

Legent Insured Deposit Program — Summary of Terms and Conditions

Program Summary

The Legent Insured Deposit Program (“The Program”) provides a new cash sweep capability for clients. Under The Program provided by Legent Clearing LLC (“The Firm”, “We”, or “Us”) and selected by your brokerage firm (“Brokerage Firm”) and administered by Deutsche Bank Trust Company America (“DBTCA”), your uninvested cash balances in eligible accounts will be automatically deposited into an interest-bearing Federal Deposit Insurance Corporation (“FDIC”) insured deposit account at one or more of the banks or depository institutions participating in The Program, collectively called “Program Banks”

Your uninvested cash balances are deposited with a network of Program Banks in a manner designed to provide you with a maximum deposit insurance in excess of the current FDIC limits (The Firm’s current limits are available at www.legentclearing.com). A separate account for the benefit of Program participants will be established at each of the Program Banks for deposit in The Program (the “Deposit Accounts”). Once your funds in a Deposit Account at any of the individual Program Banks reach 95% of the applicable FDIC insurance limit, any additional funds will be deposited at another Program Bank. The Deposit Accounts will be insured by the (FDIC) within certain applicable limits. FDIC insurance will not cover amounts over the applicable maximum insurance limit that you have on deposit with any particular Program Bank.

All activity with respect to your accounts will appear on your periodic account statement, including the total of your opening and closing account balances in The Program and a breakdown of your bank deposit balance at each individual Program Bank at which you have deposits. If you maintain a separate account at a Program Bank outside of The Program, you are responsible for monitoring the total amount of deposits that you have with the Program Bank to determine the extent of deposit insurance coverage available to you. The total amount of FDIC insurance coverage may change at any time.

The Program is your default sweep option for available cash in your eligible accounts. By your participation in The Program, you acknowledge that you have received and carefully read the Terms and Conditions. If you have any questions about any of the provisions of these Terms and Conditions, please contact your Brokerage Firm.

The Program should not be viewed as a long-term investment option. If you desire to maintain invested cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, please contact your Brokerage Firm to discuss investment options that may be available outside of The Program to help maximize your return potential consistent with your investment objectives, risk tolerance and liquidity needs. Please keep in mind that such outside investment options may not be FDIC insured and may not include the automatic sweep features included in The Program.

As provided in your account agreement with your Brokerage Firm, the Firm is the carrier of your brokerage account as clearing brokerage firm pursuant to a clearing agreement with your Brokerage Firm. As clearing brokerage firm, the Firm provides certain administrative services in connection with The Program. The services rendered by the Firm in connection with The Program are not intended to create a joint venture, partnership, or other form of business organization of any kind. The firm shall not be responsible or liable for any acts or omissions of your Brokerage Firm, any Program Bank, or their respective employees. The firm provides no advice regarding The Program, nor does the Firm give advice or offer any opinion with respect to the suitability of any transaction or order in connection with your brokerage account. Neither your Brokerage Firm nor any Program Bank is acting as the agent of the Firm. You agree that you will not hold the Firm, its affiliates, and its officers, directors, and agents liable in connection with any transactions related to The Program.

Differences Between The Program and Money Market Mutual Funds

Money market mutual funds and The Program are subject to differing risks and account protection. Money market mutual funds invest in short term securities and seek to maintain a stable net asset value but are subject to market risks and potential loss of value. Money market mutual funds are not bank accounts and not subject to FDIC insurance protection. Money market mutual funds are covered by SIPC, which protects against the custodial risk (not a decline in market value) if a Brokerage Firm fails by replacing missing securities and cash up to a limit of \$500,000, of which \$100,000 may be cash. Deposits in The Program equal to or less than the maximum FDIC deposit insurance limit are insured against the risk of a Program Bank’s failure.

FDIC Coverage and Limitations

Upon deposit into The Program, your deposits are insured by the FDIC, an independent agency of the federal government backed with the full faith and credit of the U.S. Government, up to the current FDIC limit per depositor for each category of legal ownership. To provide additional coverage, The Program uses a network of Program Banks in a manner designed to provide you with a maximum deposit insurance limit in excess of the current FDIC limits per depositor for each category of legal ownership. If the amounts deposited in The Program exceed the maximum deposit insurance limit, the excess funds will be deposited at a Program Bank and not be insured by the FDIC. If you have or make deposits on your own with a Program Bank, neither Legent nor your Brokerage Firm would be aware of these deposits and they may not be insured.

Additional FDIC insurance coverage may also apply to certain categories of legal ownership. For additional information and any other questions about FDIC Deposit Insurance Coverage, you may wish to seek advice from your own legal advisor. You may also obtain information by contacting the FDIC, Division of Supervision and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342, 800-925-4618 (TDD)), by e-mail (dcainternet@fdic.gov), or by accessing the FDIC Web site at www.fdic.gov.

Your Responsibility

You must monitor and determine the best sweep option for you under The Program. You may elect not to participate in The Program and instead periodically invest cash balances directly into investment options that may be available outside of The Program to help maximize your return potential consistent with your investment objectives, risk tolerance and liquidity needs.

You are responsible for monitoring the total amount of all deposits you have at each Program Bank for purposes of calculating your FDIC insurance coverage. Activity with respect to your funds in The Program, including the Program Banks in which your funds are invested and the interest rate paid to you, will appear on your periodic brokerage account statement. If your total funds on deposit at any individual Program Bank exceed the maximum deposit insurance limit, the FDIC will not insure your funds in excess of the limit.

Interest

The Program Banks will pay interest on funds in the Program at a variable rate established periodically by us based on prevailing market, economic and other business conditions. The Firm may change the interest rate at our discretion without notice to you. The Firm may establish a schedule of rates to be applied to accounts based on, among other things, the total value of household assets in your Brokerage accounts. The asset tiers and interest rates may be changed by The Firm from time-to-time. Current interest rate information is available to you by contacting your Brokerage Firm.

Interest on funds in the Program will accrue from the day funds are deposited by us into the Program up to, but not including, the day of withdrawal. The Program Banks will use the daily-balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Interest will be compounded monthly and will be credited to your account on or about the 25th day of each month (or preceding business day if the 25th day is not a business day). You will receive a 1099-INT form from The Firm indicating the amount of interest paid to you.

Fees

No direct fees will be assessed to you or deducted from your brokerage account with respect to the Program. We may, without notice, refuse any deposit, close any account or impose a fee, if your actions become administratively burdensome.

Program compensation

No direct fees will be assessed to you or deducted from your specified rate of return. Instead fees are collected from the Program Banks. The fee of the intermediary bank (currently Deutsche Bank Trust Company America "DBTCA") will be collected from the Program Banks in the form of fees collected in addition to interest paid on the Program. The Firm will receive a fee from DBTCA that varies depending on the balance in your account, the service plan you may be on and other factors. Although the actual fees are subject to change and vary depending on the tier and other factors (please see our website at www.legentclearing.com, for the applicable rate structure), this fee currently is expected to range from .5% to 6.0%. This fee is subject to change and we may waive all or part of this fee. Other than applicable fees imposed by us on a brokerage account, there will be no charge, fee or commission imposed on your account with respect to the Program.

Relationships and Your Privacy

Although your Brokerage Firm, the Firm, and the Program Banks may share certain information about you and your accounts, information shared with Program Banks will be handled in accordance with the Privacy Policies of your Brokerage Firm and the Firm.

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. Accounts in the name of business entities including corporations, limited liability companies and partnerships are also eligible for The Program.

Excluded are all plans subject to the Employee Retirement Income Security Act of 1974, as amended.

Also excluded are IRAs participating in an advisory program offered by your Brokerage Firm. Please contact your Brokerage Firm if you are unsure if your account(s) are eligible.

Deposits

Because The Program is your default sweep option for cash balances in your eligible account, unless you elect out of The Program you will have cash balances in your eligible account(s) automatically deposited in Deposit Accounts at the Program Banks. These Deposit Accounts will receive FDIC coverage up to The Program's maximum deposit insurance limit. There is no minimum initial deposit. Funds will be deposited into a Deposit Account under the following circumstances: (i) in the case of available cash balances resulting from the proceeds of securities sales, on the settlement date of the securities sale; and (ii) in the case of available cash balances resulting from non-trade-related credits (e.g., the receipt of dividend or interest payments or a deposit in the brokerage account), on the business day after receipt into your brokerage account of the non-trade-related credit. Funds deposited into a Deposit Account will begin earning interest from the day that they are received by the Program Bank. Your deposit will be in book entry form and, therefore, you will not receive a passbook or a certificate. Your uninvested cash balances will be deposited into a Settlement Account at Deutsche Bank Trust Company Americas (DBTCA), which will allocate your deposits to any eligible Program Bank according to an order of priority established from time to time. Once your funds in a Deposit Account at any of the individual Program Banks reach 95% of the applicable FDIC, any additional funds will be deposited at another Program Bank. You may exclude any Program Bank from being able to receive your uninvested cash balance at any time. For example, you may want to exclude any Program Bank at which you maintain balances (e.g. Certificates of Deposit, checking account deposits) which, when added to amounts in the Deposit Account, might exceed the maximum deposit insurance limits. This exclusion may be accomplished at the time of your initial deposit into The Program, or at any other time, by contacting your Brokerage Firm and may impact the overall FDIC coverage available to you through The Program. The list of Program Banks participating in The Program is attached. This list will be updated from time to time and the updated list will be available from your Brokerage Firm or by visiting www.LegentClearing.com. In addition, The Program Banks in which your Program balances were invested will be listed on your periodic account statement.

Program Banks may be added or removed from The Program. It is your responsibility to monitor your Program deposits with each Program Bank in order for you to determine the extent of insurance coverage available to you.

Deposit Accounts are established on an omnibus basis at each Program Bank, with records of ownership in a manner consistent with FDIC rules governing “pass through” deposit insurance. DBTCA and its service provider are finders assisting in locating and negotiating deposit arrangements with Program Banks. A different settlement bank, finder or service provider may be selected or the role in the Program of the settlement bank’s service provider or finder in the program may be eliminated altogether.

Withdrawals

All withdrawals necessary to satisfy debits in your brokerage accounts will be made by us as your agent. A debit will be created, for example, when you purchase securities or request withdrawal of funds from your brokerage account, when you write a check, or use other withdrawal methods (such as through an ACH). Checks written on your brokerage account are not drawn directly against the amounts deposited for you at any of the Program Banks, but the money is transferred back from the Program Banks to our Intermediary Bank and then to us, and then used to satisfy your debit through the Program. Withdrawals may not be made directly from the Program Banks, except through The Firm acting as your agent.

The funds necessary to satisfy debits in your securities account will be drawn from your account in the following order: (i) free credit balances in your brokerage account (if any); (ii) balances in your money fund (if any); and (iii) amounts in the Program Account.

Electronic Funds Transfers

The only items processed through The Program are deposits from the brokerage account to the Program Banks, transfers among the Program Banks, and transfers back to the brokerage account from the Program Banks.

The Program does not allow electronic funds transfers, ATM access, check-writing, deposit, point-of-sale terminal access, pre-authorized payments to third parties, access by credit or debit card or ACH transfers directly from the Program Bank Deposit Accounts.

Program Deposit Account Error Resolution Notice

Please contact your Brokerage Firm as soon as possible, if you think The Program Deposit Account portion of your statement is wrong or if you need more information about a transfer listed on the statement. Your Brokerage Firm must hear from you no later than fifteen (15) days after the date of the statement on which the problem or error first appeared. In making that contact you must:

- (1) Provide your name and account number (if any)
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Provide the dollar amount of the suspected error.

If you provide this information orally, you may be required to send your complaint or question in writing within fifteen (15) business days.

It will be determined whether an error occurred within fifteen (15) business days after hearing from you and any error will be promptly corrected. If more time is needed, however, it may take up to forty-five (45) days to investigate your complaint or question. In such case, it will be requested that the Program Bank credit your Program Deposit Account within fifteen (15) business days for the amount you think is in error, so that you will have the use of the money during the time it takes to complete the investigation. If you are asked to put your complaint or question in writing and your Brokerage Firm does not receive it within fifteen (15) business days, the Program Bank may not credit your Program deposit account.

For errors involving new Program Deposit Accounts, it may take up to ninety (90) days to investigate your complaint or question. For new Program Deposit Accounts, the Program Bank may take up to twenty (20) business days to credit your Program Deposit Account for the amount you think is in error.

Your Brokerage Firm will contact you with the results within three (3) business days after investigation is completed. If it is determined that there was no error, a written explanation will be provided. You may ask for copies of the documents used in the investigation.

Account Information

Activity with respect to your funds in The Program, including the Program Banks in which your funds are invested and the interest rate paid to you, will appear on your periodic brokerage account statement. For each statement period, your brokerage account statement will reflect: (i) all deposits to and withdrawals from your Program account; (ii) the opening and closing balances of your Program account; (iii) interest earned on your Program account balances; and (iv) the detail of balances held in your Program account at each Program Bank.

Summary of Certain Relationships

All Program Banks in The Program are depository institutions duly chartered under the laws of the United States or a State thereof, the deposits of which are insured by the FDIC. Your Brokerage Firm and the Firm are broker-dealers registered with the U.S. Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”). Your Brokerage Firm and The Firm are not banks. Deposit Accounts are held by the respective Program Banks.

Pursuant to the clearing agreement between Your Brokerage Firm and the Firm and acting on the instructions of your Brokerage Firm, the Firm will act as exclusive custodian and agent with respect to all transactions related to The Program. The Deposit Accounts established for The Program will be evidenced by a book entry on the account records of each such Program Bank. The Firm and its agents will maintain records of your interest in each Deposit Account. No evidence of ownership, such as a passbook or certificate, will be issued to you.

All questions regarding your funds in each Deposit Account should be directed to your Brokerage Firm and not the Program Banks. No Program Bank will accept any instructions concerning your deposits in a Program Bank through The Program unless such instructions are transmitted by The Firm or an authorized agent on its behalf.

The Firm will assume the responsibility and the risk of loss for any funds transfers of yours that have theretofore been delivered by you to your Brokerage Firm until such time as the funds have been received in the Deposit Account (the "Settlement Account") maintained at a designated bank (the Settlement Bank, which shall be DBTCA, unless another bank is designated by us for the purpose of transmitting funds from the Program Banks through the Settlement Bank to your Brokerage Firm, and from your Brokerage Firm through the Settlement Bank to the accounts at the Program Banks.

Withdrawals will be deemed paid by a particular Program Bank when such funds are transmitted by such Program Bank to the Settlement Account and such Program Bank will be released from all liability for such withdrawn funds once the Program Bank delivers those funds to the Settlement Account. The Program

Banks are not responsible for the actions of DBTCA or for the actions of your Brokerage Firm or the Firm, with respect to The Program or otherwise. Each Program Bank deposit account is an obligation of the Program Bank and is not directly or indirectly an obligation of the Firm. Program Banks are selected by the Firm in conjunction with its service providers. This document includes a list of the Program Banks. The list of Program Banks is subject to change at any time by its service providers. You can obtain publicly available financial information concerning any or all of the Program Banks at www.FDIC.gov or by contacting the FDIC Public Information Center by mail at 801 17th Street, N.W. Room 100, Washington DC 20434 or by phone at 800-276-6003.

The Firm does not guarantee in any way the financial condition of any Program Bank or the accuracy of any publicly available financial information concerning a Program Bank. You may exclude deposits of any Program Bank from inclusion in your brokerage account by contacting your Brokerage Firm.

By your continued use of The Program, you agree to the terms provided herein.

Waiver of Confidentiality

You expressly give consent for federal or state regulators to access your customer account information for audit and review purposes.

Changes to The Program

Your Brokerage Firm or the Firm may modify or cancel The Program at anytime, which may result in changing the sweep option for your account. If we make any change, there is no guarantee that such change will provide an equal or greater rate of return to you on your uninvested cash balances during any given period, and the rate of return may be lower. You will receive advance notice of any change that results in changing the sweep option for your account. Unless you object within the time period specified, we will transfer the balances from your prior sweep into any new sweep.

Relationships and Your Privacy

Although your Brokerage Firm, the Firm, and the Program Banks may share certain information about you and your accounts, information shared with Program Banks will be handled in accordance with the Privacy Policies of the Firm and your Brokerage Firm.

Inactive Accounts

It may be required by law to turn over (escheat) funds in your Program Deposit accounts to a state, typically your state of residence, based on account inactivity for a certain time period established by applicable state law. If funds are remitted to the state, you may file a claim with the state to recover the funds within the time periods established by state law.

Transferability

Your Program Bank deposit accounts may not be transferred by you to another owner except by a change in ownership of your brokerage account. A transfer that occurs due to death, incompetence, marriage, divorce, attachment or otherwise by operation of law, shall not be binding until sufficient documentation has been received.

Closing of Account

If you close or the Firm closes your brokerage account, your associated Program Bank deposit accounts will also be closed and the funds in your Program Bank deposit accounts will be distributed out through your brokerage account.

Right of Set-Off

Under the terms of your brokerage account customer agreement, funds in your Program Bank deposit accounts may be charged or set off against indebtedness or obligations you have. For further information on such indebtedness or obligations, please review your brokerage agreement.