

## **Round Roth IRA Client Agreements**

Effective January 28th, 2020

### **Round Roth IRA Client Agreements**

#### **ELIGIBILITY:**

Eligibility: Generally, you can contribute up to the lesser of \$5,500 for 2018, and \$6,000 for 2019 (plus \$1,000 catch-up contribution, if age 50 or older) or 100 % of your taxable compensation to a Roth IRA if your MAGI does not exceed the IRS limits for your tax filing status. You should review IRS Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs) for MAGI limits and for the IRS definition of compensation.

If you maintain a Traditional IRA, the maximum contribution to your Roth IRA is reduced by any contributions made to your Traditional IRA.

**BEFORE EXECUTING THESE FORMS YOU SHOULD CONSULT WITH YOUR ATTORNEY OR TAX ADVISOR TO DETERMINE WHETHER THIS IRA WILL ACCOMPLISH YOUR GOALS.**

These are the agreements and other documents that establish the Roth Individual Retirement Account ("**Roth IRA**") Client Relationship with Round Investments LLC.

TO BECOME A ROTH IRA CLIENT OF ROUND INVESTMENTS LLC, YOU AGREE TO THE FOLLOWING AGREEMENTS (THE "**AGREEMENTS**") AND AGREE TO BE LEGALLY BOUND BY THEIR TERMS AND CONDITIONS:

**1. Round Investments Roth IRA Advisory Client Agreement with Round Investments LLC ("Round").**

**2. ESIGN Consent to Use Electronic Records, Disclosures and Signatures.**

**3. Apex Roth Individual Retirement Custodial Account Agreement with Apex Clearing Corporation ("Apex" or "Custodian").**

YOU MUST READ AND CONSIDER THE AGREEMENTS CAREFULLY AND CONTACT ROUND OR CUSTODIAN TO ASK ANY QUESTIONS YOU MAY HAVE BEFORE ENTERING INTO THEM. CLICKING THAT YOU AGREE HAS THE SAME LEGAL EFFECT AS SIGNING A PAPER VERSION OF EACH OF THE AGREEMENTS. BY CLICKING THAT YOU AGREE DURING THE APPLICATION PROCESS, YOU ACKNOWLEDGE AND AGREE THAT:

- THE AGREEMENTS MAY BE AMENDED FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.

- AMENDED AGREEMENTS WILL BE AVAILABLE ON THE ROUND WEBSITE AT WWW.INVESTROUND.COM (THE "SITE") AND THROUGH THE ROUND MOBILE APPLICATION (THE "APP").
- YOU WILL CHECK THE SITE FOR NEW VERSIONS OF THE AGREEMENTS.
- BY KEEPING YOUR CLIENT ACCOUNT WITH ROUND OR BY CONTINUING TO USE SERVICES PROVIDED BY ROUND AND/OR CUSTODIAN WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON THE SITE OR THE APP, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY AMENDED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS.
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND ROUND THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 18 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS REGARDING ARBITRATION (INCLUDING THE PROCEDURE TO OPT OUT OF ARBITRATION).**

Further, by clicking that you agree during the application process, you also acknowledge and agree that:

- Two unaffiliated entities, Round and Custodian, will provide you with services pursuant to the Agreements described above.
- Round and Custodian each have separate agreements with you that allocate separate sets of rights and obligations between you and the applicable entity.
- Round is not responsible for the obligations of Custodian, and Custodian is not responsible for the obligations of Round.
- Round does not indemnify Custodian in connection with any of the Agreements, and Custodian does not indemnify Round in connection with any of the Agreements.
- Round and Custodian each may, subject to applicable laws and regulations, engage vendors or other contractors to help Round or Custodian fulfill their respective duties under the Agreements.
- The services you receive are sufficient consideration for you to enter into the Agreements.
- If you opt-out to any of these Agreements or portions of these Agreements, Round may choose to terminate the Roth IRA Advisory Client Agreement with you, and your account with Custodian will subsequently be closed.

**ROUND INVESTMENTS, LLC  
ROTH IRA ADVISORY CLIENT AGREEMENT**

*Revision date: October 5, 2019*

This Roth IRA Advisory Client Agreement (this "**Agreement**") is entered into by and between Round Investments, LLC, a Delaware limited liability company and an SEC registered investment adviser ("Round"), and you, the beneficial owner (the "**Account Holder**" or

"**Client**") of a Roth Individual Retirement Account (the "**IRA Account**"). The IRA Account shall be administered by Apex Clearing Corporation ("**Custodian**" or "**Apex**") acting as the Custodian in regard to the IRA Account pursuant to an Apex Roth Individual Retirement Custodial Account Agreement (the "**Custodial Agreement**"). This Agreement shall be effective as of the first day a brokerage account is opened at Apex in connection with this Agreement and is ready to receive trading instructions from Round (the "**Effective Date**"). Apex acts as administrator and custodian for the IRA Account, and maintains the brokerage account that shall be in the name of the Custodian as custodian of the IRA Account for the benefit of Client under the Custodial Agreement. In consideration of the mutual covenants herein, Client and Round agree as follows:

## **1. Services**

Client appoints Round to exclusively manage one or more accounts established and owned by Client at Apex (each the "**Round Account**" or "**Account**"). Round shall manage the Accounts in accordance with an investment plan recommended by Round to Client from time to time based on profile information provided by Client ("**Investment Profile**"), and in accordance with certain additional investment options designated by Client (the "**Plan**"). Client authorizes Round to supervise and direct the investment and reinvestment of assets in the Accounts, with full authority and discretion (without consultation with the Client), on the Client's behalf and at the Client's risk, and in accordance with the Client's Plan, to purchase and sell securities, including but not limited to stocks, exchange traded funds ("**ETFs**"), mutual funds (including without limitation money market mutual funds as separate investments), and/or similarly traded instruments (collectively "**Securities**" or a "**Security**"), as well as to manage cash balances within the Accounts. Without in any way limiting the foregoing and for the avoidance of doubt, Client cannot issue individual trading instructions to Round or to Apex to purchase and/or sell specific Securities to be executed at particular times. Only Round shall have authority to issue trading instructions to purchase and sell Securities in the Accounts that are consistent with the Plan and based on the discretionary authority granted to Round by Client under this Agreement. Round shall not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held in or formerly held in the Account or the issuers of Securities.

Notwithstanding anything in this Agreement to the contrary, Round shall have no authority hereunder to take or have possession of any assets in the Account or to direct delivery of any Securities or payment of any funds held in that Account to itself or to direct any disposition of such Securities or funds, except to Client, as directed by Client, pursuant to valid legal authority, or as provided in Section 8 (entitled "**Payment of Fees**").

## **2. Representations and Warranties.**

(a) Client represents and warrants to Round and agrees with Round as follows:

i. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against

Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. Client's social security number provided by Client is true and correct.

ii. Client is the beneficial owner or co-owner of all cash and Securities in the Account, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such cash or Securities.

iii. Client acknowledges that a Plan may include only a single Security for each asset class within the Plan, with each Security playing a necessary role in the overall investment strategy and, therefore, Client understands and acknowledges that the Client cannot force exclusions or restrictions of Securities recommended by Round as part of the Plan.

iv. Client will provide Round with complete, current and accurate information about Client's identity, background, net worth, investing timeframe, other risk considerations, any Securities from which Client may be or become legally restricted from buying or selling, as requested, and other investment accounts, as requested, in the Investment Profile and will promptly update that information as Client's circumstances change.

v. Client acknowledges that the Round is subject to certain anti-money laundering ("AML") and related provisions under applicable laws, rules and regulations and are otherwise prohibited from engaging in transactions with, or providing services to, certain foreign countries, territories, entities and individuals, including without limitation, specially designated nationals, specially designated narcotics traffickers and other parties subject to United States government or United Nations sanctions and embargo programs (collectively "AML Laws"). Accordingly, Client hereby represents and warrants the following and shall promptly notify Round if any of the following ceases to be true and accurate: (a) to the best of the Client's knowledge based upon appropriate diligence and investigation, none of the cash or property that the Client has paid or will pay or deposit to Round has been or shall be derived from or related to any activity that is deemed criminal under United States law, nor will any of the Client's payments or deposits to Round directly or indirectly contravene United States federal, state, international or other laws or regulations, including without limitation any AML Laws (b) no contribution or payment by Client to Round shall cause Round to be in violation of any AML Laws. Client understands and agrees that if at any time it is discovered that any of the representations in this Section 2(a)(vii) are untrue or inaccurate, or if otherwise required by applicable law or regulation related to money laundering and similar activities, Round may undertake appropriate actions to ensure compliance with applicable law or regulation, including, but not limited to, freezing or forcing a withdrawal of the Client's cash or assets from Round.

vi. Client acknowledges that Round may require further documentation verifying Client's identity or the identity of the Client's beneficial owners, if any, and the source of funds used to make payment or deposit to Round. Client hereby agrees to provide such documentation as may be requested by Round. Furthermore, Client acknowledges and agrees that Round may release confidential information regarding Client and, if applicable, any of Client's beneficial owners, to

government authorities, if Round, in its sole discretion, determines after consultation with counsel that releasing such information is in the best interest of Round.

vii. As of the Effective Date, and at all times during the term of this Agreement, the Account (1) shall be either an individual retirement account as described in section 408 of the Internal Revenue Code of 1986, as amended, (the "**Code**") or a tax-qualified plan described in section 401(a) of the Code that is an "owner only" plan, and (2) shall not be an "employee benefit plan" within the meaning of the Federal Employee Retirement Income Security Act of 1974, as amended.

viii. Client has received and read, understands and agrees to the Custodial Agreement. These documents are incorporated herein by reference. Client has read and understands the instructions in the Custodial Agreement.

ix. Client has engaged Apex to serve as Custodian of and to administer the IRA Account under the Custodial Agreement but understands that Apex is not an investment adviser nor does Apex supervise or control Round.

x. Client agrees to use Round solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by Round).

(b) Client understands and agrees that (A) Round does not guarantee the performance of the Account, is not responsible to Client for any investment losses, and the Account is not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Account could suffer substantial diminution in value, and this risk applies even when the Account is managed by an investment adviser; (C) the past performance of any benchmark, market index, ETF, or other Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; (D) Round will cause the Account to invest in Securities substantially in the proportions set forth by the Plan (subject to the profile information received from Client and to various other factors, including without limitation Client deposits or withdrawals, variations in the allocations due to movements in the prices of Securities over time, and revisions of the Plan by Round from time-to-time consistent with Client's profile information); (E) Round will provide only the specific reviews and restrictions described in this Agreement and will not otherwise review or control such Account; and (F) there are significant risks associated with any investment program.

i. Client understands and agrees that Round's sole obligation hereunder or otherwise is to manage the Account in accordance with the Plan, and Client has not engaged Round to provide any individual financial planning services. Client understands and agrees that Round is not responsible for any losses in an Account, as provided in Section 10, and Round may at any time in its sole discretion determine that a Plan may require reallocation of Securities.

ii. Client understands and agrees that the Account will be managed solely by Round based on the information Client has provided to Round. Client further understands that if any of the information Client provides to Round is or becomes incomplete or inaccurate, the Account's

activities may not achieve Client's desired investment or tax strategy, the Account may purchase Securities from which Client is restricted from purchasing at that time or the Plan may be inappropriate for Client. An Account's transactions may be executed at approximately the same time as other client accounts managed by Round in accordance with other clients' investment plan, and if the transactions are large in relation to the trading volume on that particular day, the price may be different than it would be for the execution of a smaller transaction. Client understands and agrees that Round has sole discretion regarding the manner in which transaction orders are placed for the purchase and sale of Securities for the Client Account(s). Client further understands and agrees that prices of Securities purchased and sold for the Client Account(s) may be less favorable than the prices obtained for the same Securities in similar transactions by other client accounts managed by Round and/or other non-related market participants.

iii. Client understands and agrees that an Account's composition and performance may be different for a variety of reasons from those of any Plan recommendation to a Client. These differences can arise each time the Plan is adjusted or rebalanced, including, but not limited to, the following instances: (A) when the Account is established and the initial Securities positions are established; (B) when Client contributes additional capital to such Account; (C) when Client revises his/her Investment Profile and causes Round to recommend a new Plan or revise the existing Plan; (D) each time the Program Fee (described in Section 5) is charged and paid from such Account; and (E) any time Round adjusts its algorithm by which the composition of the Account is maintained as specified for the Plan. On any such adjustment, Round may adjust the Plan in its discretion to approximate the composition specified in the Plan as closely as reasonably practicable based on the conditions at the time.

iv. Client understands and agrees that the prices of Securities purchased or sold for the Account may be less favorable than the prices in similar transactions for other Round Clients for whom Round has designated different Plans.

v. Client understands and agrees that the Account must maintain at all times a minimum balance (\$500 or as otherwise specified by Round on the Site or App) unless the balance drops below the specified minimum due solely to decreases in the values of the Account's Securities and not due to any withdrawals of funds while the balance of the Account met the minimum as provided in this Section 2(b)(vi). Without in any way limiting Round's rights pursuant to Section 12 hereof, if the Account balance falls below the specified minimum, Round may liquidate the Account holdings, deliver the proceeds of the liquidation to Client, and close the Account.

### **3. Custody**

Client has appointed Apex as its broker and custodian of the Account assets and Securities pursuant to the Custodial Agreement. Round shall not be liable to Client for any act, conduct or omission by Apex in its capacity as broker or custodian. At no time will Round accept, maintain possession or have custodial responsibility for Client's assets or securities. Client assets and securities will be delivered between Client and the Apex only.

### **4. Confidentiality**

Except as required by law or requested by regulatory authorities, (a) Round agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to Round, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all investment advice and other non-public information that Client acquires from Round in connection with the Account. Client agrees that Client shall not use investment recommendations and other confidential information Client receives from Round for any purpose other than managing the Account. Client acknowledges receipt of and consents to Round's Privacy Policy available at [www.investround.com](http://www.investround.com). Notwithstanding any provisions in this Agreement to the contrary, Round may share Client's non-public personal and financial information with affiliates of Round in connection with providing and/or enhancing the services provided to Client.

## **5. Program Fee**

(a) Round charges a single asset-based fee for brokerage, custodial, investment advisory and other related services (the "**Program Fee**") equal to 0.5% per year. Fees due shall be calculated by multiplying the Program Fee by the net market value of the Account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on the last business day of the month and then by dividing by 12. Except as provided below, the fees due for each calendar month shall be due and payable in arrears no later than the first business day of the immediately following calendar month. Round will promptly notify Client of any increase or decrease in the Program Fee. An increase in the Program Fee will be effective for the Account starting in the next month that begins at least 30 days after Round sends or posts such notice. A reduction in the Program Fee will be effective for the Account starting in the next month following its reduction.

If a Client initially funds the Account on any date other than the first business day of the month, the Program Fee shall be prorated from such initial Account funding date. If Client closes the Account, withdraws the entire balance of the Account, or otherwise terminates this Agreement on any date other than the last business day of the month (except under the circumstances covered by Section 5(b)), the Program Fee shall be prorated through the effective date of the withdrawal or termination.

(b) If, for any reason, Round closes and liquidates all the positions held in the Account, Client will receive the proceeds of the liquidated portion of the Account net of any Program Fee due, and this Agreement shall terminate.

(c) If, for any reason, there is insufficient cash available in the Account to cover the Program Fees at the time they are charged, Round, in its sole discretion, may cause certain Securities in the Account to be liquidated to allow the Program Fees to be deducted from the Account.

(d) Round reserves the right, in its sole and absolute discretion, to reduce or waive the Program Fee for certain Client Accounts for any period of time determined by Round. In addition, Client agrees that Round may waive its fees for the Accounts of clients other than Client, without notice to Client and without waiving its fees for Client. In exercise of its sole and absolute discretion Round may amend or terminate any reduction or waiver of the Program Fee. Round will

promptly notify Client of any increase or decrease in the reduction or waiver of the Program Fee. A change in the waiver or reduction of the Program Fee will be effective for the Account starting in the next month that begins at least 30 days after Round sends or posts such notice.

## **6. Valuation**

The assets in the Account will be valued by Apex.

## **7. Responsibility for Expenses**

Round charges Client the Program Fee as provided in Section 5 hereof. Clients may bear additional fees, however, such as fees embedded in the products (including without limitation ETFs, mutual funds, or similar products) held in the Account.

## **8. Payment of Fees**

Round will cause the Account to pay to Round any amount owing to Round under this Agreement. Round will inform Apex of the amount of the Program Fee to be paid to Round directly from the Account and notify Client, after the Program Fee has been charged, the amount of the Program Fee and the net market values of Client's assets on which the Program Fee has been based. Notification to Client will be through Client's user account on the Site or by email at the address(es) provided by Client to Round.

## **9. Portfolio Transactions**

Round will place orders for the execution of transactions for the Client Account in accordance with Round's Form ADV Part 2 (available at [www.investround.com](http://www.investround.com)) as may be amended from time to time. Round shall not have any responsibility for obtaining for the Account the best prices or any particular commission rates.

## **10. Limitation of Liability and Indemnification**

(a) To the extent permitted under applicable law, Client understands and agrees that Round will not be liable to Client for any losses, expenses, damages, liabilities, charges and claims of any kind or nature whatsoever (including without limitation any legal expenses and costs and expenses relating to investigating or defending any demands, charges and claims) (collectively, "**Losses**") incurred by Client with respect to any Accounts, except to the extent that such Losses are actual losses of the Client proven with reasonable certainty and are the direct result of an act or omission taken or omitted by the Adviser during the term of this Agreement which constitutes willful misfeasance, bad faith or gross negligence under this Agreement. Without limitation, Round shall not be liable for Losses resulting from or in any way arising out of (i) any action of the Client or its previous advisers or other agents, (ii) force majeure or other events beyond the control of Round, including without limitation any failure, default or delay in performance resulting from computer or other electronic or mechanical equipment failure, unauthorized access, strikes, failure of common carrier or utility systems, severe weather or breakdown in communications not reasonably within the control of Round or other causes commonly known as



"acts of god", or (iii) general market conditions unrelated to any violation of this Agreement by Round.

(b) Client shall reimburse, indemnify, defend and hold harmless Round, its affiliates and their directors, officers, shareholders, employees and any person controlled by or controlling Round from and against any and all Losses relating to this Agreement or the Account arising out of any misrepresentations or act or omissions or alleged act or omission on the part of the Client or previous advisers or the custodian or any of their agents, except if such Losses are the direct result of Round's willful misfeasance, bad faith or gross negligence in the performance of Round's duties or by reason of Round's reckless disregard of its obligations and duties hereunder. Notwithstanding anything in this Section 10 or otherwise in this Agreement to the contrary, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws, which rights may arise even if Round's recommendation or other act or failure to act hereunder does not constitute willful misfeasance, bad faith or gross negligence in the performance of Round's duties or by reason of Round's reckless disregard of its obligations and duties hereunder.

## **11. Proxies**

Client hereby gives Round the authority to vote proxies for securities held in Client Accounts pursuant to Round's written policies and procedures, as outlined in Round's Form ADV Part 2. Round will be responsible for voting all proxies with respect to securities held in Client Accounts and will keep required records regarding this activity.

## **12. Termination; Withdrawals**

This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to Round through the App and by Round to Client through the primary email address in Client's Account Application as Client shall update from time to time. Client may withdraw all or part of the Account by notifying Round at any time provided that all partial withdrawals comply with Round's required Account minimums as posted on the Site and updated from time to time, unless Round otherwise consents in advance. Client's withdrawal of all of the Account under this Agreement, or Client's withdrawal that results in an Account balance below the minimum as provided in Section 2(b)(vi) hereof will terminate this Agreement. Upon termination of this Agreement, Sections 8 (only as to fees accruing prior to termination), 10, 15, and 17 through 23 shall survive such termination. Client understands and agrees that upon termination of this Agreement Round may determine to liquidate immediately all holdings in the Plan and the Account, and subject to Section 10 hereof, Round shall not be liable to Client to any consequences of such liquidation.

## **13. Account Statements**

Client will receive account statements via electronic delivery from Apex, which are the official records of the Account. Round may also provide information about the Account from time to time.

## **14. Independent Contractor**

Round is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between Round and Client.

## **15. Assignment**

Round may not assign this Agreement without the prior consent of Client or the consent of any additional authorized signatories on behalf of Client, if such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by Round, Round shall request any required consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, Round shall inform Client that the proposed assignee will continue the advisory services of Round for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from Round, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

## **16. Delivery of Information**

Client acknowledges electronic delivery of Round's brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of Round's Form ADV), which is available on the Site and the App and provided here by link:

[www.investround.com](http://www.investround.com)

On written request by Client, Round agrees to annually deliver electronically, without charge, Round's brochure required by the Advisers Act.

## **17. Governing Law**

This Agreement shall be governed exclusively by and construed and interpreted in accordance with the U.S. Federal Arbitration Act, federal arbitration law, and the laws of the State of California, excluding its provisions on conflicts or choice of laws. Except as otherwise expressly set forth in Section 18 of this Agreement below, any legal action or proceeding arising under this Agreement shall be brought exclusively in courts located in Los Angeles, California or federal court for the Central District of California, and the parties hereby irrevocably consent to the personal jurisdiction and venue therein.

## **18. Arbitration**

Any dispute, claim or controversy arising out of or relating to the advisory services provided by Round, this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate (each a

"Dispute"), shall be **resolved solely by binding, individual arbitration rather than a class, representative or consolidated action or proceeding** . You and Round each further agree that the U.S. Federal Arbitration Act governs the interpretation and enforcement of this Agreement, and that each party is waiving the right to a trial by jury or to participate in a class action. This arbitration provision shall survive termination of this Agreement.

(a) Exceptions and Opt-Out. As limited exceptions to mandatory arbitration as set forth in this Section 18 of this Agreement: (i) you may seek to resolve a Dispute in small claims court if it qualifies; and (ii) the parties each retain the right to seek injunctive or other equitable relief from a court to prevent (or enjoin) the infringement or misappropriation of our intellectual property rights. In addition, **you will retain the right to opt out of arbitration entirely and litigate any Dispute** if you provide us with written notice of your desire to do so by email at [team@investround.com](mailto:team@investround.com) or by regular mail at Round's physical address within thirty (30) days following the date you first agree to the terms of this Agreement.

(b) Conducting Arbitration and Arbitration Rules. The arbitration will be conducted by the American Arbitration Association ("AAA") under its Consumer Arbitration Rules (the "AAA Rules") then in effect, except as modified by this Agreement. The AAA Rules are available at [www.adr.org](http://www.adr.org) or by calling 1-800-778-7879. A party who wishes to start arbitration must submit a written Demand for Arbitration to AAA and give notice to the other party as specified in the AAA Rules. The AAA provides a form Demand for Arbitration at [www.adr.org](http://www.adr.org).

If your claim is for U.S. \$10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic or video-conference hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds U.S. \$10,000, the right to a hearing will be determined by the AAA Rules. Any arbitration hearings will take place in Los Angeles County, California, unless the parties both agree in writing to a different location. You and Round agree that the arbitrator shall have exclusive authority to decide all issues relating to the interpretation, applicability, enforceability and scope of the terms of this Agreement.

(c) Arbitration Costs. Payment of all filing, administration and arbitrator fees will be governed by the AAA Rules. If you prevail in arbitration you will be entitled to an award of attorneys' fees and expenses to the extent provided under applicable law.

(d) Effect of Changes on Arbitration. Notwithstanding anything in this Agreement, if Round changes any of the terms of this Section 18 after the date you first accepted this Agreement (or accepted any subsequent changes to this Agreement), you may reject any such change by sending us written notice (including by email to [team@investround.com](mailto:team@investround.com)) within 30 days of the date such change became effective, as indicated in the "Effective Date" above or in the date of Round's email to you notifying you of such change. By rejecting any change, you are agreeing that you will arbitrate any Dispute between you and Round in accordance with the terms of this Section 18 as of the date you first accepted the terms of this Agreement (or accepted any subsequent changes, supplements or amendments to this Agreement).

(e) Class Action Waiver. **YOU AND ROUND AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING** . Further, if our Dispute is resolved through arbitration, the arbitrator may not consolidate another person's claims with your claims, and may not otherwise preside over any form of a representative or class proceeding. If any of the specific provisions within this Section 18 are found to be unenforceable, the remainder of this Section 18 shall not be affected thereby and, to this extent, the provisions of this Section 18 shall be deemed to be severable.

## **19. Notices**

All notices and communications under this Agreement must be made through the App or by email. Round's contact information for this purpose is team@investround.com, and Client's contact information for this purpose is contained in Client's user account on the App and the primary email address(es) in Client's Account Application as Client shall update from time to time.

## **20. Severability and Amendment**

The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that Round may amend this Agreement from time to time, which amendment(s) will become effective and applicable to Client when published on the Site or otherwise made available to Clients (except as provided in Section 5(a)) and shall govern the relationship between the Client and Round during the entire term of this Agreement. Client acknowledges that Client will be responsible for checking the Site periodically for such amendment(s) to this Agreement.

## **21. Waiver or Modification**

Round's waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall Round's waiver or modification granted on one occasion be construed as applying to any other occasion.

## **22. Entire Agreement**

This Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including without limitation any and all preexisting client account agreements, which are hereby cancelled).

## **23. No Third-Party Beneficiaries**

Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

## **24. Death, Disability, or Divorce**

If a Client is an individual, the Client's death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, the Client's executor, guardian or attorney-in-fact may terminate this Agreement by giving written notice to Round. In the event that Client is a joint Account, both Account holders agree that if the Account ever becomes the subject of a dispute between Account holders, and Round becomes aware of the dispute, Round may refuse to disburse or allow for the termination of this Agreement without the consent of both joint Account holders. Further, both Account holders agree that in the event that one Account holder provides instructions to Round, even if the instructions are to terminate the Agreement and disburse all funds from the Account to one of the Account holders, Round may do so without the permission of the other Account holder and will have no liability to either Account holder.

## **25. Power of Attorney**

Client hereby appoints Round as Client's agent and attorney-in-fact with full power and authority to enter into, amend or terminate contracts related to the administration and custody of the IRA Account(s) with Custodian and/or such other administrator and custodian as Round shall designate from time to time. Client further grants to Round as Client's agent and attorney-in-fact with full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present. This power of attorney shall terminate only upon the termination of this Agreement.

### **ESIGN Consent to Use Electronic Records, Disclosures and Signatures**

In this ESIGN Consent to Use Electronic Records, Disclosures and Signatures ("**Consent**"), please remember that "you" and "your" refer to the person who is establishing an account, as well as any future accounts, with us, and "we", "us" and "our" refer to Round Investments LLC ("**Round**"). "**Communications**" means each disclosure, notice, agreement, fee schedule, statement, record, document, and other information we provide to you, or that you sign or submit or agree to at our request.

By opening an account with us (each an "**Account**") and then accessing your Account, you are consenting to the following terms:

#### **1. Your consent to use and delivery of electronic records and disclosures.**

In our sole discretion, the Communications we provide to you, or that you sign or agree to at our request, may be delivered to you in electronic form ("**Electronic Records**"). You specifically agree to the electronic delivery (i.e. the receipt and/or obtaining) of Electronic Records and Disclosures from Round. The term "Electronic Records" includes, but is not limited to, any and all current and future notices and/or disclosures, prospectuses, statement of additional information, annual and semi-annual reports that various federal and/or state laws or regulations

require that Round provides to you, as well as such other documents, statements, data, records and any other communications regarding your relationship to Round. You acknowledge that, for your records, you are able to retain Round's Electronic Communications by printing and/or downloading and saving this Consent and any other agreements and Electronic Communications, documents, or records that you agree to using your E-Signature (as defined below). You accept Electronic Communications provided via your account with Round as reasonable and proper notice, for the purpose of any and all laws, rules, and regulations, and agree that such electronic form fully satisfies any requirement that such communications be provided to you in writing or in a form that you may keep.

The following are examples of Electronic Records and Disclosures covered by your Consent:

- Roth IRA Advisory Client Agreement with Round and all amendments, notices and other agreements that supplement the Roth IRA Advisory Client Agreement (the "**Advisory Client Agreement**");
- Apex Roth IRA Custodial Account Agreement (the "**Custodial Agreement**") with Apex Clearing Corporation ("Apex"), with all amendments, notices and other agreements that supplement the Custodial Agreement;
- Any other agreements pertaining to future accounts that you may establish with Round and all amendments, notices and other agreements that supplement those agreements;
- Round's Form ADV Part 2 (including Round's Program Brochure), Notice of Privacy Policy, Terms of Use and other required and permitted legal disclosures; and
- Statements and reports, including without limitation account statements, fee calculation statements, transactions histories, trade confirmations, tax forms, reports and/or performance reports, prospectuses, statement of additional information, annual and semi-annual reports of mutual funds, exchange traded funds (ETFs), or similar products.

## **2. Your acknowledgement and consent to Electronic Signature.**

You agree that your use of a key pad, mouse or other device to select an item, button, icon or similar act/action, or to otherwise provide Round with instructions, or in accessing or making any transaction regarding any agreement, acknowledgement, consent terms, disclosures or conditions constitutes your signature (hereafter referred to as "**E- Signature**"), acceptance and agreement as if actually signed by you in writing. You acknowledge you are signing this Consent, your Advisory Client Agreement, and your Custodial Agreement with an E-Signature. You agree your E-Signature is the legal equivalent of your manual signature on this Consent, the Advisory Client Agreement, and the Custodial Agreement. You consent to be legally bound by this Consent's terms and conditions. You also agree that no certification authority or other third party verification is necessary to validate your E-Signature and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting contract between you and Round. You represent that you are authorized to execute this Consent, your Advisory Client Agreement, and your Custodial Agreement for all persons who

own or are authorized to access any of your accounts and that such persons will be bound by the terms of this Consent, the Advisory Client Agreement, and the Custodial Agreement.

### **3. Paper versions of Electronic Communications.**

You may obtain a paper copy of the Electronic Records, at any time by notifying us via team@investround.com. We will not charge you a fee for the paper copy.

### **4. Revocation of electronic delivery.**

This Consent will apply on an ongoing basis unless you withdraw this Consent. You have the right to withdraw the Consent to Electronic Records and the use of your E-Signature at any time. You acknowledge that we reserve the right to restrict or terminate your access to Round, including without limitation the Round's website and its mobile application (" **App**"), if you withdraw Consent to Electronic Records and E-Signatures. If you wish to withdraw your Consent, contact us at team@investround.com.

### **5. Hardware, software and operating system.**

To receive the Electronic Records, you will need a computer or mobile device with a compatible operating system and web browser, and connection to the Internet, and you will need access to a printer or the ability to download information in trading instruction to keep copies for your records. By establishing and then accessing an Account, you are indicating that you have the capability to access the agreements and other information, including the disclosures, and download or print copies for your records. You are responsible for installation, maintenance, and operation of your computer, mobile device, browser and software. Round is not responsible for errors or failures from any malfunction of your computer, browser or software. Round is also not responsible for computer viruses or related problems associated with use of an online system.

The following are the minimum hardware, software and operating system requirements necessary to use Round and receive Electronic Communications:

- a current version of the App,
- a connection to the Internet,
- a current version of a program that accurately reads and displays PDF files (such as Adobe Acrobat Reader), and
- a computer or mobile device and an operating system capable of supporting all of the above. You will also need a printer if you wish to print out and retain records on paper, and electronic storage if you wish to retain records in electronic form

You must also have an active email address.

It is recommended that you print a copy of this Agreement for future reference.

## **ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT**

Form 5305-RA under section 408(a) of the Internal Revenue Code. FORM (Rev. April 2017)

The Depositor named on the Application is establishing a Roth Individual Retirement Account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Custodian named on the Application has given the Depositor the disclosure statement required by Regulations section 1.408-6. The Depositor has assigned the custodial account the sum indicated on the Application.

The Depositor and the Custodian make the following agreement:

### **ARTICLE I**

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$6,500 per year for tax years 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

### **ARTICLE II**

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a depositor who is single or treated as a single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married Depositor filing jointly, between AGI of \$186,000 and \$196,000; and for a married Depositor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Depositor and his or her spouse.

### **ARTICLE III**

The Depositor's interest in the balance in the custodial account is nonforfeitable.

### **ARTICLE IV**



1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

## **ARTICLE V**

1. If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below:

a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the Depositor.

b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor's death and subtracting one from the divisor for each subsequent year.

3. If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

## **ARTICLE VI**

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

## **ARTICLE VII**

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

## **ARTICLE VIII**

This Agreement will be amended as necessary to comply with the provisions of the Code, the related Regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

## **ARTICLE IX**

**9.1 Definitions** - In this part of this Agreement (Article IX), the words "you" and "your" mean the Depositor, the words "we," "us" and "our" mean the Custodian, "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations.

**9.2 Notices and Change of Address** - Any required notice regarding this Roth IRA will be considered effective when we send it to the intended recipient at the last address which we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.

**9.3 Representations and Responsibilities** - You represent and warrant to us that any information you have given or will give us with respect to this Agreement is complete and accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We shall not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings, or this Agreement.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. Any such delegation of investment responsibility shall be to an investment advisor under the Investment Advisors Act of 1940. If the assets of your Roth IRA are to be directed by an investment advisor, you shall deliver to us, if we request, a copy of the instruments appointing the investment advisor evidencing the investment advisor's acceptance of such appointment, an acknowledgment by the investment advisor that it is a fiduciary, and a certificate evidencing the investment advisor's current registration under said Act. We shall be fully protected in relying upon such instruments and certificate until otherwise notified in writing by you. We shall not be responsible for losses of

any kind that may result from directions, actions or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent.

The investment advisor at any time may issue orders for the purchase or sale of securities directly to a broker; and in order to facilitate such transaction, upon request we shall execute and deliver appropriate trading authorizations. Written notification of the issuance of each order shall be confirmed by written advice via confirms or otherwise to us by the investment advisor.

You hereby agree to fully indemnify us and hold us harmless from and against any claim or liability which may be asserted against us by reason of our acting or not acting pursuant to any direction from the investment advisor or failing to act in the absence of any such direction.

You will have sixty (60) days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this Agreement we are acting as your agent. You acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to Roth IRAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs and expenses, including attorney's fees, arising from, or in connection with this Agreement.

To the extent written instructions or notices are required under this Agreement, we may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

**9.4 Disclosure of Account Information** - We may use agents and/or subcontractors to assist in administering your Roth IRA. We may release nonpublic personal information regarding your Roth IRA to such providers as necessary to provide the products and services made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.

**9.5 Service Fees** - We have the right to charge an annual service fee and other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your Roth IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. The full annual service fee attributable to the year in which you terminate your Roth IRA, along with the termination fee, shall be due and payable upon termination of your Roth IRA regardless of the date during the year in which you terminate your

Roth IRA. We reserve the right to charge any additional fee upon 30 days' notice to you that the fee will be effective. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this Roth IRA.

Any brokerage commissions attributable to the assets in your Roth IRA will be charged to your Roth IRA. You cannot reimburse your Roth IRA for those commissions.

**9.6 Investment of Amounts in the Roth IRA** - You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this Agreement. After your death, your beneficiary(ies) shall have the right to direct the investment of your Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 9.03 of this article). The right to direct investment of assets may be restricted, however, as provided in Section 9.06. We shall have no discretion to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA unless you or your agent provide timely written directions acceptable to us.

You will select the type of investment for your Roth IRA assets, provided, however, that your selection of investments shall be limited to any investment vehicle obtainable by us, that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact, in our sole discretion offer for investment in Roth IRAs. For example, investments may include but shall not be limited to common stocks, government and corporate bonds, mutual funds, the purchase of put options on existing positions and writing of covered listed call options and such other options strategies that we may, from time to time, in our sole discretion make available for Roth IRAs and which strategies are approved for your account by your broker and/or investment advisor. Investments not generating confirmations must be accompanied by additional written instructions and such other documentation as we may, in our sole discretion, require. We shall act as a stockbroker or dealer whenever such services are required. We may, in our sole discretion, make available to you, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by us and that we, in our sole discretion, determine that we are capable of holding in the ordinary course of our business.

We shall have the power and authority in the administration of this Agreement to do all acts, including by way of illustration but not in limitation of the powers conferred by law, the following:

1. Pursuant to your or your agent's direction, to invest and reinvest all or any part of the assets in securities obtainable through us and to invest in any lawful investment which is administratively acceptable to us without any duty to diversify and without regard to whether such property is authorized by the laws of any jurisdiction for investment by us;
2. Pursuant to your or your agent's direction, to hold part or all of the uninvested assets or to place the same in a savings account approved by you or purchase a Certificate of Deposit with an institution approved by you;
3. To employ suitable agents and counsel and to pay them reasonable expenses and compensation;
4. Pursuant to your or your agent's direction, to vote in person or by proxy with respect to securities held by us and to delegate our discretionary power;
5. Pursuant to your or your agent's direction (and subject to approval of a custodial account for option trading privileges), to write covered listed call options against existing positions, to liquidate or close such option contracts, and to purchase put options on existing long positions (the same securities cannot be used to simultaneously cover more than one position);
6. Pursuant to your or your agent's direction, to consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, and transfers or other changes affecting securities held by us;
7. To leave any securities or cash for safekeeping or on deposit, with or without interest, with such banks, brokers and other custodians as we may select, and to hold any securities in bearer form or in the name of these banks, brokers and any other custodians or in the name of the custodian without qualification or description or in the name of any nominee; and
8. Prior to the entry of any orders to purchase or sell securities in your account, you or your agent shall approve beforehand all such orders and direct us to implement such instructions. Selling short and executing purchases in an amount greater than available cash are prohibited. All investments outside of the cash account shall be accompanied by additional written instructions.
- 9.7 **Beneficiary(ies)** - If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiary(ies). We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate.

You may designate one or more persons or entities as beneficiary(ies) of your Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of a beneficiary(ies) shall not be required

for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your Roth IRA. If you do not designate a beneficiary, or if all of your primary and contingent beneficiary(ies) predecease you, your spouse will be the beneficiary, or if there is no spouse living at the time of your death your estate shall be the beneficiary.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable Regulations.

If the beneficiary designated to receive payments hereunder is a minor or person of unsound mind, whether so formally adjudicated or not, we may, at our discretion, make such payments to such person as may be acting as parent, guardian, committee, conservator, trustee or legal representative of such minor or incompetent and the receipt by any such person as selected by us shall be a full and complete discharge of us for any sums so paid.

We reserve the right to, at our discretion, deposit funds in a special savings account established in our name as Custodian for a beneficiary when within six months after any payment is due because we cannot ascertain the whereabouts or the identity of the beneficiary by mailing to the last known address shown on our records, and such beneficiary has not submitted a written claim for such payment before the expiration of said six-month period.

We may allow, if permitted by state law, an original Roth IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited Roth IRA at the time of your death) to name a successor beneficiary(ies) for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary's(ies') lifetime. Each beneficiary designation form that the original Roth IRA beneficiary(ies) files with us will cancel all previous designations. The consent of a successor beneficiary(ies) shall not be required for the original Roth IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original Roth IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

**9.8 Termination of Agreement, Resignation, or Removal of Custodian** - Either party may terminate this Agreement at any time by giving written notice to the other or in another manner and form acceptable to us. We can resign as custodian at any time effective 30 days after we send written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we send the notice to you, we may, but

shall not be required to, appoint a successor custodian that we choose in our sole discretion. Upon any such successor's acceptance of appointment, we shall have the right to transfer your Roth IRA assets to such successor trustee or custodian, or we may distribute your Roth IRA assets to you in a single sum. We shall not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section, nor for any losses arising out of such.

If this Agreement is terminated, we may charge to your Roth IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to one or more of the following:

- Any fees, expenses, or taxes chargeable against your Roth IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth IRA

If we are required to comply with Regulations section 1.408-2(e), and we fail to do so, or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your Roth IRA to you in cash or property if the balance of your Roth IRA drops below the minimum balance required under the applicable investment or policy established.

**9.9 Successor Custodian** - If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion which includes your Roth IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.

**9.10 Amendments** - We have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we send the amendment, you notify us in writing that you do not consent.

**9.11 Withdrawals or Transfers** - All requests for withdrawal or transfer shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, including but not limited to possible early withdrawal penalties or surrender charges, and withholding requirements.

You are not required to take a distribution from your Roth IRA at age 70½. At your death, however, your beneficiary(ies) must begin taking distributions in accordance with Article V and Section 9.07 of this Agreement. We will make no distributions to you from your Roth IRA until

you provide us with a written request for a distribution on a form provided by or acceptable to us.

**9.12 Transfers from Other Plans** - We can, but are not obligated to, receive amounts transferred to this Roth IRA from the custodian or trustee of another Roth IRA as permitted by the Code. In addition, we can, but are not obligated to, accept rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer.

**9.13 Liquidation of Assets** - We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.

**9.14 Restrictions on the Fund** - Neither you nor any beneficiary may sell, transfer, or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this Agreement.

The assets in your Roth IRA shall not be responsible for the debts, contracts, or torts of any person entitled to distributions under this Agreement.

**9.15 What Law Applies** - This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the laws of the State of Texas shall govern.

Any court accounting shall be in the courts of Texas.

If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

**9.16 Arbitration** - This agreement contains a Pre-dispute Arbitration Clause. By Signing an Arbitration Agreement the Parties agree as follows:

**a) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury except as provided by the rules of the Arbitration form in which a claim is filed;**

**b) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**



- c) The liability of the parties to obtain documents, witness statements and other discovery is generally more limited in Arbitration than in court proceedings;**
- d) The Arbitrators do not have to explain the reason(s) for their award unless in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**
- e) The panel of Arbitrators will typically include a minority of Arbitrators who were or are affiliated with the securities industry.**
- f) The rules of some Arbitration forums may impose time limits for bringing a claim in Arbitration. In some cases, a claim that is ineligible for Arbitration may be brought in court.**
- g) The rules of the Arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**

**The following Arbitration Agreement should be read in conjunction with the disclosures above. Any and all controversies, disputes or claims between the Customer and You, or the Introducing Broker and/or Registered Investment Advisor, or the Agents, Representatives, Employees, Directors, Officers, or Control Persons of You or The Introducing Broker and/or Registered Investment Advisor, Arising out of, in connection with, from or with respect to**

**(a) Any provisions of or the validity of this agreement or any related agreements, (b) The relationship of the parties hereto , or (c) Any controversy arising out of your business, the Introducing Broker and/or Registered Investment Advisor's business or the Customer's accounts, shall be conducted pursuant to the code of Arbitration procedure of the Financial Industry Regulatory Authority ("FINRA"). Arbitration must be commenced by service of a written demand for Arbitration or a written Notice of Intention to Arbitrate. The decision and award of the Arbitrator(s) shall be conclusive and binding upon all parties, and any judgment upon any award rendered may be entered in a court having jurisdiction thereof, and neither party shall oppose such entry.**

**No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is de-certified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.**

**9.17 Assignability** - This Agreement shall inure to the benefit of our successors and assigns, shall be binding on you, your heirs, executors, administrators and assigns, and shall be governed by the laws of the State of Texas.

**9.18 Payment for Order Flow/Order Routing** - "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. Apex Clearing receives payment for order flow on certain transactions in the form of rebates, monetary compensation or an inter-company transfer of funds. Payment for order flow is considered to be compensation to Apex Clearing. Your broker and/or the introducing firm that clears its trades through Apex Clearing may or may not be compensated for such orders. 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, Apex Clearing automatically routes orders in over-the-counter ("OTC") securities to selected OTC market makers. Selected exchange-traded securities may be routed to affiliated specialists, 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, may be available for certain transactions in NASDAQ and listed securities from execution destinations to which orders are routed.

**9.19 Accounting** - Within 90 days from the close of each custodial account year, We shall render an accounting (valuing the assets fair market value) to you, which accounting may consist of copies of regularly issued broker-dealer statements to you. In the absence of the filing in writing with us of exceptions or objections to any such accounting, within 30 days after the mailing of such accounting, you shall be deemed to have approved such accounting. In such case, or upon your written approval, we shall be released, relieved and discharged with respect to all matters and things set forth in such accounting as though such accounting had been settled by the decree of a court of competent jurisdiction. No person other than you may require an accounting or bring any action against us with respect to this agreement or our actions as Custodian.

We reserve the right to apply to a court of competent jurisdiction for judicial settlement of our accounts, for determination of any questions of construction which may arise or for instructions. You shall be the only necessary party defendant to such action except we may, if we so elect, bring in as a party defendant any other person or persons.

## **GENERAL INSTRUCTIONS**

*Section References are to the Internal Revenue Code unless otherwise noted.*

### **PURPOSE OF FORM**

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A. However, only Articles I through VIII have been reviewed by the IRS. A Roth Individual Retirement Account (Roth IRA) is established after the form is fully executed by both the

individual (Depositor) and the Custodian. This account must be created in the United States for the exclusive benefit of the Depositor and his or her beneficiaries.

Do not file Form 5305-RA with the IRS. Instead, keep it with your records.

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the Depositor's gross income; and distributions after five years that are made when the Depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the Custodian must give the Depositor, see Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs), and Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs).

## **DEFINITIONS**

**Custodian** - The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

**Depositor** - The Depositor is the person who establishes the custodial account.

## **SPECIFIC INSTRUCTIONS**

**Article I** - The Depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the Depositor have been made for the same tax year, (2) the Depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the Depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

**Article V** - This article describes how distributions will be made from the Roth IRA after the Depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the Depositor's intent. Under paragraph 3 of Article V, the Depositor's spouse is treated as the owner of the Roth IRA upon the death of the Depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

**Article IX** - Article IX and any that follow it may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc. Attach additional pages if necessary.

## **DISCLOSURE STATEMENT**

### **RIGHT TO REVOKE YOUR IRA**

You have the right to revoke your Roth IRA within seven (7) days of the receipt of the Disclosure Statement. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the IRA Administrator, Apex Clearing Corporation, 350 N. St. Paul Street 1300, Dallas, TX, 75201.

If you send your notice by first class mail, your revocation will be deemed mailed as of the date of the postmark, or if sent by certified or registered mail, it shall be deemed to be mailed as of the date of certification or registration. If mailed, the written notice of revocation shall be mailed in the United States in an envelope, or other appropriate wrapper, first-class mail with the postage prepaid.

**If you have any questions about the procedure for revoking your Roth IRA, please call the Custodian at the telephone number listed on the Application.**

### **REQUIREMENTS OF A ROTH IRA**

**A. Cash Contributions** - Your contribution must be in cash, unless it is a rollover or conversion contribution.

**B. Maximum Contribution** - The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$5,500 for 2017 and 2018, with possible cost-of-living adjustments thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$186,000 (for 2017) or \$189,000 (for 2018) if you are a married individual filing a joint income tax return, or equals or exceeds \$118,000 (for 2017) or \$120,000 (for 2018) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$196,000 (for 2017) or \$199,000 (for 2018) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2018.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows:

1. Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it;
2. Divide the result by the difference between the phase-out range maximum and minimum; and
3. Multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$191,000, your maximum Roth IRA contribution for 2017 is \$2,750 ( $[\$196,000 \text{ minus } \$191,000]$  divided by \$10,000 and multiplied by \$5,500).

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 and your MAGI is \$121,000, your maximum Roth IRA contribution for 2017 is \$4,400 ( $[\$133,000 \text{ minus } \$121,000]$  divided by \$15,000 and multiplied by \$5,500).

**C. Contribution Eligibility** - You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.

**D. Catch-Up Contribution** - If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year.

**E. Nonforfeitable** - Your interest in your Roth IRA is nonforfeitable.

**F. Eligible Custodians** - The Custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

**G. Commingling Assets** - The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

**H. Life Insurance** - No portion of your Roth IRA may be invested in life insurance contracts.

**I. Collectibles** - You may not invest the assets of your Roth IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver

coins, and certain state- issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in Code section 408(m)(3)) are also permitted as Roth IRA investments.

**J. Beneficiary Payouts** - Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death who remains your beneficiary(ies) as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your beneficiary(ies), either

1. Be distributed by December 31 of the year containing the fifth anniversary of your death, or
2. Be distributed over the remaining life expectancy of your designated beneficiary(ies).

If your spouse is your sole designated beneficiary, he or she must elect either option (1) or (2) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option (1) or (2) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (2). In the case of distributions under option (2), distributions must commence by December 31 of the year following the year of your death. Generally if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

If your beneficiary fails to remove a required minimum distribution after your death, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. Your beneficiary must file IRS Form 5329 along with his or her income tax return to report and remit any additional taxes to the IRS.

## **INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA**

**A. Contributions Not Deducted** - No deduction is allowed for Roth IRA contributions, including transfers, rollovers and conversion contributions.

**B. Contribution Deadline** - The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year tax payer, and you make your Roth IRA contribution on or before April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year's tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

**C. Tax Credit for Contributions** - You may be eligible to receive a tax credit for your Roth IRA contributions. This credit may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are:

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

<b>2017 Adjusted Gross Income*</b>			<b>Applicable Percentage</b>
<b>Joint Return</b>	<b>Head of Household</b>	<b>All Other Cases</b>	
\$1 - \$37,000	\$1 - \$27,750	\$1 - \$18,500	50%
\$37,001 - \$40,000	\$27,751 - \$30,000	\$18,501 - \$20,000	20%
\$40,001 - \$62,000	\$30,001 - \$46,500	\$20,001 - \$31,000	10%
Over \$62,000	Over \$46,500	Over \$31,000	0%
<b>2018 Adjusted Gross Income*</b>			<b>Applicable Percentage</b>
<b>Joint Return</b>	<b>Head of Household</b>	<b>All Other Cases</b>	
\$1 - \$38,000	\$1 - \$28,500	\$1 - \$19,000	50%
\$38,001 - \$41,000	\$28,501 - \$30,750	\$19,001 - \$20,500	20%
\$41,001 - \$63,000	\$30,751 - \$47,250	\$20,501 - \$31,500	10%
Over \$63,000	Over \$47,250	Over \$31,500	0%

*\*Adjusted gross income (AGI) includes foreign earned income and income from Guam, American Samoa, North Mariana Islands, and Puerto Rico.*

*AGI limits are subject to cost-of-living adjustments each year.*

**D. Excess Contributions** - An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

**1. Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.

**2. Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method is not taxable to you.

**3. Carry Forward to a Subsequent Year.** If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

**E. Tax-Deferred Earnings** - The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

**F. Taxation of Distributions** - The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

**1. Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events.



- Attainment of age 59½
- Disability
- First-time homebuyer purchase
- Death

For example, if you made a contribution to your Roth IRA for 2007, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2012.

**2. Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Service members' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.

**G. Income Tax Withholding** - Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

**H. Early Distribution Penalty Tax** - If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if one of the following exceptions apply.

1. **Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax.

2. **Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration.

**3. Substantially Equal Periodic Payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½.

**4. Unreimbursed Medical Expenses.** If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return.

**5. Health Insurance Premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your Roth IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax.

**6. Higher Education Expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax.

**7. First-Time Homebuyer.** You may take payments from your Roth IRA to use toward qualified acquisition costs of buying or building a principle residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution.

**8. IRS Levy.** Payments from your Roth IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax.

**9. Qualified Reservist Distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax.

You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

**I. Required Minimum Distributions.** - You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Payouts in this disclosure statement regarding beneficiaries' required minimum distributions.

**J. Rollovers and Conversions** - Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that

all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

**1. Roth IRA-to-Roth IRA Rollovers.** Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper Roth IRA-to-Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.

You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**2. Traditional IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from

a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are age 70½ or older, you must remove your required minimum distribution before converting your Traditional IRA.

**3. Simple IRA-to-Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the

10 percent early distribution penalty tax. If you are age 70½ or older you must remove your required minimum distribution before converting your SIMPLE IRA.

**4. Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.

**5. Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. An eligible rollover distribution is defined generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, or the cost of life insurance coverage. If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. The inherited Roth IRA is subject to the beneficiary distribution requirements.

If you are conducting an indirect rollover, your eligible rollover distribution generally must be rolled over to your Roth IRA not later than 60 days after you receive the distribution. In the case of a plan loan offset due to plan termination or severance from employment, the deadline for completing the rollover is your tax return due date (including extensions) for the year in which the offset occurs.

Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.

**6. Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

**7. Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered non taxable basis in your Roth IRA.

**8. Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

**9. Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. For further detailed information and effective dates you may obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**10. Rollover of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at [www.irs.gov](http://www.irs.gov).

**11. Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.

**12. Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

**K. Transfer Due to Divorce** - If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.

**L. Recharacterizations** - If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. For tax years beginning before January 1, 2018, if you have converted from

a Traditional IRA to a Roth IRA, or rolled over an eligible employer-sponsored retirement plan to a Roth IRA, you may recharacterize the conversion or rollover along with the net income attributable to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made or conversion or rollover completed. However, effective for tax years beginning after December 31, 2017, you may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

## LIMITATIONS AND RESTRICTIONS

**A. Spousal Roth IRA** - If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined eligible compensation or \$11,000 for 2017 and 2018. This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is \$1,000 per year.

**B. Gift Tax** - Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.

**C. Special Tax Treatment** - Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to Roth IRA distributions.

**D. Prohibited Transactions** - If you or your beneficiary(ies) engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.

**E. Pledging** - If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

## OTHER

**A. IRS Plan Approval** - Articles I through VIII of the agreement used to establish this Roth IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

**B. Additional Information** - For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.

**C. Important Information About Procedures for Opening a New Account** - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

**D. Qualified Reservist Distributions** - If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.

**E. Qualified Charitable Distributions** - If you are age 70½ or older, you may take tax-free Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**F. Disaster Related Relief** - If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60- day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

## **FINANCIAL DISCLOSURE**

Apex Clearing Corporation may charge your broker and/or investment advisor a fee. Please contact your broker and/or investment advisor for information regarding these charges.

**Service Fees:** We have the right to charge an annual service fee and other designated fees (e.g., a transfer, rollover or termination fee) in conjunction with your Roth IRA. In addition, we have the

right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. The full annual service fee attributable to the year in which you terminate your Roth IRA, along with the termination fee, shall be due and payable upon termination of your Roth IRA regardless of the date during the year in which you terminate your IRA. We reserve the right to charge any additional fee upon 30 days notice to you that the fee will be effective. Fees such as sub transfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this Roth IRA.

Any brokerage commissions attributable to the assets in your Roth IRA will be charged to your Roth IRA. You cannot reimburse your Roth IRA for those commissions.

The value of your Roth IRA will be solely dependent upon the performance of any investment instrument chosen by you to fund your Roth IRA. Therefore, no projection of the growth of your Roth IRA can be reasonably shown or guaranteed. There are certain fees and charges associated with the investments you may select for your Roth IRA.

In the event this agreement is terminated or you transfer out of your existing Roth IRA, a fee will apply. Additionally, brokerage commissions may apply according to your selection of investments. Questions relative to fees and brokerage commission(s) should be discussed with your broker and/or investment advisor prior to executing any orders or you may refer to the prospectus which will describe the terms of the investment you choose.

You will select the type of investment for your Roth IRA assets, provided, however, that your selection of investments shall be limited to any investment vehicle obtainable by us, that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact, in our sole discretion offer for investment in Roth IRAs.. For example, investments may include but shall not be limited to common stocks, government and corporate bonds, mutual funds, the purchase of put options on existing positions and writing of covered listed call options and such other options strategies that we may, from time to time, in our sole discretion make available for Roth IRAs and which strategies are approved for your account by your broker and/or investment advisor. Investments not generating confirmations must be accompanied by additional written instructions and such other documentation as we may, in our sole discretion, require. We shall act as a stockbroker or dealer whenever such services are required. We may, in our sole discretion, make available to you, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are obtainable by us and that we, in our sole discretion, determine that we are capable of holding in the ordinary course of our business.

## **TRUSTED CONTACT**



"Under FINRA Rule 4512 Apex Clearing Corporation is required to disclose to you (the customer) that Apex Clearing Corporation or an associated person of Apex Clearing Corporation is authorized to contact the trusted contact person and disclose information about the customer's account to address possible financial exploitation, to confirm the specifics of the customer's current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by FINRA Rule 2165."

## **ACH AGREEMENT**

If Customer requests Automated Clearinghouse ("ACH") transactions from Customer's Account at Apex, Customer authorizes Apex to originate or facilitate transfer credits/debits to/from Customer's eligible bank account. Transactions sent through the NACHA network will be subject to all applicable rules of NACHA and all rules set forth in Federal Reserve Operating circulars or other applicable laws and regulations. ACH deposits to Customer's brokerage account are provisional. If the beneficiary bank does not receive final and complete payment for a payment order transferred through ACH, the beneficiary bank is entitled to recover from the beneficiary any provisional credit and Apex may charge Customer's account for the transaction amount. Customer understands Apex or Customer's Advisor may not notify Customer of any returned or rejected ACH transfers. Customer agrees to hold Apex and Apex's agents free of liability for compliance with these instructions. Customer hereby agrees to hold harmless Apex and each of its affiliates, offices, directors, employees, and agents against, any claims, judgments, expenses, liabilities or costs of defense or settlement relating to: (a) any refusal or failure to initiate or honor any credit or debit request, by Apex or Advisor, whether (i) due to a lack of funds necessary to credit Customer's account; (ii) due to inadvertence, error caused by similarity of account holder names or (iii) otherwise provided Apex has not acted in bad faith; (b) if the routing number is incorrect or the routing number or other information changes at another U.S. financial institution or (c) any loss, damage, liability or claim arising, directly or indirectly, from any error, delay or failure which is caused by circumstances beyond Apex's direct control. To the extent permitted by applicable law or regulation, Apex hereby disclaims all warranties, express or implied, and in no event shall Apex be liable for any special indirect, incidental, or consequential damages whatsoever resulting from the ACH electronic service or any ACH transactions. Nothing in this herein shall constitute a commitment or undertaking by Apex or Advisor to effect any ACH transaction or otherwise act upon the instructions of Customer or Advisor with respect to any account at Apex. This authorization shall remain in full force and effect until Customer revokes authorization by written notification to Advisor that is forwarded to Apex. Customer understands that Apex has the right to terminate or suspend the ACH agreement at any time and without notice.

## **PRIVACY POLICY**

Apex Clearing Corporation ("Apex") carries your account as a clearing broker by arrangement with your broker-dealer or registered investment advisor as Apex's introducing client. At Apex, we understand that privacy is an important issue for customers of our introducing firms. It is our policy to respect the privacy of all accounts that we maintain as clearing broker and to protect the security and confidentiality of non-public personal information relating to those accounts. Please note that this policy generally applies to former customers of Apex as well as current customers.

## **Personal Information Collected**

In order to service your account as a clearing broker, information is provided to Apex by your introducing firm who collects information from you in order to provide the financial services that you have requested. The information collected by your introducing firm and provided to Apex or otherwise obtained by Apex may come from the following sources and is not limited to:

- Information included in your applications or forms, such as your name, address, telephone number, social security number, occupation, and income;
- Information relating to your transactions, including account balances, positions, and activity;
- Information which may be received from consumer reporting agencies, such as credit bureau reports;
- Information relating to your creditworthiness;
- Information which may be received from other sources with your consent or with the consent of your introducing firm.

In addition to servicing your account, Apex may make use of your personal information for analysis purposes, for example, to draw conclusions, detect patterns or determine preferences.

## **Sharing of Non-public Personal Information**

Apex does not disclose non-public personal information relating to current or former customers of introducing firms to any third parties, except as required or permitted by law, including but not limited to any obligations of Apex under the USA PATRIOT Act, and in order to facilitate the clearing of customer transactions in the ordinary course of business.

Apex has multiple affiliates and relationships with third party companies. Examples of these companies include financial and non-financial companies that perform services such as data processing and companies that perform securities executions on your behalf. We may share information among our affiliates and third parties, as permitted by law, in order to better service your financial needs and to pursue legitimate business interests, including to carry out, monitor and analyze our business, systems and operations.

## **Security**

Apex strives to ensure that our systems are secure and that they meet industry standards. We seek to protect non- public personal information that is provided to Apex by your introducing firm or otherwise obtained by Apex by implementing physical and electronic safeguards. Where we believe appropriate, we employ firewalls, encryption technology, user authentication systems (i.e. passwords and personal identification numbers) and access control mechanisms to control access to systems and data. Apex endeavors to ensure that third party service providers who may have access to non-public personal information are following appropriate standards of security and confidentiality. Further, we instruct our employees to use strict standards of care in handling

the personal financial information of customers. As a general policy, our staff will not discuss or disclose information regarding an account except; 1) with authorized personnel of your introducing firm, 2) as required by law or pursuant to regulatory request, or 3) as authorized by Apex to a third party or affiliate providing services to your account or pursuing Apex's legitimate business interests.

### **Access to Your Information**

You may access your account information through a variety of media offered by your introducing firm and Apex (i.e. statements or online services). Please contact your introducing firm if you require any additional information. Apex may use "cookies" in order to provide better service, to facilitate its customers' use of the website, to track usage of the website, and to address security hazards. A cookie is a small piece of information that a website stores on a personal computer, and which it can later retrieve.

### **Changes to Apex's Privacy Policy**

Apex reserves the right to make changes to this policy.

### **How to Get in Touch with Apex about this Privacy Policy**

For reference, this Privacy Policy is available on our website at [www.apexclearing.com](http://www.apexclearing.com). For more information relating to Apex's Privacy Policy or to limit our sharing of your personal information, please contact:

Apex Clearing Corporation

Attn: Compliance Department 350 N. St. Paul St., Suite 1300

Dallas, Texas 75201

214-765-1055

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