



DISCLOSURE
RESPONSIBILITIES OF INTRODUCING BROKER AND CLEARING BROKER

RESPONSIBILITIES OF YOUR FIRM

Your financial organization has the responsibility to:

- Approve the opening of your account
- Obtain necessary documentation to help fight the funding of terrorism and money laundering activities
- Service and supervise your account through its own personnel in accordance with its own policies, procedures, applicable laws, and regulators
- Know you and your stated investment objectives
- Provide appropriate investment advice, recommendations, or management services based on your investment objectives
- Determine whether particular kinds of transactions such as margin, option, and short sale are appropriate for you
- Obtain the initial margin as required by Regulation T if a margin account is opened for you
- Accept and, in certain instances, execute securities orders
- Know the facts about any orders for the purpose or sales of securities in your account
- Comply with fair pricing and disclosure responsibilities (if your firm is a market maker in any securities or otherwise trades as principal with you)
- Correctly identify and promptly forward funds or securities intended for your account to Apex
- Supervise the activities of any individual who services your account
- Resolve any complaints regarding the handling of your account
- Manage the ongoing relationship that it has with you

Apex Clearing Corporation is not involved with and assumes no responsibility in all the above matters relating to the servicing of your account.

RESPONSIBILITIES OF APEX

In general Apex is only responsible for the services within the scope of the Clearing Agreement that are provided at the request of your firm and contains specific direction regarding your account. As such, Apex may fulfill the following responsibilities on behalf of your account:

- Create computer-based account records

- Process orders for the purchase, sale or transfer of securities (Apex is not obligated to accept orders directly from you and will do so only at Apex’s discretion in exceptional circumstances)
- Receive and deliver funds and securities
- Record such receipts and deliveries according to information provided either by your firm or directly, in writing, by you
- Hold securities and cash in custody (after it comes into Apex’s physical possession or control) Collect and disburse dividends and interest
- Process reorganization and voting instructions with respect to securities held in custody
- Prepare and transmit confirmations of trades to you with the exception of the following transaction which will alternatively appear on account statements:
 - Systemic investments or withdrawals of investment company products
 - Transactions in money market funds that have no purchase or redemption fees
 - Dividend reinvestments
- Prepare and transmit periodic account statements summarizing transactions
- Provide your firm with written reports of all transactions processed for your account to enable your firm to carry out its responsibilities under the Fully Disclosed Clearing Agreement
- Assist you and your firm with any discrepancies or errors that may occur in the processing of transactions

If your firm opened a Margin account for you, Apex may:

- Loan money to you for the purpose of purchasing or holding securities (subject to the terms of Apex’s, margin agreement, margin policies and applicable margin regulations)
- Calculate the amount of maintenance margin required and advise you of those requirements (usually through your firm)
- Calculate any interest charged on your debit balance

Apex maintains the books and records required by law and business practice. The Fully Disclosed Clearing Agreement does not encompass transactions in investments other than marketable securities, which Apex normally processes on recognized exchanges and over-the-counter (“OTC”) markets. In furnishing Apex services under the Fully Disclosed Clearing Agreement, Apex may use and rely upon the services of clearing agencies, automatic data processing vendors, proxy processing, transfer agents, securities pricing services and other similar organizations. This document addresses the basic allocation of functions regarding the handling of your account. It is not meant as a definite enumeration of every possible circumstance, but only as a general disclosure.

Apex does not control, audit, or otherwise supervise the activities of your firm or its employees. Apex does not verify information provided by your firm regarding your account or transactions processed for your account. Apex does not undertake responsibilities for reviewing the appropriateness of transactions entered by your firm on your behalf.