible Brokerage Account will be deposited through the Bank Deposit Sweep Program into interest-bearing FDIC-Insurance eligible Program deposit accounts (“Deposit Accounts”) at one or more FDIC-insured depository institutions set forth in the list of depository institutions participating in the Program (each, a “Program Bank” or a “Bank”). The list of Banks participating in the Program (the “Program Bank List”) is available from your Investment Representative or at the URL specified in Appendix A. Once your cash balance has been swept to a Program Bank, it is referred to as your “Program Deposit.” Please note that your ability to access the money held at the Bank(s) may be limited, as more fully described herein.

As more fully described in this Disclosure Document, your Brokerage Account with us is generally protected, up to applicable limits, by the Securities Investor Protection Corporation (“SIPC”). At the time funds are deposited with one or more Banks through the Program, your deposits in the Program are eligible, subject to the limitations described in this Disclosure Document, to be insured, up to applicable limits, by the Federal Deposit Insurance Corporation (the “FDIC”). Funds in the Deposit Accounts at each Bank are generally eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest per depositor in most insurable capacities (e.g., individual, joint, etc.) when aggregated with all other deposits held in the same insurable capacity at a Bank. For example, funds in the Deposit Accounts at a Bank held by an individual are insured up to \$250,000, and funds in the Deposit Accounts at a Bank held in joint accounts up to \$500,000. For IRAs and Section 457 Plans, funds in the Deposit Accounts at each Bank are eligible for deposit insurance up to \$250,000 principal and accrued interest per depositor in the aggregate.

**The maximum amount of FDIC Insurance coverage for your deposits in the Program is up to \$1.5 million (for an individual account) or up to \$3 million (for a joint account) (the “Maximum Applicable FDIC Deposit Insurance Amount”), subject to the total amount on deposit in an account, applicable FDIC rules, and Bank availability. Funds deposited in Deposit Accounts are not eligible for coverage by the SIPC.**

**Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a Bank, or through an intermediary (such as us or another broker), will be aggregated with deposits in your Deposit Accounts at such Bank for purposes of the Maximum Applicable FDIC Deposit Insurance Amount. You are responsible for monitoring the total amount of deposits that you have with each Bank, including an Excess Deposit Bank (described below), in order to determine the extent of FDIC deposit insurance coverage available to you. You should review carefully the section of the Disclosure Document titled “FDIC/SIPC Coverage”.**

NFS, as your agent, will place, regardless of the maximum applicable FDIC insurance coverage available, in any one Program Bank up to \$246,500 of your cash balances for an individual account, an agency account and a trust account including a transfer upon or payable on death account, up to \$493,000 in any one Program Bank for a joint account (regardless of the number of owners), and up to \$246,500 in any one Program Bank for an individual retirement account (each such limit referred to hereinafter as the “Maximum Deposit Amount”). For certain types of accounts, the Maximum Deposit Amount is substantially less than the maximum potential amount of FDIC insurance coverage. If your cash balances and existing Program Deposits at any one Program Bank exceed the Maximum Deposit Amount, funds greater than the Maximum Deposit Amount for each Program Bank will be swept into Deposit Accounts to an alternate Program Bank on the Program Bank List (subject to removal and replacement as further described below).

Once funds equal to the Maximum Deposit Amount have been deposited for you through the Bank Deposit Sweep Program in each Bank on the Program Bank List, any additional funds will be invested in an “Excess Deposit Bank” that will accept funds without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount. **Funds invested in the Excess Deposit Bank that exceed the Maximum Applicable FDIC Deposit Insurance Amount will not be covered by FDIC deposit insurance.** In the rare instances where we are unable to place your funds at any Bank within the Program, your funds will be invested in the Fidelity Government Money Market Fund – Capital Reserves Class (FZAXX), or for Brokerage Accounts of certain retirement accounts or plan (such as ERISA plans and IRAs) that are associated with the Broker/Dealer’s fee-based advisory programs (“Retirement Advisory Accounts”) funds will be invested in the Federated Treasury Obligations (IS) fund (TOIXX). For more complete information about these Money Funds, as applicable, including all charges and expenses, please contact your Investment Representative for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the Money Funds specified in this Disclosure Document by accessing our website at the URL specified in Appendix C or by contacting your Investment Representative.

Each Deposit Account constitutes a direct obligation of the Bank to you and is not directly or indirectly an obligation of us or NFS. Neither we nor NFS guarantee in any way the financial condition of the Program Banks or the accuracy of any publicly available financial information concerning such Banks. You can obtain publicly available financial information concerning each Bank at [www.ffiec.gov/nic](http://www.ffiec.gov/nic) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200.

The establishment of a Deposit Account will not create a direct account relationship between you and the Program Banks. NFS, as your agent and custodian, will establish the Deposit Accounts for you at each

Bank and make deposits to and withdrawals from the Deposit Accounts. To the extent permitted under applicable law and as otherwise discussed below, we will receive a fee from each Bank for our services under the Program. The amount of the fee paid to us will affect the interest rate paid on the Deposit Accounts. You should review carefully the section of the Disclosure Document titled “Information About Your Relationship with Your Broker/Dealer and the Banks.”

As discussed herein, interest rates on the Deposit Accounts will be tiered and will vary based upon prevailing economic and business conditions. The Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds (“Money Funds”). By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.

The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Account for which you are an owner, whether as an individual, joint tenant, trustee, executor, custodian or in any other capacity. Your eligible Brokerage Account that utilizes the Program as the core account investment vehicle will be subject to the information discussed in this Disclosure Document. Please refer to the “Program Eligibility” section of this Disclosure Document or your Investment Representative for information concerning eligibility for the Deposit Accounts. The Program is intended to operate on a nondiscretionary allocation methodology. Neither the Broker/Dealer, its representatives, its affiliates nor its advisors provide investment advice or recommendations regarding your use of the Program, its operation or the Program Banks.

#### Core Account Investment Vehicle Interest

The interest rate for your Deposit Account and current interest rates for Program Deposits may be obtained from your Broker/Dealer, your Investment Representative, or at the URL specified in Appendix B. Please see the separate document, entitled “Core Account Investment Vehicle Interest Rate Chart” for additional information

The interest rate earned by your Deposit Account will vary. You should review carefully the section of this Disclosure Document entitled “Interest.”

The interest rate applied to your Deposit Account will be based on your assignment to a tier, as determined by your Broker/Dealer, based upon the value of your Program Deposits.

We are not obligated to offer you any bank sweep core account investment vehicle options or to make available to you Program investments offering a rate of return that is equal to or greater than other comparable investments.

#### You May Invest in Money Funds

Money Funds will be available for use as a core account investment vehicle, only when your Brokerage Account is not eligible for the Program. You also still may be eligible to purchase shares in these Money Funds by giving specific orders for each purchase to your Investment Representative (normal commissions, charges and expenses would apply).

For more complete information about any Money Funds, including all charges and expenses, please contact your Investment Representative for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the

Money Funds by accessing our website at the URL specified in Appendix C or by contacting your Investment Representative.

**Investments in Money Funds are not guaranteed or insured by the FDIC or any other government agency. Although Money Funds seek to preserve a net asset value of \$1.00 per share, there is no guarantee that this will occur; it is possible to lose money by investing in a Money Fund, including loss of principal. Please contact your Investment Representative for further details and additional information, including a prospectus, for any available Money Fund. Please read the prospectus carefully before investing. Investments in Money Funds are not FDIC insured but may be covered by SIPC. Please see Section VII entitled “FDIC/SIPC Coverage” for more information.**

#### Timing of Sweep

The cash balance in your Brokerage Account will be automatically swept from your Brokerage Account into your Deposit Account on the business day following the day your Brokerage Account reflects a cash balance. For purposes of this Program, business day generally means a day on which the Program Bank is open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Deposit Account at the Program Bank.

#### Access to Funds in the Deposit Accounts

As required by federal banking regulations, each Program Bank has reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, your ability to access funds, including the ability to write checks against your account, should not be impacted. Your interest in a Deposit Account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

#### Tax and Legal Information

For most clients, with non-retirement account types, interest earned from the Deposit Accounts will be taxed as ordinary income in the year it is received. In those cases, a Form 1099 will be sent to you by NFS each year showing the amount of interest income you have earned on deposits in your Deposit Accounts. Neither we nor NFS intends for this information to be considered legal or tax advice. You should consult with your tax adviser about how the Bank Deposit Sweep Program affects you.

## **II. DETAILS**

This Disclosure Document contains key information about the Program which is offered by us in conjunction with NFS, a New York Stock Exchange and Financial Industry Regulatory Authority (“FINRA”) member who we have engaged to provide custody and clearing services to us. Additional terms, conditions, and disclosures applicable to your account held with us are included in other documents, including, but not limited to, your account application, account agreement, applicable privacy notice, your applicable Broker/Dealer Customer Agreement for your Brokerage Accounts, the retirement account Customer Agreement and any applicable custodial agreement, disclosure statement or the like, the Margin Account Agreement, the Disclosure of Terms on Credit Transactions, the Margin Disclosure Statement, (“Other Agreements”) and are hereby incorporated by reference into this Disclosure Document. In the event of a conflict between the terms of this Disclosure Document and the Other Agreements, solely as it relates to the terms and conditions of this Disclosure Document, the Disclosure Document will control. Please review these Other Agreements for important information governing your Brokerage Account.

## **A. Program Eligibility**

The Program is available to individuals, certain non-profit organizations and to certain fiduciaries and trusts, provided that the beneficiaries are individuals or otherwise eligible. Brokerage Accounts in the name of business entities including corporations, limited liability companies and partnerships are also eligible for the Program. Certain custodial individual retirement accounts are also eligible for the Program. Eligibility for the Program is subject to the limitations described herein and as determined by Broker/Dealer and/or NFS. Please check with your Broker-Dealer if you have questions about account eligibility.

**If we or NFS determine that your Brokerage Account is no longer eligible or the Program eligibility requirements change, we may change your core account investment vehicle, as that term is defined in Brokerage Account documentation, or any amendments thereto, including but not limited to the Customer Agreement, from the Program to an alternative core account investment vehicle made available by your Broker/Dealer and NFS, which may not be an FDIC-insured investment.**

## **B. How the Program Works**

### Sweep to Program Banks

Through the Program, cash balances in your Brokerage Account (resulting from sales of securities, deposits, dividend and interest payments and other activities) will be automatically deposited or “swept” into interest-bearing FDIC-Insured Program Deposit Accounts at one or more Program Banks on the Program Bank List. Once your cash balance has been swept to a Program Bank, it is referred to as your “Program Deposit.” Please note that your ability to access the money held at the Bank(s) may be limited, as more fully described herein.

Funds will be swept into Deposit Accounts at a Program Bank up to the Maximum Deposit Amount. The Program allocates deposits to each Program Bank based upon a minimum, maximum and target balance set by each Program Bank. A “pro rata” nondiscretionary methodology determines the sequence of allocation by the percentage that each actual Bank omnibus account balance is away from the bank target balance. In general, Program Banks with smaller percentages of their targets are allocated deposits before Program Banks with higher percentages of their targets are allocated deposits. There will be instances where certain “Priority Bank(s)” will be receiving preferential ordering in the allocation sequence ahead of other Program Banks. Funds in excess of the Maximum Deposit Amount will be swept into an alternate Program Bank. Once funds equal to the Maximum Deposit Amount has been reached in all Banks on the Program Bank List, additional funds will be swept into the Excess Deposit Bank.

You may not change the Banks on the Program Bank List, the order in which funds are deposited at the Banks on the Program Bank List or the Maximum Deposit Amount at any Bank. You may, however, at any time, designate a Bank as ineligible to receive any funds (otherwise referred to as “opting out” of a Bank) by contacting your Investment Representative. Any such action will result in any current Program Deposit at such Bank being withdrawn and such funds (along with any new Program Deposits) being deposited into Deposit Accounts at the next available Bank on the Program Bank List on the next business day that a sweep is effected after such “opt out” instructions have been given effect. No new funds will be deposited into any Bank that you have opted out of (i.e., designated as ineligible). If you designate one or more Banks as ineligible to receive funds, the total amount of FDIC insurance for which your cash balances will be eligible in the Program may be reduced. Participation in this Program requires at least one (1) Bank remaining eligible to receive your deposits. Thus, you may not opt out of all Banks on the Program Bank List.

**You are responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program that you have at each Program Bank for the purpose of determining the FDIC insurance coverage for those deposits.**

#### Maximum Deposit Amount

NFS, as your agent, will place, regardless of the maximum potential applicable FDIC insurance coverage available, in any one Program Bank up to \$246,500 of your cash balances for an individual account, an agency account and a trust account including a transfer upon or payable on death account, up to \$493,000 in any one Program Bank for a joint account (regardless of the number of owners), up to \$246,500 in any one Program Bank for corporate accounts, and up to \$246,500 in any one Program Bank for an individual retirement account (each such limit referred to hereinafter as the “Maximum Deposit Amount”). For certain types of accounts, the Maximum Deposit Amount is substantially less than the maximum potential amount of FDIC insurance coverage. If your cash balances and existing Program Deposits at one Program Bank exceed the Maximum Deposit Amount, the excess funds will be swept into Deposit Accounts at one or more of the other Program Banks on the Program Bank List (subject to removal and replacement as further described below).

If the Maximum Deposit Account has been deposited for you through the Program in each Program Bank (taking into consideration any Bank that you have opted out of or excluded), all excess cash balances will be deposited into an Excess Deposit Bank. **Funds invested in the Excess Deposit Bank that exceed the Maximum Applicable FDIC Deposit Insurance Amount will not be covered by FDIC Deposit Insurance.**

#### Program Limitations

The amount of your cash balances that are swept into Deposit Accounts may need to be limited if one or more Program Banks stop accepting deposits, become ineligible for the Program as described in this Disclosure Document, or for other exceptional circumstances. You will receive notification in advance of any Program Bank being removed from the Program Bank List, and if advance notice is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable. Please consult the following sections for further important information, as such action may affect the amount of your cash balances that are covered by FDIC insurance.

### **C. FDIC Insurance Coverage In General**

The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, to the Maximum Applicable FDIC Deposit Insurance Amount set by the FDIC for all deposits held in the same insurable capacity at any one Bank as more fully explained below. Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at a Bank. Generally, any accounts or deposits that you may maintain directly with a particular Bank, or through any other intermediary, in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the Maximum Applicable FDIC Deposit Insurance Amount.

**You are responsible for monitoring the total amount of deposits that you hold with any one Bank, directly or through an intermediary, for example through a retirement plan, in order to determine the extent of deposit insurance coverage available to you on all of your deposits, including the Deposit Accounts. We and NFS are not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.**

See “[FDIC /SIPC Coverage](#)” below for more detailed information on insurance coverage of Deposit Accounts and Brokerage Accounts.

### III. PROGRAM BANKS

#### A. General Information About Program Banks

The Program Bank List specifies the Program Banks into which your funds will be deposited. The Program Bank List is available from your Investment Representative or at the URL specified in Appendix A. The Program Bank List indicates all the Program Banks, including your Excess Deposit Bank, which will be utilized for deposits after the Maximum Deposit Amount has been placed in all the Program Banks. You cannot select your Excess Deposit Bank. An Excess Deposit Bank would receive, deposits up to the Maximum Deposit Amount just as any other Program Bank and after deposits of the Maximum Deposit Amount have been made at all of the other Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposit Bank. If your Excess Deposit Bank has already received Program Deposits up to the Maximum Deposit Amount, any further deposits in that Bank would generally not be eligible for FDIC insurance coverage. **To the extent your deposits in your Excess Deposit Bank exceed the Maximum Applicable FDIC Deposit Insurance Amount, these excess funds are ineligible for FDIC insurance.**

You should review the Program Bank List carefully. You are responsible for monitoring the total amount of deposits that you have at each Bank for purposes of reviewing deposits which may be eligible for insurance by the FDIC. We and NFS do not have any duty to monitor the core account investment vehicle for your account or make recommendations about, or changes to, the Program that might be beneficial to you. You should also regularly check the URL specified in Appendix A for changes to the Program Bank List.

**The amount of FDIC insurance in all Program Banks may be limited pursuant to the limitations explained in this Disclosure Document. In any event, all deposits in the Program are subject to all applicable FDIC qualification requirements and to the Program limitations described in this Disclosure Document.**

#### B. Program Bank List

Please contact your Investment Representative or go to the URL specified in Appendix A for a current Program Bank List.

#### C. Deposit Accounts

Your Program Deposits will be deposited in two linked bank accounts at one or more Program Banks: (1) an interest-bearing savings deposit account (commonly referred to as a Money Market Deposit Account or “MMDA” account) and (2) an interest-bearing transaction account. You will receive the same interest rate on the funds in your MMDA account and in your transaction account at each Bank. Your Brokerage Account statement will reflect the combined balances of the MMDA account and the transaction account at each Program Bank.

Your Program Deposits will be deposited at the Program Bank into a transaction account and an MMDA account maintained by NFS for your benefit and the benefit of other customers of your Broker/Dealer and/or NFS that participate in the Program. A portion of your Program Deposit will be allocated to the transaction account, and a portion of your Program Deposit will be allocated to the MMDA account as described herein. Available cash balances are deposited in your MMDA account at each Bank as set forth

above. From time to time, part of such deposits may be transferred to your transaction account to establish and/or maintain a threshold amount which may differ among customers. All withdrawals will be made from the transaction accounts at the Bank. As necessary to satisfy debits in your Brokerage Account (securities purchases, checking, debit card, etc.), funds will automatically be transferred from the MMDA account to the related transaction account at the applicable Bank.

If there are insufficient funds in the Deposit Accounts to satisfy a debit, NFS will withdraw funds from other available sources as described in this Disclosure Document or in your account opening paperwork.

Federal banking regulations limit the transfers from an MMDA account to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA account at a Bank have reached the applicable limit, all funds will be transferred from that MMDA account to the linked transaction account at the Bank. For the remainder of the month, all deposits for that Bank will be made to the transaction account. At the beginning of the next month, an amount of funds on deposit in the transaction account less any applicable threshold amount will be automatically transferred back to the MMDA account. Due to the linking of the transaction and MMDA accounts as described above, the federal banking limits on MMDA account transfers will not effectively limit the number of withdrawals you can make from funds on deposit at a Program Bank.

The cash balances awaiting reinvestment in your Brokerage Account will be automatically swept from your Brokerage Account into your Deposit Accounts on the business day following the day your Brokerage Account reflects a cash balance. For purposes of this Program, business day generally means a day on which Banks participating in this Program are open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Deposit Account(s) at the Program Bank(s). **As stated above, to the extent your deposits outside of the Program, in combination with Program Deposits, exceed the Maximum Applicable FDIC Deposit Insurance Amount at any Program Bank the amounts above such limits will NOT be eligible for FDIC insurance protection. Deposits at Program Banks are not eligible for SIPC coverage.**

In rare circumstances, a Bank on the Program Bank List may be unable to accept your funds on a particular day or a Bank may be removed from the Program Bank List and not replaced. If advance notice is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable. Please see the Section entitled “Changes” for options available to you resulting from a change in the Program Bank List. You should also regularly check the URL specified in Appendix A for changes to the Program Bank List.

If a Bank is unable to accept your funds on a day you have funds to deposit, your funds will be deposited in a different available Program Bank up to the Maximum Deposit Amount. Due to the unavailability of a Bank for any circumstance, funds may be placed at an Excess Deposit Bank and, as indicated above, Program Deposits in excess of the Maximum Applicable FDIC Deposit Insurance Amount will NOT be eligible for FDIC insurance protection. Once assets from an account are deposited in a particular Program Bank, the Program does not generally reallocate those assets to other Program Banks, except when (1) NFS or a customer removes a Program Bank from the list of Program Banks; (2) a Program Bank changes its target balance; (3) the Program allocates assets among Program Banks to meet maximum and target balances set by the Program Banks; (4) funds are moved from a Program Bank to avoid exceeding restrictions under applicable law on the maximum number of automated withdrawals that can be made during any month; or (5) in an effort to provide optimal FDIC Insurance coverage for your deposits in the Program.



## **D. Withdrawals - Access to Your Program Deposits**

When funds are needed to cover transactions in your Brokerage Account, we will use on the same day the debit is applied, the following sources, in the order listed, to satisfy the debit: (i) available cash balances, including money added to your Brokerage Account (such as checks, interest, or transaction proceeds) and not yet moved to a Deposit Account; (ii) any remaining balance in your previous core account investment vehicle; (iii) Program Deposits; and (iv) if you have a margin account, any margin credit available.

If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit, funds will be withdrawn from your transaction accounts at the Program Banks.

Withdrawals from your Deposit Accounts will normally be made on the business day following transactions in your Brokerage Account; however, your Brokerage Account is credited on the day of the debit. This process might result in you having an obligation to make us or NFS whole for the sum of the debits in your Brokerage Account if there is a problem withdrawing funds from your Deposit Account or you otherwise fail to sufficiently fund your Brokerage Account for the full amount of your daily debits. **Please review your applicable Broker/Dealer Customer Agreement for your Brokerage Accounts for important information regarding your unsatisfied obligations owed to us and/or NFS.**

You may access your Program Deposits only through your Brokerage Account. You cannot access or withdraw Program Deposits by contacting a Program Bank directly.

NFS will automatically withdraw funds from your Deposit Accounts (up to the amount of your Program Deposit) and move such funds back to your Brokerage Account in order to satisfy any obligation you have to us or NFS or to settle a securities transaction or other debit transaction (including, but not limited to, checks, wires, debit card purchases or margin balances) in any account you have with us or NFS. Your Program Deposits are also subject to legal process such as a levy or a garnishment delivered to us or NFS to the same extent as if those funds were in your Brokerage Account.

As required by federal banking regulations, each Program Bank has reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, your ability to access funds, including the ability to write checks against your Brokerage Account, should not be impacted. Your interest in a Deposit Account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your Brokerage Account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

## **IV. INTEREST**

### **A. Interest Rates**

The interest rate for your Deposit Accounts may be obtained from your Broker/Dealer, your Investment Representative or at the URL specified in Appendix B. Interest on your Program Deposit is accrued daily, compounded monthly and is reflected on your Brokerage Account statement as of the last business day of the statement period. Interest on your Program Deposit begins to accrue on the business day those funds are received by the Program Bank, which will typically be the business day following the day your Brokerage Account reflects a cash balance. Generally, interest will accrue to Deposit Account balances through the business day preceding the date of withdrawal from your Deposit Accounts at the Bank (which will typically be the day on which a withdrawal of funds is made from your Brokerage Account). Non-business days occurring between Brokerage Account withdrawal and Deposit Account withdrawal and deposit with a Bank will be included in the interest accrual.

Your balances will earn the same rate of interest regardless of the Program Bank with which your funds are deposited. Your interest rate and tier is based upon your Program Deposits in accordance with the core account investment vehicle. The rate of interest paid is tiered based on the value of your Program Deposits (“Eligible Assets”). Eligible Assets are currently evaluated on a daily basis. Interest rates, evaluation period and Eligible Assets may change at any time and may be based on a number of factors including general economic, market and business conditions. You will receive notification in advance of any changes to the Interest Rate Tiers and if advance notice is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable. Customers with Eligible Assets of a greater value generally will receive higher interest rates on their Program Deposits than customers with Eligible Assets of a lower value. Interest on your Program Deposit will be paid by the Program Bank.

Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other core account investment vehicles which are non-FDIC insured or on bank account deposits offered outside of the Program. Program Banks do not have a duty to offer the highest rates available or rates that are comparable to Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. The Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Investment Representative to discuss investment options that may be available outside of the Program that may be better suited to your goals.

You should compare the terms, interest rates, required minimum amounts, and other features of the Program with other accounts and alternative investments.

#### **B. Interest Credited to Your Deposit Account**

While interest will generally be credited to your Deposit Accounts at period-end, intra-month interest credits to your Deposit Accounts would occur where you close your account intra-period. Intra-month interest credits will appear on your Brokerage Account statement to reflect interest accrued at that Bank through such intra-month event.

Adjustments made to your Brokerage Account which can be caused by transactions entered for a prior date (e.g., a fee reimbursement or a debit adjustment) may result in an interest credit or debit to your Deposit Accounts. The interest rate used to credit or debit adjustments may not be made at the current rate, but should reflect interest rates applicable at the time of the event. Interest rates applied to credit adjustments are not expected to be lower but, depending upon the interest rate tiering schedule, could be less than those applied to your balances on the day in which the credit adjustment is made. Interest amounts on adjustments are rounded to the penny and for interest amounts of less than half a cent, you will receive no interest and you also will not be debited.

### **V. CHANGES**

#### **A. Changes to the Program Bank List**

Your Broker/Dealer and NFS reserve the right to make changes to the Program Bank List at any time. This may include the addition or removal of Program Banks. Generally, you will receive notification in advance of any change to the Program, maximum amount of FDIC Insurance coverage for your deposits in the Program, etc. We may also notify you that a change will be forthcoming and direct you to your Investment Representative or to the URL referenced in Appendix A for specific information on such change. While we will endeavor to provide advance notice of changes, we may be unable to do so in

some cases. We will provide you with notice of such changes as soon as is reasonably practicable. It is your obligation to monitor your accounts, your FDIC coverage and your FDIC insurance eligibility. Changes to the Program Bank List will be posted at the URL referenced in Appendix A and you should consult this site for the most up-to-date information about Bank eligibility for your deposits. Other changes to the Program may be posted to this site as well and you should direct any questions you may have to your Investment Representative. If you do not agree to any changes, you should contact your Investment Representative to discuss transferring your Brokerage Account to another provider. If you do not take any action in response to a change, you are deemed to consent to the change to the Program.

Generally, you will receive notification in advance of any such change in the Program Bank List and have an opportunity to “opt out of” deposits being placed at such Bank. As previously stated, “opting out” of a Bank will affect the maximum amount of your deposits eligible for FDIC insurance. If advance notice of a Program modification is not practicable due to the circumstances, you will be notified, as soon as is reasonably practicable, of any change in the Program that results in changing the Program Bank List. Please contact your Investment Representative to “opt out” of any Bank. We may also notify you that changes to the Program Bank List will be forthcoming and direct you to your Investment Representative or to the URL specified in Appendix A for information on such change. Updated Program Bank Lists may also be found at the URL specified in Appendix A. **It is your obligation to monitor your FDIC coverage and FDIC insurance eligibility.**

#### **B. Limitations on Deposits**

The amount of your cash balances awaiting reinvestment that are swept into a Deposit Account may need to be limited if a Program Bank cannot accept deposits due to exceptional circumstances or if a Program Bank becomes ineligible for the Program, as described in this Disclosure Statement, and the Program Bank is not replaced. In such event, funds not swept into a Program Deposit Account will be invested in the Excess Deposit Bank, or if not available, the core account investment vehicle chosen by us, as identified in the “Introduction” section of this Document, as amended from time to time. If advance notice is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable. Please see the “Changes to Your Core Account Investment Vehicle” below for additional information.

#### **C. Changes to Your Core Account Investment Vehicle**

From time to time, circumstances, such as described in this Disclosure Document, may require that we or NFS modify the Program, which may result in changing the core account investment vehicle for your Brokerage Account. If we make any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower. Generally, you will receive notification in advance of any such change. If advance notice of a Program modification is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable of any change in the Program that results in changing the core account investment vehicle for your Brokerage Account. Unless you object within the time period specified, we will transfer the balances from your prior core account investment vehicle into a new core account investment vehicle. If you object to the core account investment vehicle that we select, or, if at any time the Program does not meet your needs, including, but not limited to, due to any change in the Program, your Investment Representative can assist you in transferring your Brokerage Account to another provider or another program.

If we need to change the core account investment vehicle available for your Brokerage Account under the circumstances set forth in this Disclosure Document, or for other circumstances as may be necessary, the replacement core account investment vehicle provided may receive a lower effective rate of return than is available on funds swept into a Deposit Account. We will attempt to make an alternative core account

investment vehicle available for your Brokerage Account that provides a rate of return that is equal to or better than the rate of return you were receiving on your Program Deposit. We, however, cannot guarantee any rate of return, including a return that is equal to or greater than your current return. We will notify you, as soon as is reasonably practicable, if your cash balance is deposited into a core account investment vehicle other than the Program and additionally, if you will receive a lower effective rate of return.

#### **D. Notices**

All notices described in this Disclosure Document may be made by means of a letter, an entry on or insert with your Brokerage Account statement, or an entry on a trade confirmation or by electronic or other form of notification if available to you by us which may include but is not limited to, electronic alerts or e-mail.

### **VI. ACCOUNT INFORMATION**

#### **A. Statements and Confirmations**

The statement for your Brokerage Account will: (i) indicate your beginning and ending Program Deposit at each Bank as of the last business day of each monthly statement period., (however, if your Brokerage Account was established on the last business day of a month, your statement will not include a Bank Deposit Sweep Detail section); (ii) detail sweeps to and from the Program Deposit Accounts during the statement period; and (iii) reflect interest credited to your Brokerage Account. This information is provided in lieu of separate confirmations for each sweep to and from a Program Deposit Account during the statement period. Transfers between your MMDA accounts and transaction accounts will not be reflected in your Brokerage Account statements.

Because you are responsible for monitoring the total amount of your deposits at a Program Bank (including any Program Deposit held at such Program Bank and all deposits you may make at a Program Bank outside the Program), in order to determine the extent of FDIC insurance coverage available, you should carefully review your statements to determine if a change in Program Banks has an impact on your deposit insurance coverage.

#### **B. Tax Information**

For most clients, with non-retirement account types, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. In those cases, a Form 1099 will be sent to you by NFS each year showing the amount of aggregate interest income you have earned on deposits in your Deposit Accounts. You should consult with your tax advisor about how the Program affects you.

### **VII. INFORMATION ABOUT YOUR RELATIONSHIP WITH YOUR BROKER/DEALER AND THE PROGRAM BANKS**

#### **A. Relationship with Your Broker/Dealer and the Program Banks**

As your agent, NFS is establishing the Deposit Accounts at each Bank, depositing funds into the Deposit Accounts, withdrawing funds from Deposit Accounts and transferring funds between Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank showing the Deposit Account as an agency account held by NFS for the benefit of you and other customers and by records maintained by NFS as your agent and custodian. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your Brokerage Account statements will reflect the balances in your Deposit Accounts at the Banks. You should retain the Brokerage Account statements

for your records. Once established on your behalf, the Deposit Accounts are obligations solely of the Banks and not your Broker/Dealer, NFS or any other entity. You may at any time obtain information about your Deposit Accounts by contacting your Investment Representative.

If either you, we, or NFS terminate your use of the Program as a core account investment vehicle, or if one or more Program Banks with which you have deposits in the Program cease to participate in the Program, you may establish a direct depository relationship with each such Bank, subject to its rules with respect to maintaining Deposit Accounts.

ESTABLISHING A DIRECT DEPOSITORY RELATIONSHIP IN YOUR NAME AT A BANK WILL SEPARATE THE DEPOSIT ACCOUNTS FROM YOUR BROKERAGE ACCOUNT. IF YOU ESTABLISH A DIRECT DEPOSITORY RELATIONSHIP WITH A BANK, THE DEPOSIT ACCOUNTS WILL NO LONGER BE PART OF YOUR BROKERAGE ACCOUNT AND WE WILL HAVE NO FURTHER RESPONSIBILITY CONCERNING THE DEPOSIT ACCOUNTS.

### **B. Benefits to Your Broker/Dealer and Others**

The Program may create financial benefits for us and our affiliates, NFS, and the Program Banks. Your Broker/Dealer and any Program Banks who are affiliated with it may receive additional benefits under the Program. We will disclose on our list of Program Banks maintained at the URL specified in Appendix A any Program Banks with which we are affiliated.

The interest rate payable to you is based on the amounts paid by the Program Banks to us and less a fee retained by us, which may be up to 3% on an annualized basis as applied across all Deposit Accounts. In our discretion, we may reduce our fee and may vary the amount of the reductions between clients. The fee may vary from Bank to Bank. The amount of fee received will affect the interest rate paid on your Deposit Accounts. No part of these fees is paid to your Investment Representative. We will pay a fee to NFS. We reserve the right to modify the fees we receive from Program Banks. From time to time, if the fee increases, you will receive notification of any such change. In addition to our fee, other service providers with respect to the Program will receive fees from each Bank (collectively, with the fees paid to us and/or NFS, "Program Fees"). In addition to the Program Fees referenced above, your Brokerage Account generally may be charged additional fees that apply to securities accounts maintained by us.

We do not retain a fee for Brokerage Accounts of certain retirement accounts or plans (such as ERISA plans and IRAs) that are associated with our fee-based advisory programs ("Retirement Advisory Accounts"). For Retirement Advisory Accounts, the interest rate payable to your account is based on the amounts paid by the Program Banks to NFS and less a fee retained by NFS, which may be up to 3% on an annualized basis as applied across all Deposit Accounts. The interest rate payable to Retirement Advisory Accounts will be the same rate applicable for all Brokerage Accounts participating in the Program. For ERISA plans and IRAs generally, please note that as fiduciaries to your Brokerage Accounts, you are responsible for ensuring that account investments, including your account's sweep investments, are prudent and fees payable by your plan/IRA are reasonable. Should you have any questions regarding the Program Banks, current interest rates or our compensation, please refer to the URL referenced in Appendix A or direct any questions you may have to your Investment Representative.

If your Broker/Dealer is affiliated with one or more Program Banks you should review the information included in this paragraph as it may apply to us, any affiliated Program Bank, and/or one or more of their affiliates. The Program Banks use Program Deposits to fund current and new lending and for investment activities. The Program Banks earn net income from the difference between the interest they pay on Program Deposits and the fees paid to us and the income they earn on loans, investments and other assets. As noted above, the Program Banks may pay rates of interest on Program Deposits that are lower than

prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank. Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate. Lower rates may be more financially beneficial to a Program Bank. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any Money Fund rates. By comparison, a Money Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the Money Fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other core account investment vehicles currently available to you or possible core account investment vehicles that we have used in the past or may consider using in the future. In addition, we will make compensation payments to NFS, our clearing agent, for record keeping and other services with respect to amounts invested in the Program, which will be no more than 70 basis points. NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products.

As a result of the fees and benefits described above, the Program may be significantly more profitable to us than other available sweep options, if any. We and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the Program.

### **C. Sharing of Your Information with Banks**

NFS may provide the Banks used in the Bank Deposit Sweep Program with information related to the Customers and any individual authorized by a Customer to trade in his/her Brokerage Account ("Authorized Individual") pursuant to agreement between NFS and the Banks. If provided, the information could consist of the name, address (including city, state, postal code, and, if applicable, foreign country), date of birth, either social security number or taxpayer identification number and any other information as necessary or requested by the Banks.

### **D. Questions/Comments Regarding this Program**

You may contact your Investment Representative or access the URL specified in Appendix B to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier.

The material in this document is intended for informational purposes. If there is any conflict between the descriptions in this document and the terms of your account agreement, solely as it relates to the subject matter of this Disclosure Document, this document will control.

## **VIII. FDIC/SIPC Coverage<sup>1</sup>**

### **A. Deposit Insurance**

The Deposit Accounts are eligible for insurance by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) when aggregated with all other deposits held by you in the same insurable capacity at a Bank (e.g., individual, joint, etc.) and \$250,000 for certain individual retirement accounts, in each case such account may be insured for such greater amount as may be approved by the FDIC from time to time. Your funds become eligible for deposit insurance immediately when a Bank accepts your deposits into Deposit Accounts. To

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<sup>1</sup> The information contained in this section regarding FDIC deposit insurance and the applicable limits are subject to the limitations described throughout this document and as specifically noted in the section entitled "Maximum Deposits" and "Program Limitations" under Section II. B. "How the Program Works" of this document.

the extent that your deposits at a Program Bank in one ownership capacity, either through the Program or otherwise, exceed the FDIC insurance limits applicable to that ownership capacity, deposits in excess of the limits will not be insured.

**In the event a Bank fails, the Deposit Accounts at that Bank are insured up to the \$250,000 limit, or such other limit, as applicable, for principal and interest accrued to the day the Bank is closed. Neither we nor NFS is responsible for any insured or uninsured portion of a Deposit Account. You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at a Bank apart from the Deposit Accounts, you may wish to direct that the Bank be excluded from the Program Bank List applicable to your Brokerage Account.**

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 limit or such other applicable limit, as applicable, with any other deposits that you own in the same insurable capacity at the Bank. Subject to Program limits, examples of accounts that may be subject to this FDIC policy include joint accounts, and certain trust accounts including transfer upon or payable on death accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

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

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of the certificates of deposit or other time deposits which were assumed, or (ii) with respect to deposits which are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the acquiror after the acquisition will be aggregated with deposits established with the acquiror for purposes of federal deposit insurance.

The application of a \$250,000 federal deposit insurance limitation is illustrated by several common factual situations discussed below.

## **B. Information on Deposit Insurance for Specific Types of Accounts**

**Individual Customer and Agency Accounts.** Funds owned by an individual and held in an account in the name of the individual or an agent or nominee of such individual (such as the Deposit Accounts held through NFS) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Custodial Accounts.** Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same insurable capacity and are

insured up to \$250,000 in the aggregate. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Joint Accounts.** An individual’s interest in funds in all qualified accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a “Joint Account”). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner’s interests in other Joint Accounts at the same depository institution. Joint Accounts will be “qualified” and insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Nonqualified joint accounts are not insured separately and are added to individual accounts for the purposes of the individual maximum coverage of \$250,000 in the aggregate per Bank. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Irrevocable Trust Accounts.** Funds in an account established pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary’s interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each beneficiary’s interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a depository institution created by the same grantor will be aggregated and insured up to \$250,000. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Revocable Trust Accounts.** Revocable trusts include informal revocable trust accounts where the owner has designated the names of beneficiaries to whom the funds in the account will pass upon the owner’s death (referred to as transfer upon or payable on death accounts and formal revocable trusts usually established for estate planning purposes (referred to as living or family trusts). Revocable trusts will be insured as to each named beneficiary separately from another account of the owner or the beneficiary provided (i) the beneficiaries are natural persons and (ii) NFS’ account records disclose the names of all trust beneficiaries. For each trust owner with combined revocable trust account deposits of \$1.25 million or less at a Bank the maximum coverage will be determined by multiplying the number of different beneficiaries by \$250,000. If an owner has in excess of combined revocable trust account deposits of \$1.25 million at a Bank and has named more than five beneficiaries there is a limitation on the maximum coverage. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Business (Corporation, Partnership and Unincorporated Association) Accounts.** Funds in an accounts of business organizations, including corporations, partnerships, and unincorporated associations (including for-profit and not-for-profit organizations), are added together and insured up to \$250,000 in the aggregate. Such deposits are insured separately from the personal deposits of the organization’s owners, stockholders, partners or members. To qualify for insurance coverage under this ownership category, a corporation, partnership or unincorporated association must be engaged in an “independent activity,” meaning that the entity is operated primarily for some purpose other than to increase deposit insurance coverage. All deposits owned by a corporation, partnership, or unincorporated association at the same bank are combined and insured up to \$250,000. Multiple accounts owned by the same corporation, partnership, or unincorporated association (including accounts owned by operating divisions or business units that are not separately incorporated) but designated for different purposes are not separately insured. For example, if a corporation has both an operating account and a reserve account at



the same bank, the FDIC would add both accounts together and insure the aggregated deposits up to \$250,000.

### **Deposit Insurance: Retirement Plans and Accounts**

**Individual Retirement Accounts.** Individual retirement accounts as described in the Internal Revenue Code Sections 408(a) and 408A are insured up to \$250,000 per depositor. Each person's deposits in self-directed retirement accounts at the same Bank are added together and insured up to \$250,000, separately from any retirement accounts that are not self-directed and any non-retirement accounts. Please refer to the "Maximum Deposit Amount" and "Program Limitations" sections within Section II.B "How the Program Works" for Program specific limitations.

### **C. Questions about FDIC Deposit Insurance Coverage**

If you have questions about basic FDIC insurance coverage, please contact your Investment Representative. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html), or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

### **D. SIPC Coverage**

Your cash balance awaiting reinvestment is only eligible for FDIC insurance once it becomes a Program Deposit held by a Program Bank. Your cash balance while held by NFS and/or us is not FDIC insured, but is covered by SIPC. This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by the Program Bank or which have been swept from the Program Bank back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. NFS also has arranged for coverage above these limits. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your Brokerage Account (as opposed to the Program Deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.

If, due to Program limitations, your cash balance is placed into a core account investment vehicle other than the Program, your cash balance will not be eligible for FDIC insurance, but may be protected by SIPC in accordance with applicable legal requirements and limitations.

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like NFS, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC protection insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's Brokerage Account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Money Fund Shares are considered to be securities for purposes of SIPC coverage. **The Deposit Accounts are not eligible for SIPC coverage.**

If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Investment Representative. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at [www.sipc.org](http://www.sipc.org).

**APPENDIX A**  
**BANK DEPOSIT SWEEP PROGRAM**  
**BANK LIST**

**A current Program Bank List and other information about the Program can be obtained at the following websites related to your Broker/Dealer, as applicable:**

<http://www.ladenburg.com/bank-deposit-sweep-programs>

[www.securitiesamerica.com/investors](http://www.securitiesamerica.com/investors)

<http://www.triad-advisors.com/customer-information>

<http://www.investacorp.com/investacorp-investors/bank-deposit-sweep-programs.html>

<http://www.ssnetwork.com/bank-deposit-sweep-program/>

Neither Ladenburg Thalmann & Co. Inc., Securities America, Inc., Triad Advisors, Inc., Investacorp, Inc., nor Securities Service Network, Inc. is currently affiliated with any Program Bank.

**APPENDIX B**  
**BANK DEPOSIT SWEEP PROGRAM**  
**CORE ACCOUNT INVESTMENT VEHICLE INTEREST RATES**

The current list of rates and tiers for the Bank Deposit Sweep Program (“Program”) are available by contacting your Investment Representative or checking the website related to your Broker/Dealer, as applicable:

<http://www.ladenburg.com/bank-deposit-sweep-programs>

[www.securitiesamerica.com/investors](http://www.securitiesamerica.com/investors)

<http://www.triad-advisors.com/customer-information>

<http://www.investacorp.com/investacorp-investors/bank-deposit-sweep-programs.html>

<http://www.ssnetwork.com/bank-deposit-sweep-program/>

Interest accrues daily and is paid monthly. Amounts reflecting interest paid will be presented on your Brokerage Account statements. The rates are subject to change at any time, without notice to you, and will vary.

**APPENDIX C**  
**MONEY MARKET MUTUAL FUND INFORMATION**

You may obtain information with respect to the current yields available on the Money Funds specified in this Disclosure Document by contacting your Investment Representative or by checking the website related to your Broker/Dealer, as applicable:

<http://www.ladenburg.com/bank-deposit-sweep-programs>

[www.securitiesamerica.com/investors](http://www.securitiesamerica.com/investors)

<http://www.triad-advisors.com/customer-information>

<http://www.investacorp.com/investacorp-investors/bank-deposit-sweep-programs.html>

<http://www.ssnetwork.com/bank-deposit-sweep-program/>