

ADP Clearing & Outsourcing Services, Inc.

IMPORTANT NOTICE

TO ALL OF OUR INTRODUCING FIRMS' CUSTOMERS:

We are pleased to advise you that your brokerage firm ("your broker") has designated ADP Clearing & Outsourcing Services, Inc. (ADP Clearing) as its clearing agent to handle the record keeping, clearance and settlement functions for their accounts. Accordingly, we have established an account for you. In this regard, an agreement has been executed between ADP Clearing and your broker, which is governed by New York Stock Exchange Rule 382. This clearing agreement sets forth, in detail, the duties and responsibilities of your broker and ADP Clearing. Apart from this agreement, which covers, among other things, certain aspects of your account, ADP Clearing has no other arrangements, joint ventures, partnerships, etc. with your broker. ADP Clearing is not your broker, but provides the clearance and settlement services regarding all securities transactions processed through us by your broker.

The purpose of this notice is to set forth, in detail, the division of responsibilities and the duties of ADP Clearing and your broker. However, it is not meant as a complete listing of every possible circumstance, but only as a general disclosure. You have a direct relationship with your chosen broker and nothing in the clearing and operational services provided by ADP Clearing to your broker alters that relationship.

With respect to your account being carried on our books by arrangement with your broker, ADP Clearing will be responsible for:

- Maintaining books and records detailing transactions in your account, and preparing confirmations and statements showing purchases and sales of securities and related activity, including receipt and delivery of securities and monies, the collection and distribution of dividends, etc. Either your broker or ADP Clearing will be responsible for sending the confirmations to you, depending upon the precise arrangements made with your broker. Money market fund sweep activity will be reflected on your monthly or quarterly statements. Individual trade confirmations for sweep transactions will not be provided.
- Providing margin credit, requesting extensions of credit, the filing of various regulatory report and observance of applicable industry rules and practices in the extension of credit, which includes compliance with Regulation "T" of the Federal Reserve Board, the regulations of the New York Stock Exchange and the application of ADP Clearing's own house margin maintenance requirements. In connection with your broker, ADP Clearing sets the rates of interest to be charged to your account. Refer to the document entitled "Truth in Lending" for information relating to the calculation of interest on debit balances in your account. This document is available through your broker.
- Safeguarding your funds and securities, while in the possession of ADP Clearing, in accordance with federal regulations pertaining thereto, ADP Clearing is a member of the Securities Investor Protection Corporation (SIPC) and together with an acquired supplemental excess protection policy, securities in accounts held at ADP Clearing are protected up to \$50,000,000 (with a \$100,000 limitation on cash).
- Providing you with year-end tax information as required by the Internal Revenue Service.
- Disseminating materials concerning proxies, tender offers, and similar shareholder information received by ADP Clearing and providing various records for you as required by applicable laws and regulations.
- **ADP Clearing will accept from your broker, without any inquiry or investigation by us, orders and instructions regarding your account. Moreover, until receipt by ADP Clearing of your written instructions to the contrary, ADP Clearing may carry out all instructions from your broker and for your account(s) and hold you responsible for such transactions.**
- "Payment for order flow" is a common and widespread industry practice whereby a brokerage firm receives monetary or non-monetary remuneration in return for the routing of customer orders to a designated exchange, market maker, dealer or market center for execution. ADP Clearing receives payment for order flow in the form of rebates, monetary compensation or an inter-company transfer of funds. Payment for order flow is considered to be compensation to ADP Clearing. Your broker, the introducing firm that clears its trades through ADP Clearing, may share in such payments or may directly receive payment for

order flow for certain transactions, in addition to commission or markup/markdowns paid by its customers. The source and nature of any compensation received in connection with a specific transaction will be furnished upon written request of the customer. Absent specific instructions from customers, ADP Clearing routes most orders in over-the-counter (“OTC”) securities to designated OTC market makers or third-market dealers based on an alphabetical selection process performed by a computerized system. Selected exchange-traded securities may be routed to affiliated specialist, regional exchanges or designated third-market dealers. All orders are routed to an exchange, market-maker, dealer or market center that matches or improves upon the displayed national best bid or offer for the particular security at the time the order is processed. Price improvement opportunities, or execution at prices superior to the displayed national best bid or offer, are available for certain transactions in NASDAQ and listed securities from certain of the OTC market makers and third-market dealers to which orders are routed.

ADP Clearing will not be responsible for any of the investment recommendations made by your broker nor does it audit, supervise, control or verify information provided to it by your broker in connection with your account.

Your broker will be responsible for the following with respect to your account:

- Full compliance with Rules 342 and 405 of the New York Stock Exchange and/or Rule 3010 of the National Association of Securities Dealers. These Rules govern the general supervision of your account, and the appropriateness of investment recommendations made by your brokerage firm. As such, your brokerage firm is responsible for “knowing you”, your stated investment objectives and financial resources.
- Servicing of your account, transmission of your orders and instructions to ADP Clearing and the supervision of its registered representatives in accordance with its policies and applicable Federal, State and Industry Regulations.
- Opening, approving and monitoring your account, including the obtaining and verification of new account information and providing ADP Clearing with such documents as may be necessary from time to time. This includes obtaining information about your financial condition and investment objectives.
- Advising ADP Clearing of the proper title in which your account should be carried.
- Staffing and maintaining a Compliance Department and the establishment of written procedures for supervising the conduct of your account and enforcing Federal, State and Industry Regulations designed to detect and deter violations of the insider trading laws. Your broker will be responsible for: (a) assuring that transactions in your account are in compliance with applicable laws and regulations, (b) determining the suitability and legality of transactions in your account, (c) determining the propriety of the trading activity conducted in your account, including the frequency of trading, and (d) determining if your account involves discretionary transactions and properly supervising the exercise of such discretion.
- Prompt transmission to ADP Clearing of cash and securities delivered to them by you for your account. Prompt communications of instructions to ADP Clearing involving your account, such as the transfer and delivery of securities, the disbursement of funds from your account and your intentions regarding tender or exchange offers involving securities in your account.
- Responding to any inquiries or complaints that you may have concerning your account and promptly informing ADP Clearing, in writing, of any complaints or inquiries which pertain to ADP Clearing.

You will remain a customer of your brokerage firm (“your broker”) and any general questions you may have with respect to your account should be directed to your broker with whom you opened your account. Your broker keeps copies of confirmations and statements in order to facilitate answering any questions you may have. ADP Clearing carries your account and acts as your custodian for funds and securities deposited with us directly by you, through your broker, or as a result of transactions we process for your account. Inquiries concerning the positions and balances in your account only may be made to ADP Clearing at (212) 747-6806. All other inquiries regarding your account, or the activity therein, should be directed to your broker.