LADENBURG INSURED CASH ACCOUNT PROGRAM
FOR BROKERAGE RETIREMENT ACCOUNTS
DISCLOSURE DOCUMENT

Please read this complete Disclosure Document describing the Ladenburg Insured Cash Account Program For Brokerage Retirement Accounts 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, LLC, Investacorp, Inc., and Securities Service Network, LLC. (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 retirement brokerage account held with us in conjunction with National Financial Services LLC ("NFS") ("Brokerage Retirement 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 Retirement Accounts.

Your Brokerage Retirement 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. At this time, the Insured Cash Account Program For Brokerage Retirement Accounts (the "Program") 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 Retirement Account. For eligibility requirements, please see the Program Eligibility section below.

Under the Program, available cash in your eligible Brokerage Retirement Account will be deposited into interest-bearing FDIC-Insurance eligible Program deposit accounts ("Deposit Accounts") at one or more FDIC-insured depository institutions participating in the Program (each, a "Program Bank"). The list of Program Banks, as may be amended from time to time (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 your Program Deposits may be limited, as more fully described herein.

As more fully described in this Disclosure Document, your Brokerage Retirement Account is generally protected, up to applicable limits, by the Securities Investor Protection Corporation ("SIPC"). At the time funds are deposited with one or more Program 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 Program 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 given Program Bank. For example, for certain IRAs and other tax-qualified retirement plans and accounts, funds in the Deposit Accounts at each Program 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) (the "Maximum Applicable FDIC Deposit Insurance Amount"), subject to the total amount on deposit in an account, applicable FDIC rules, and Program 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 given Program Bank, or through an intermediary (such as us or another broker), will be aggregated with deposits in your Deposit Accounts at such Program 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 Program 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 this Disclosure Document titled "FDIC/SIPC Coverage."

NFS, as your agent, will place, regardless of the maximum applicable FDIC insurance coverage available, up to $246,500 in any one Program Bank for an individual retirement account or certain other tax-qualified retirement accounts (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, those funds in excess of the Maximum Deposit Amount 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 Program in each Program 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 Program Bank including the Excess Deposit Bank, your funds will be invested in the Federated Treasury Obligations (IS) fund (TOIXX). For more complete information about this money market mutual fund, 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 TOIXX 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 applicable Program 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 Program Banks. You can obtain publicly available financial information concerning each Program Bank at *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 applicable Program Banks. NFS, as your agent and custodian, will establish the Deposit Accounts for you at each Program Bank and make deposits to and withdrawals from the Deposit Accounts. We will receive a fees and compensation, as provided for in our Brokerage Retirement Agreement, for our services under the Program, as discussed more fully below. The amount of our compensation will affect the interest rate paid on the Deposit Accounts. You should review carefully the sections of this Disclosure Document titled

“Anticipated Interest Rates and Fees” and “Information About Your Relationship with Your Broker/Dealer and the Program Banks.”

As discussed herein, interest rates on the Deposit Accounts will vary based upon prevailing economic and business conditions and fees paid to us and certain other service providers under the Program. The Program 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 respective prospectuses.

The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Retirement Account for which you are an owner. Your eligible Brokerage Retirement 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 ministerial algorithmic allocation methodology. None of Ladenburg Thalmann & Co. Inc., the Broker/Dealer, its representatives, its affiliates or its advisors provides investment advice or recommendations regarding your use of the Program, the Program’s operation or the Program Banks or Money Funds where your cash balances may be invested in the rare instances that we are unable to place your funds at any Program Bank.

Interest Rate

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 “Insured Cash Account Program for Brokerage Retirement Accounts-Interest Rate Chart” for additional information

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

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. Separately and apart from this Program, you also still may be eligible to purchase shares in 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 Fund, 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 Retirement Account will be automatically swept from your Brokerage Retirement Account into your Deposit Accounts on the business day following the day your Brokerage Retirement Account reflects a cash balance. For purposes of this Program, business day generally means a day on which the applicable Program Bank is open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into a Deposit Account at a 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

Neither we nor NFS intends for any information provided under the Program to be considered legal or tax advice. You should consult with your tax adviser about how the Program affects you.

II. PROGRAM DETAILS

This Disclosure Document contains important 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. Additional terms, conditions, and disclosures applicable to your account held with us are included in other documents applicable to your relationship with us, including, but not limited to, your account application, account agreement, applicable privacy notice, your applicable Broker/Dealer Customer Agreement for your Brokerage Retirement 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 (collectively, "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, this Disclosure Document will control. Please review these Other Agreements for important information governing your Brokerage Retirement Account.

A. Program Eligibility

The Program is available to certain tax-qualified and Brokerage Retirement Accounts (such as IRAs) that are associated with our fee-based advisory programs. **Brokerage Retirement Accounts, including IRAs, SIMPLE IRAS and SEP IRAs, subject to the fiduciary duty provisions of the Employee Retirement Income Security Act of 1974, as amended, are prohibited from eligibility under 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 Retirement 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 Retirement 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

<u>Sweep to Program Banks</u>

Through the Program, cash balances in your Brokerage Retirement 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.

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" ministerial algorithmic methodology determines the sequence of allocation by the percentage that each actual Program Bank omnibus account balance is away from the bank target balance. In general, Program Banks with smaller percentages of their targets are, under the algorithm, 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 Program Banks on the Program Bank List, additional funds will be swept into the Excess Deposit Bank.

You may not change the Program Banks on the Program Bank List, the order in which funds are deposited at the Program Banks on the Program Bank List or the Maximum Deposit Amount at any Program Bank. You may, however, at any time, designate a Program Bank as ineligible to receive any funds (otherwise referred to as "opting out" of a Program Bank) by contacting your Investment Representative. Any such action will result in any current Program Deposit at such Program Bank being withdrawn and such funds (along with any new Program Deposits) being deposited into Deposit Accounts at the next available Program 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 Program Bank that you have opted out of (i.e., designated as ineligible). If you designate one or more Program 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) Program Bank remaining eligible to receive your deposits. Thus, you may not opt out of all Program 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.

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 stops accepting deposits, becomes ineligible for the Program as described in this Disclosure Document, or for other exceptional circumstances. The current Program Bank List can be found on our website, which is listed in Appendix A. 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 Program Bank as more fully explained below. Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at a Program Bank. Generally, any accounts or deposits that you may maintain directly with a particular Program 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 Program 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 Retirement 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 sets forth 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 Program 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 Excess Deposit Bank would generally not be eligible for FDIC insurance coverage. **Thus, 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 Program Bank for purposes of reviewing deposits which may be eligible for insurance by the FDIC. Your Brokerage Retirement Account statement will provide the amount of deposits in each Program Bank. We and NFS do not have any duty to monitor the core account investment vehicle used in 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. 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 Program Bank. Your Brokerage Retirement 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 Program 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 Program Bank. As necessary to satisfy debits in your Brokerage Retirement Account (securities purchases, checking, debit card, etc.), funds will automatically be transferred from the MMDA account to the related transaction account at the applicable Program 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 Program Bank have reached the applicable limit, all funds will be transferred from that MMDA account to the linked transaction account at the Program Bank. For the remainder of the month, all deposits for that Program 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 Retirement Account will be automatically swept from your Brokerage Retirement Account into your Deposit Accounts on the business day following the day your Brokerage Retirement Account reflects a cash balance. For purposes of this Program, business day generally means a day on which Program 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 <u>will NOT be eligible for FDIC insurance protection. Deposits at Program Banks are not eligible for SIPC coverage</u>.**

In rare circumstances, a Program Bank on the Program Bank List may be unable to accept your funds on a particular day or a Program 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 Program 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 Program 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.

C. Withdrawals - Access to Your Program Deposits

When funds are needed to cover transactions in your Brokerage Retirement 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 Retirement 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.

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 Retirement Account; however, your Brokerage Retirement 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 Retirement Account if there is a problem withdrawing funds from your Deposit Account or you otherwise fail to sufficiently fund your Brokerage Retirement Account for the full amount of your daily debits. **Please review your applicable Broker/Dealer Customer Agreement for your Brokerage Retirement Accounts for important information regarding your unsatisfied obligations owed to us and/or NFS.**

You may access your Program Deposits only through your Brokerage Retirement 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 Retirement 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, as permitted under applicable law. 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 Retirement Account.

IV. ANTICIPATED INTEREST RATES AND FEES

A. Interest Rates

The interest rates payable under the Program are determined by the amount the Program Banks are willing to pay minus the fees paid to your Broker/Dealer and other parties, as described below. The interest rates accruing on your Program Deposits may change as frequently as daily without prior notice. The current 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 paid monthly and is reflected on your Brokerage Retirement 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 Retirement 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 particular Program Bank (which will typically be the day on which a withdrawal of funds is made from your Brokerage Retirement Account). Non-business days occurring between Brokerage Retirement Account withdrawal and Deposit Account withdrawal and deposit with a Program 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. The value of your Program Deposits are currently evaluated on a daily basis. Interest rates, evaluation period and Program Deposits may change at any time and may be based on a number of factors including general economic, market and business conditions. 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 an obligation 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 Retirement Account statement to reflect interest accrued at that Program Bank through such intra-month event.

Adjustments made to your Brokerage Retirement 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 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.

C. Fees

Under the Program, each Program Bank will pay an amount equal to a percentage of the average daily aggregated omnibus deposit balance. This amount includes the fee for the third-party administrator ("TPA") and NFS, amounts used to satisfy the Broker/Dealer's Program fees, and interest payable to participating Brokerage Retirement Accounts. Different Program Banks may pay different amounts. You will have no rights to the amounts paid by the Program Banks, except for interest actually credited to your Brokerage Retirement Account, as described above. However, amounts collected from the Program Banks during each period, less interest credited, will be allocated on a per dollar per Brokerage Retirement Account basis and used to offset your monthly Brokerage Retirement Account Program fee, as discussed more fully below, for providing our sweep services. In addition, part of the payment by the Program Banks will be used to compensate the TPA for its services.

For its services, the TPA will charge an asset-based fee. This fee may vary period to period based on changes in prevailing interest rates and the average daily balance of Brokerage Retirement Accounts participating in the Program during the period. The TPA may, from time to time, temporarily reduce its fees during certain periods, such as when necessary to help ensure that the interest rates paid by the Program Banks during the period equal the applicable disclosed rate for the period. Under such circumstances, the TPA is authorized to recover any such reduced fees, subject to its targeted compensation rate, from future periods. You authorize and direct the TPA to deduct its fees for its services from the amounts paid by the Program Banks.

For its services under the Program, including making the Program available, your Broker Dealer receives a per account fee each month. Your Broker/Dealer's compensation under the Program does not vary based upon the actual amounts held in the Brokerage Retirement Accounts. As provided for below, the Program Brokerage Retirement Account fee schedule will be indexed to the current Federal Funds Target ("FFT") Rate. Under the fee schedule, increases in the FFT Rate will result in increased compensation for Your Broker/Dealer. We can change the applicable fee schedule upon thirty (30) days advance notice to you. Although it is generally anticipated that your Broker/Dealer's fees under the Program will be offset by the amounts paid by the Program Banks, as discussed above, and you hereby direct the TPA to collect such fees from the Program Banks and remit such amount to your Broker/Dealer for this purpose, your Broker/Dealer reserves the right to withdraw the monthly Brokerage Retirement Account Program fee (or portion thereof) in the event or to the extent that the amount received from the Program Banks and paid over to your Broker/Dealer by the TPA for the period is less than your Broker/Dealer's Program fee for the same period.

The FFT Rate used in calculating the Broker/Dealer's per account fee can be expressed as either a single value or a range of values. When the FFT Rate is expressed as a single value, then FFT for purposes of the calculations will equal such value. In time periods, where the FFT Rate is represented as a range, then the FFT for purposes of the fee calculations will equal the midpoint of such range rounded to the nearest basis point. The current FFT Rate can be found at: http://www.federalreserve.gov/monetarypolicy/openmarket.htm. If a Brokerage Retirement Account is open, funded and active during a month, the monthly fee will be pro-rated for the portion of the month the Brokerage Retirement Account was funded. Your Broker/Dealer will be paid a maximum monthly per account Program fee of $23 for its services in connection with maintaining and administering the Program. In a lower rate environment your Broker/Dealer's Program fee will be reduced based on the FFT, which will increase the likelihood of investors utilizing the Program receiving a positive net interest rate. The Program fees payable to your Broker/Dealer may be reduced to as low as $1 per Brokerage Retirement Account per month. The monthly Brokerage Retirement Account fee increases by $0.065 with every 1 basis point ("bps"), (a basis point is equal to 0.01% or 0.0001) change in the FFT Rate. Your Broker/Dealer cannot receive a Program fee higher than $23 per account per month, regardless of the FFT Rate. Under the Program, the per account fee will be set, using the new FFT Rate, on the first business day of the 2nd month following a rate change by the FOMC.

The formula used to calculate your Brokerage Retirement Account monthly fee is as follows:

Monthly fee = $1.00 + ($0.065 X (FFT Rate in bps*))

* a basis point is equivalent to 0.01% so, for example, a FFT of 1.25% is equal to 125 basis points

Examples:

- FFT Rate (expressed as a range) = 50-75 bps
  FFT Rate for calculation = [50 bps + (75-50 bps/2)] = 62.5 bps (rounded to 63 bps)
  Monthly fee = $1.00 + ($0.065 X (63bps X 10,000) = $5.095 (rounded to $5.10)
- FFT Rate (expressed as a value) = 125 bps
  Monthly fee = $1.00 + ($0.065 X (125 bps X 10,000) = $9.125 (rounded to $9.13)
- FFT Rate (expressed as a value) = 200 bps
  Monthly fee = $1.00 + ($0.065 X (200 bps X 10,000) = $14.00

The monthly per account Program fee will not generally be seen on your Brokerage Retirement Account statement due to the manner in which your Broker/Dealer recoups its fee from the Program Bank payments, as discussed above. Investment Representatives associated with your Broker/Dealer do not receive any of the Program fees received by your Broker/Dealer from the Program. The Program fees payable to your Broker/Dealer may be greater than the fees it receives from other sweep investment options. Other than these stated fees, there will be no charges, fees, or commissions imposed on your Brokerage Retirement Account with respect to the Program.

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 Program 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 Retirement 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 Program Bank. As previously stated, "opting out" of a Program 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 Program 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 Document, 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 Disclosure 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 Retirement 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 Retirement 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 Retirement Account to another provider or another program.

If we need to change the core account investment vehicle available for your Brokerage Retirement 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 Retirement 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 Retirement 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 Retirement Account will: (i) indicate your beginning and ending Program Deposit at each Program Bank as of the last business day of each monthly statement period., (however, if your Brokerage Retirement Account was established on the last business day of a month, your statement will not include an Insured Cash Account Program for Brokerage Retirement Accounts Detail section); (ii) detail sweeps to and from the Program Deposit Accounts during the statement period; and (iii) reflect interest credited to your Brokerage Retirement 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 Retirement Account statements. As discussed above, the statement will not generally indicate your Broker-Dealer's Program fees.

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.

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 Program 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 Program 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 Retirement Account statements will reflect the balances in your Deposit Accounts at the Program Banks. You should retain the Brokerage Retirement Account statements for your records. Once established on your behalf, the Deposit Accounts are obligations solely of the Program 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 Program Bank, subject to its rules with respect to maintaining Deposit Accounts.

ESTABLISHING A DIRECT DEPOSITORY RELATIONSHIP IN YOUR NAME AT A PROGRAM 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

As described in Section IV.C., the Program may create financial benefits for us and our affiliates, NFS, the TPA and the Program Banks. 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 less fees and compensation payable to us and the TPA. The amount of these fees and this compensation will affect the interest rate paid on your Deposit Accounts. No part of these fees is paid to your Investment Representative. We reserve the right to modify the Program fees we charge your Program Brokerage Retirement Account on advance notice. 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 in conjunction with the Program (collectively, with the fees paid to us, and/or NFS, "Program Fees"). In addition to the Program Fees referenced above, your Brokerage Retirement Account generally may be charged additional fees (not related to the Program) that apply to securities accounts maintained by us.

Please note that to the extent you are a fiduciary in conjunction with your Brokerage Retirement Account, as a fiduciary, you are responsible for ensuring that account investments, including your account's sweep investments, are prudent and the 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.

The Program Banks generally use Program Deposits to fund current and new lending, investment activities and the funding of their general operations. 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 under the Program 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 Program Banks

NFS may provide the Program Banks 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 Program 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 Program 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.

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[1]

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 Program 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 Program Bank accepts your deposits into Deposit Accounts. To 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 Program Bank fails, the Deposit Accounts at that Program Bank are insured up to the $250,000 limit, or such other limit, as applicable, for principal and interest accrued to the day the Program 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 Program 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 Program Bank apart from the Deposit Accounts, you may wish to direct that the Program Bank be excluded from the Program Bank List applicable to your Brokerage Retirement Account.

Under certain circumstances, if you become the owner of deposits at a Program 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

[1] 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 "Program Limitations" under Section II. B. "How the Program Works" of this document.

you own in the same insurable capacity at the Program 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 Program 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 information contained in Section I. “Introduction” regarding the “Maximum Deposit Amount” and the “Program Limitations” section 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 information contained in Section I. “Introduction” regarding the “Maximum Deposit Amount” and the “Program Limitations” section 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 Program Bank. Please refer to the information contained in Section I. "Introduction" regarding the "Maximum Deposit Amount" and the "Program Limitations" section 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 information contained in Section I. "Introduction" regarding the "Maximum Deposit Amount" and the "Program Limitations" section 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's 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 Program 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 Program Bank and has named more than five beneficiaries there is a limitation on the maximum coverage. Please refer to the information contained in Section I. "Introduction" regarding the "Maximum Deposit Amount" and the "Program Limitations" section within Section II.B "How the Program Works" for Program specific limitations.

Business (Corporation, Partnership and Unincorporated Association) Accounts. Funds in accounts registered to 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 Program 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 information contained in Section I. "Introduction" regarding the "Maximum Deposit Amount" and the "Program Limitations" section 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, 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 Retirement Account that have not yet been received by the Program Bank or which have been swept from the Program Bank back to your Brokerage Retirement 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 Retirement 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 Retirement 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.

APPENDIX A
LADENBURG INSURED CASH ACCOUNT PROGRAM
FOR BROKERAGE RETIREMENT ACCOUNTS
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

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

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

http://www.securitiesamerica.com/investors

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

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

APPENDIX B
LADENBURG INSURED CASH ACCOUNT PROGRAM
FOR BROKERAGE RETIREMENT ACCOUNTS
INTEREST RATE

The current interest rate for the Insured Cash Account Program is 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

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

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

http://www.securitiesamerica.com/investors

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 Retirement 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 any Money Fund 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

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

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

http://www.securitiesamerica.com/investors

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