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Margin Disclosure Statement:

On behalf of your brokerage firm, First Clearing, LLC ("FCC") is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your brokerage firm. Consult your brokerage firm regarding any questions or concerns you may have with your margin account(s). For further information, please refer to the Designation of Responsibility Letter previously provided.

When you purchase securities through your brokerage firm, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm's clearing firm, FCC. If you choose to borrow funds, you will open a margin account with your brokerage firm. The securities purchased are First Clearing's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan. And, as a result, FCC or your brokerage firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to FCC, the firm that has made the loan, to avoid the forced sale of those securities or other securities or assets in your account(s).
- **FCC or your brokerage firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or FCC's higher "house" requirements, FCC can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **FCC or your brokerage firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the brokerage firm cannot liquidate securities or other assets in their accounts to meet the call unless the brokerage firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call**. Because the securities are collateral for the margin loan, FCC or your brokerage firm has the right to decide which security to sell in order to protect its interests.
- **FCC or your brokerage firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice**. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause FCC or your brokerage firm to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call**. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

Securities in your margin account may be loaned to or by FCC. To the extent FCC determines, in accordance with Federal tax regulations, that your securities have been loaned, payments received by you with respect to such securities (including payments in lieu of dividends) may be reclassified as substitute payments. Substitute payments may be reported on different tax reporting forms than payments received on the underlying securities and may be subject to different tax consequences and rates. You are advised to contact your tax advisor to discuss the tax treatment of substitute payments.

Accounts carried by First Clearing, LLC, member NYSE/SIPC.