LPL Financial

Insured Cash Account Program Disclosure Booklet

LPL Financial

Member FINRA/SIPC

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INTRODUCTION

Welcome to the LPL Financial ("LPL Financial") Insured Cash Account ("ICA") program. Under the ICA program, your available cash balances (from securities transactions, dividend and interest payments and other activities) in your eligible accounts will automatically be deposited into interest-bearing Federal Deposit Insurance Corporation ("FDIC") insured deposit accounts ("Deposit Accounts") at one or more of the banks or other depository institutions set forth on the enclosed Priority Bank List (each, a "Bank").

The Deposit Accounts available through the ICA program are eligible for insurance by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 in principal and accrued interest per depositor (including individual retirement accounts ("IRAs"), Roth IRAs, and certain other retirement accounts) in each insurable capacity (e.g. individual, trust, joint, etc.) per Bank. As your agent, LPL Financial will place up to $246,500 of your available cash for an individual or trust account, and up to $493,000 for a joint account, in one Bank. As your agent, LPL Financial will open Deposit Accounts at additional Banks so that funds in excess of $246,500 for an individual or trust account (or $493,000 for a joint account) may be swept into those accounts, which are also eligible for deposit insurance. If $246,500 has been deposited for you (or $493,000 for your joint account) through the ICA program in each Bank on the Priority Bank List up to $1.5 million, excess funds above $1.5 million of deposit insurance ($3 million for joint accounts) will be invested in the J.P. Morgan Prime Money Market Fund - Service Shares. A prospectus for the J.P. Morgan Prime Money Market Fund - Service Shares is available from LPL Financial upon request. If invested in the J.P. Morgan Prime Money Market Fund - Service Shares your funds are not eligible for FDIC deposit insurance. You may contact your LPL Financial advisor or access our website at www.lpl.com to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier. For the yields for money market mutual funds, please contact your LPL Financial advisor.

The ICA program is available only to individuals, trusts (so long as all beneficiaries of the trust accounts are natural persons), and sole proprietorships. Custodial accounts are eligible for the Program if each beneficiary is an eligible person. LPL Financial may at its discretion deem an eligible person to be an ineligible person if LPL Financial becomes aware that the person is prohibited as a matter of law from holding funds at the Bank. Entities organized or operated to make a profit, such as corporations, partnerships, associations, business trusts, and other organizations (other than sole proprietorships), and discretionary investment advisory retirement accounts are not eligible for the ICA program. Please consult your LPL Financial advisor for additional details concerning eligibility.

Please read carefully the section titled "Information About FDIC Insurance and SIPC" for more information about FDIC limits applicable to the Deposit Accounts, particularly as aggregated with any other deposit account you may maintain at a Bank. Please note that your Deposit Accounts are not eligible for SIPC coverage.

Each Deposit Account constitutes a direct obligation of the Bank and is not directly or indirectly an obligation of LPL Financial. You can obtain publicly available financial information concerning each Bank at www.ffiec.gov/nic or by contacting the FDIC Public Information Center by mail at 3501 North Fairfax Drive, Room E-1005, Arlington, VA 22226 or by phone at (877) 275-3342 or 800-925-4618 (TDD). LPL Financial does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks. LPL Financial is not responsible for any insured or uninsured portion of a Deposit Account. You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of deposit insurance coverage available to you.

You will not have a direct account relationship with any of the Banks. LPL Financial, as your agent, will establish your Deposit Accounts at the Bank(s) and make deposits to and withdrawals from the Deposit Accounts. Each Bank will pay LPL Financial a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Bank. The fee paid to LPL Financial may be an annual rate of up to 200 basis points on the Bank's Deposit Accounts. Please read carefully the section below titled "Fees" for more information on the fees paid to LPL Financial.

The information contained in this Booklet applies, unless otherwise indicated, to each account for which you are a client of record, whether as an individual, joint tenant, trustee, executor, custodian or in any other capacity, and is furnished to you in each of such capacities in respect of all such accounts.

Alternatives to the Insured Cash Account Program as a Sweep Investment

If you do not wish to have your available cash swept into the Deposit Accounts made available through the ICA program, you may contact your LPL Financial advisor for assistance with the following alternatives. The alternatives available to you are to actively manage your account through your LPL Financial advisor by the non-sweep purchase of various products as set forth below (except if your account is an eligible centrally managed automatically rebalanced account – see information below) or if applicable, a Tax-Exempt Money Fund automatic sweep investment.

If your account is not a retirement account, you may invest in one of the Tax-Exempt Money Funds we offer as your automatic sweep investment if you maintain a minimum cash balance per account of $20,000. For more complete information about any of the Tax-Exempt Money Funds, including all charges and expenses, please contact your LPL Financial advisor for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the Tax-Exempt Money Funds by contacting your LPL Financial advisor.

If you elect not to have available cash swept into a sweep investment, your account will not have a sweep investment feature. This means your available cash will not be invested (and therefore will not earn income) unless you give your LPL Financial advisor a direction to invest a specific amount of your funds in an available money market mutual fund, certificate of deposit, or other investment available through LPL Financial.

Shares in the money market mutual funds that LPL Financial offers as a non-sweep investment alternative may be purchased by giving specific orders for each purchase to your LPL Financial advisor. Cash balances in your account, however, will not be automatically swept into these money market mutual funds. Debits in your account will be paid automatically from available cash balances in your account and then from funds in the Deposit Accounts or other sweep investments. In the event there are no funds available in these accounts to cover debits, you or your LPL Financial advisor would need to liquidate separately purchased money market mutual fund holdings or other securities to cover the required debits.

If you maintain an eligible centrally managed automatically rebalanced account (i.e., Optimum Market Portfolios, Model Wealth Portfolios or Personal Wealth Portfolios), because of the systematic functionality associated with these accounts, you must have a sweep feature attached to your account. You will be required to maintain the ICA program or the Tax-Exempt Money Fund sweep investment (if you maintain the requisite account type and cash balance in your account).

Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency. Although money market mutual funds seek to preserve a net asset value of $1.00 per share, there is no guarantee that this will occur. Please contact your LPL Financial advisor for further details and additional information, including a prospectus, for any of the available money market mutual funds.

Access to Funds in the Deposit Accounts

Due to federal banking regulations, each Bank reserves the right to require seven business days' prior notice before you withdraw cash balances from your Deposit Accounts. The Banks have informed us that they do not currently intend to exercise this right. So long as this right is not exercised, your ability to access funds, including the ability to write checks against your account, should not be impacted.

Debits in your account will be paid automatically from available cash balances in your account and then from funds in the Deposit Accounts or other sweep investments. In the event there are no funds available in these accounts to cover debits, you or your LPL Financial advisor would need to liquidate separately purchased money market mutual fund holdings or other securities to cover the required debits.

Tax Information

For most clients, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. A Form 1099 will be sent to you each year showing the amount of interest income you have earned on deposits in your Deposit Accounts. You should consult with your tax advisor about how the ICA program affects you.

OPERATION OF THE INSURED CASH ACCOUNT PROGRAM

Priority Bank List

Enclosed with this Booklet is the Priority Bank List of available Banks into which your funds may be deposited. The Banks appear in columns by state or region. In the column under your applicable state or region are multiple Banks in the order in which the Deposit Accounts will be opened for you and your funds will be deposited. The final two banks in the column are the "Excess Banks". These banks will accept funds after the funds deposited in the Banks on your Priority Bank List reach $1.5 million for individual or trust accounts, ($3 million for joint accounts) and if the J.P. Morgan Prime Money Market Fund - Service Shares is temporarily unable to accept your funds in those amounts. You should review the Priority Bank List carefully. The most recent Priority Bank List will also be available from your LPL Financial advisor or at www.lpl.com. Your funds may be deposited in Excess Banks without limit. You are responsible for monitoring the total amount of deposits that you have at a Bank to determine the amount of FDIC insurance you may have available to you.

You may not change the order of the Banks on the Priority Bank List. However, you may, at any time, designate a Bank as ineligible to receive your funds. This will result in your funds being deposited into Deposit Accounts at the next Bank on the Priority Bank List. In addition, you may at any time instruct us to remove your funds from a Bank, close your Deposit Accounts with the Bank and designate the Bank as ineligible to receive future deposits. Unless you direct us to place your funds in a different investment, your funds from closed Deposit Accounts will be deposited in Deposit Accounts at the first available Bank set forth on the Priority Bank List, as amended by you. You may instruct your LPL Financial advisor to designate a Bank as ineligible to receive your funds.

As described below under "Exceptions to Deposit Procedure" in certain rare circumstances a Bank on the Priority Bank List may not be available to accept your funds, and your funds may be deposited in the next available Bank on the Priority Bank List. Further, as described below under "Changes to the Priority Bank List", the Priority Bank List may be changed. In general, you will receive prior notification of changes to the Priority Bank List. However, under certain limited circumstances prior notification will not be possible.

The Deposit Accounts Made Available through the Insured Cash Account Program

The ICA program makes available to you a money market deposit account ("MMDA") – a type of savings deposit – and a linked transaction account ("TA") at one or more of the Banks. The MMDAs and TAs are non-transferable.

When funds are first available for deposit, LPL Financial, as your agent, will open an MMDA and a linked TA on your behalf at one or more of the Banks on the then-current Priority Bank List in the order set forth on the Priority Bank List. Once your funds in the Deposit Accounts at a Bank reach $246,500 or $493,000 for joint accounts, LPL Financial, as your agent, will open a MMDA and TA for you at the next Bank on the Priority Bank List and place your additional funds in that Bank.

In the event that you have deposits through the ICA program of $1.5 million for individual or trust accounts or $3 million for joint accounts, excess funds will be swept into the J.P. Morgan Prime Money Market Fund - Service Shares. Amounts placed in the J.P. Morgan Prime Money Market Fund - Service Shares will not be covered by FDIC deposit insurance. Please read carefully the sections titled "Information About FDIC Insurance and SIPC" for more information about FDIC limits applicable to the deposit accounts, particularly as aggregated with any other deposit accounts you may maintain at a Bank, and for more information about SIPC coverage, including a discussion of the amounts of available SIPC insurance, and the differences between the two types of insurance.

As your agent, LPL Financial will deposit available cash balances in your MMDA at each Bank as set forth above. All withdrawals will be made from your TA at a Bank. As necessary to satisfy debits in your account (securities purchases, checking, debit card, etc.), funds will be transferred from the MMDA to the related TA at each Bank. The Bank in its discretion may determine a minimum amount to be maintained in your TA to satisfy debits in your account. Under circumstances described below, funds may be deposited in your TA. Transfers from the MMDA to the TA and withdrawals from the TA are discussed below under "Withdrawal Procedures."

Exceptions to Deposit Procedure

Although your funds generally will be deposited in Deposit Accounts at the Banks in the order in which the Banks appear on the Priority Bank List, in rare circumstances, a Bank on the Priority Bank List may be unable to accept your funds on a particular day. This will typically not occur if you already have ICA program funds on deposit with that Bank.

If a Bank is unable to accept your funds on a day you have funds to deposit, your funds will be deposited in the next available Bank on the Priority Bank List up to $246,500. Once your funds have reached $246,500 in this Bank, your funds will next be deposited in the Bank that is the highest in the priority sequence on the Priority Bank List that is available to accept your funds. This Bank will accept your funds up to $246,500. The process will be repeated when additional funds are to be deposited with your funds going to the highest available Bank in the priority sequence on the Priority Bank List.

At the end of each month, LPL Financial will determine the amount of your funds, if any, that have been deposited in Banks in an order different than the priority sequence on the Priority Bank List. If it is possible to re-balance your funds so they are in the Banks in the appropriate priority sequence, LPL Financial will, as your agent, withdraw your funds and re-deposit them in that sequence. If it is not possible to re-balance all of your funds in the appropriate priority sequence, your funds will not be re-balanced.

Withdrawal Procedures

All withdrawals from the Deposit Accounts necessary to satisfy debits in your account will be made by LPL Financial as your agent. A debit is created to satisfy a securities purchase or a request for a withdrawal of funds from your account and, if applicable, when you write a check on your account, make payments via the online bill pay service or withdraw funds through your debit card. Checks written on your account are not drawn directly against the Deposit Accounts established for you at the Banks.

The funds necessary to satisfy debits in your account will first be obtained as described in this Booklet or in the LPL Financial account opening paperwork. If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit, funds will be withdrawn from your TAs at the Banks in the reverse order in which Banks appear on the Priority Bank List. Funds will be withdrawn first from the lowest Bank on the list and last from the first Bank on the list. If funds in the TA are insufficient to satisfy a debit, funds in the related MMDA at the Bank will be transferred to the TA to satisfy the debit, plus funds to maintain any TA threshold amount. If there are insufficient funds in the Deposit Accounts to satisfy the debit, LPL Financial will withdraw funds from other available sources as described in this Booklet or in the LPL Financial account opening paperwork.

Federal banking regulations limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA at a Bank have reached the applicable limit, all funds will be transferred from that MMDA to the linked TA at the Bank until the end of the month. Deposits for the remainder of the month into this Bank will be made to the TA. At the beginning of the next month, funds on deposit in the TA will be transferred to the MMDA, minus any threshold amount to be maintained in the TA. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at a Bank or the amount of FDIC insurance coverage for which you are eligible.

Interest on Balances in Your Deposit Accounts

You will receive the same interest rates on the funds in your MMDA and TA at each Bank. All Banks will utilize the same Interest Rate Tiers (described below) and will pay the same rate of interest on the Deposit Accounts within each Interest Rate Tier. The interest rates on the Deposit Accounts are determined by the amount the Banks are willing to pay on the Deposit Accounts minus the fees paid to LPL Financial and other parties as set forth below under "Fees." The interest rates paid on Deposit Accounts may change as frequently as daily.

The interest rates on the Deposit Accounts will vary based upon the value of the eligible assets you maintain in your eligible accounts, including amounts on deposit in your Deposit Accounts ("Interest Rate Tiers"). You may link your eligible accounts to eligible accounts held by members of your household to determine your Interest Rate Tier. The aggregate balance of all "linked" eligible accounts is referred to as your "Household Balance." In general, clients with greater Household Balances will receive a higher interest rate than clients with lower Household Balances. LPL Financial will determine your Household Balance each day. The previous day's Household Balance will determine your eligibility for a particular Interest Rate Tier.

You may contact your LPL Financial advisor or access our website at www.lpl.com to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier. For the yields for money market mutual funds, please contact your LPL Financial advisor. Interest will accrue on Deposit Account balances from the day funds are deposited into your Deposit Accounts at a Bank through the business day preceding the date of withdrawal from your Deposit Accounts at the Bank. Interest will be compounded daily and credited monthly. LPL Financial reserves the right to change the Interest Rate Tiers at any time without notice.

The interest rates paid with respect to your Deposit Accounts at a Bank may be higher or lower than the interest rates available to depositors making deposits directly with the Bank or other depository institutions in comparable accounts and for investments in money market mutual funds and other cash equivalent investments available through LPL Financial. You should compare the terms, interest rates, required minimum amounts, and other features of the ICA program with other accounts and alternative investments.

Household Balance

Your Household Balance will be used to determine the interest rate available to you on your Deposit Accounts. Your Household Balance is the amount of funds in Deposit Accounts held through the ICA program as well as the value of your eligible assets in eligible accounts as determined by LPL Financial. LPL Financial will determine the value of the eligible assets in the accounts that have been linked as discussed below for purposes of determining your Household Balance. The eligible assets will include any balances held through the ICA program.

In determining your Household Balance, the eligible accounts of all persons at the same address may be linked. LPL Financial may consider requests to link other accounts in our discretion. Certain accounts may not be eligible for linking in determining your Household Balance. The eligible assets of linked accounts are not commingled and all clients linking accounts retain control over, and responsibility for, their individual accounts. LPL Financial may change or terminate Household Balance eligibility without notice.

LPL Financial is not responsible for identifying accounts that are eligible to be linked for purposes of determining your Household Balance. It is your obligation to notify your LPL Financial advisor or LPL Financial of accounts that you would like to be linked. You may contact your LPL Financial advisor or LPL Financial for more information or to give your LPL Financial advisor or LPL Financial instructions with respect to linking eligible accounts.

Information About Your Deposit Accounts

Transactions and activity with respect to your Deposit Accounts will appear on your periodic account statement. For each statement period, your account statement will reflect:

- Deposits to and withdrawals from your Deposit Accounts
- The closing balance of the Deposit Accounts at each Bank
- Interest earned on your Deposit Account balances

Your LPL Financial advisor can assist you if you have any questions about how your account statement reflects Deposit Account balances at each Bank.

You may obtain information about your Deposit Accounts by calling your LPL Financial advisor or, if applicable, by accessing your account through Account View. If you have not subscribed to Account View and wish to do so, please contact your LPL Financial advisor to subscribe.

Changes to the Priority Bank List

One or more of the Banks included on the Priority Bank List may be replaced with a Bank not previously included on the Priority Bank List, a Bank may be deleted from the Priority Bank List, or the order of the priority sequence may change. In general, you will receive notification in advance of such changes and have an opportunity to designate a Bank as ineligible to receive your deposits before any funds are deposited into a new Bank or in a new sequence. However, if a Bank is unable to accept deposits for regulatory or other reasons, or is unable to continue its participation in the ICA program, LPL Financial may not be able to provide you with advance notice. LPL Financial will provide you with notice of such changes as soon as practicable. LPL Financial may also notify you that changes to the Priority Bank List will be forthcoming and direct you to your LPL Financial advisor and www.lpl.com for specific information on such changes.

If a Bank at which you have Deposit Accounts no longer makes the Deposit Accounts available through the ICA program, you will be notified by LPL Financial and given the opportunity to establish a direct depository relationship with the Bank, subject to its rules with respect to establishing and maintaining deposit accounts. If you choose not to establish a direct depository relationship with the Bank, your funds will be transferred to Deposit Accounts at the next available Bank on the Priority Bank List. The consequences of maintaining a direct depository relationship with a Bank are discussed below under “Relationship with LPL Financial”.

Notices

All notices from LPL Financial described in this Booklet may be made by means of a letter, an entry on or insert with your account statement, or an entry on a trade confirmation or by other means.

INFORMATION ABOUT YOUR RELATIONSHIP WITH LPL FINANCIAL AND THE BANKS

Relationship with LPL Financial

LPL Financial is acting as your agent in establishing the Deposit Accounts at each Bank, depositing funds into the Deposit Accounts, withdrawing funds from Deposit Accounts and transferring funds between Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank showing the Deposit Account as an agency account held by LPL Financial for the benefit of you and other LPL Financial customers and by records maintained by LPL Financial as your agent. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your account statements will reflect the balances in your Deposit Accounts at the Banks. You should retain the account statements for your records. You may at any time obtain information about your Deposit Accounts by contacting your LPL Financial advisor.

Unless you establish a direct depository relationship with a Bank as described below, all transactions with respect to the ICA program must be directed by LPL Financial and all information concerning the ICA program can only be obtained from LPL Financial. The Banks will not accept instructions from you with respect to your Deposit Accounts or provide you with information concerning your Deposit Accounts.

LPL Financial may, in its sole discretion, terminate your use of the ICA program as a sweep investment option. If LPL Financial terminates your use of the ICA program as a sweep investment option, you may establish a direct depository relationship with each Bank, subject to its rules with respect to maintaining deposit accounts.

Similarly, if you decide to terminate your participation in the ICA program sweep option, you may establish a direct relationship with each Bank by requesting to have your Deposit Accounts established directly in your name at each Bank, subject to each Bank's rules with respect to establishing and maintaining deposit accounts.

Establishing of the Deposit Account directly in your name at a Bank will separate the Deposit Accounts from your LPL Financial account. If you establish a direct depository relationship with a Bank, the Deposit Accounts will no longer be reflected in your account statement and LPL Financial will have no further responsibility concerning the Deposit Accounts.

Relationship with the Banks

Each Deposit Account constitutes a direct obligation of a Bank and is not directly or indirectly an obligation of LPL Financial. You can obtain publicly available financial information concerning each Bank at www.ffiec.gov/nic or by contacting the FDIC Public Information Center by mail at 3501 North Fairfax Drive, Room E-1005, Arlington, VA 22226 or by phone at (877) 275-3342 or 800-925-4618 (TDD). LPL Financial does not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks.

Fees

Each Bank will pay LPL Financial a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Bank. The fee paid to LPL Financial may be an annual rate of up to 200 basis points on the Bank's Deposit Accounts, although the fees to LPL Financial on some accounts may be higher or lower than this amount. Depending on the prevailing interest rate environment at a particular time, the fees paid by the Bank may be more or less than the interest the Bank pays on your deposit accounts. The fees LPL Financial receives from the Bank may be greater than the fees LPL Financial receives from other sweep investment options. In its discretion, LPL Financial may reduce its fee and may vary the amount of the reductions among Interest Rate Tiers. The fee LPL Financial receives may differ among Banks depending on the interest rate environment and/or any fee reductions made by LPL Financial. The amount of fee received or waived by LPL Financial will affect the interest rate paid by the Bank on your Deposit Accounts. LPL Financial advisors do not receive any of the fees received by LPL Financial from the Banks, although they may receive a portion of the fees LPL Financial receives from other sweep investment options. Upon request, LPL Financial will provide you with information concerning the fees it receives in connection with the ICA program.

In addition to LPL Financial, other service providers with respect to the ICA program will receive fees from each Bank. Other than applicable fees imposed by LPL Financial on accounts, there will be no charges, fees or commissions imposed on your account with respect to the ICA program.

INFORMATION ABOUT FDIC INSURANCE AND SIPC

Deposit Insurance

General Information. Deposit Accounts are eligible for insurance by the FDIC, an independent agency of the U.S. government, up to a maximum amount of $250,000 (including principal and accrued interest) when aggregated with all other deposits held by you in the same insurable capacity at a Bank (e.g., individual, joint, etc.). Your funds become eligible for deposit insurance immediately when a Bank accepts your deposits into Deposit Accounts. Any deposits, including certificates of deposit, that you maintain directly with a Bank, or through an intermediary (such as LPL Financial or another broker-dealer) in the same insurable capacity, will be aggregated with your funds in the Deposit Accounts at the Bank for purposes of the $250,000 limit.

In the event a Bank fails, the Deposit Accounts at that Bank are insured up to $250,000 for principal and interest accrued to the day the Bank is closed. LPL Financial is not responsible for any insured or uninsured portion of a Deposit Account. You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at a Bank apart from the Deposit Accounts, you may wish to direct that the Bank be excluded from the Priority Bank List applicable to you.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the $250,000 limit, with any other deposits that you own in the same insurable capacity at the Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC and LPL Financial before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of the certificates of deposit or other time deposits which were assumed, or (ii) with respect to deposits which are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the acquiror after the acquisition will be aggregated with deposits established with the acquiror for purposes of federal deposit insurance.

The application of the $250,000 federal deposit insurance limitation is illustrated by several common factual situations discussed below.

Individual Customer Accounts. Funds owned by an individual and held in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through LPL Financial) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same capacity (including funds held in a sole proprietorship) and are insured up to $250,000 in the aggregate.

Custodial Accounts. Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to $250,000 in the aggregate.

Joint Accounts. An individual's interest in funds in all accounts held under any form of joint ownership valid under applicable state law may be insured up to $250,000 in the aggregate, separately and in addition to the $250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to $500,000 ($250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same depository institution. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

Revocable Trust Accounts. Deposits at any one Bank held in a "revocable trust" are generally insured up to $250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC. *Informal revocable trusts* include accounts in which the owner evidences an intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account or "transfer on death" account. Each beneficiary must be included in the account records of LPL Financial.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts. The beneficiaries of a formal revocable trust do not need to be included in the account records of LPL Financial.

Under the FDIC rules, FDIC coverage will be $250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust, if the trust has $1,250,000 or less in deposits at any one Bank. If the trust has more than $1,250,000 in deposits at any one Bank and more than five beneficiaries, the funds will be insured for the greater of $1,250,000 or the aggregate amount of all beneficiaries' proportional interest, limited to $250,000 per beneficiary.

Deposits in all revocable trusts of the same owner - informal and formal - at the same Bank will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

Irrevocable Trust Accounts. Deposits of any one Bank held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to $250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies).

Deposit Insurance for Deposits Placed by Retirement Plans and Similar Accounts

Retirement Plans and Accounts - Generally. You may have interests in various retirement plans and accounts that have placed deposits in accounts at the Banks. The amount of deposit insurance you will be entitled to, including whether the deposits held by the retirement plan or account will be considered separately or aggregated with the deposits of the same Bank held by other retirement plans or accounts, will vary depending on the type of retirement plan or account. It is therefore important to understand the type of retirement plan or account holding the deposits. The following sections entitled "Individual Retirement Accounts," "Pass-Through Deposit Insurance for Employee Benefit Plan Deposits" and "Aggregation of Plan and Account Deposits" generally discuss the rules that apply to deposits of retirement plans and accounts.

IRAs and other Self-Directed Retirement Accounts. IRAs (including Roth IRAs), self-directed Keogh accounts, and certain other self-directed retirement accounts (such as government-sponsored 457 plans and private employer-sponsored 401(k) plans) are insured up to $250,000 per depositor. Each person's deposits in self-directed retirement accounts at the same Bank are added together and insured up to $250,000, separately from any retirement accounts that are not self-directed and any non-retirement accounts.

Pass-through Deposit Insurance for Employee Benefit Plan Deposits. Employee benefit plan accounts are deposits of a pension plan, profit-sharing plan or other employee benefit plan that is not self-directed. Employee benefit plan deposits are insured up to $250,000 for each participant's interest in the plan if certain requirements are met. This coverage is known as "pass-through" insurance because the insurance coverage passes through the plan administrator to each participant's interest or share. This means that instead of an employee benefit plan's deposits at one Bank being entitled to only $250,000 of insurance in total per Bank, each participant in the employee benefit plan is entitled to insurance of his or her interest in the employee benefit plan's deposits of up to $250,000 per Bank (subject to the aggregation of the participant's interests in different plans, as discussed below). The pass-through insurance provided to an individual as an employee benefit plan participant is in addition to the $250,000 deposit insurance allowed on other deposits held in an individual or other recognized insurance capacity by an individual with the Bank.

A deposit held by an employee benefit plan eligible for pass-through insurance is not insured for an amount equal to the number of plan participants multiplied by $250,000. For example, an employee benefit plan owns $550,000 in deposits at one Bank. The employee benefit plan

has two participants, one with a vested non-contingent interest of $300,000 and one with a vested non-contingent interest of $250,000. In this case, the employee benefit plan's deposits would be insured up to only $500,000; the individual with the $300,000 interest would be insured up to the $250,000 limit and the individual with the $250,000 interest would be insured up to the full value of such interest.
The contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee benefit plan are not insured on a pass-through basis. Contingent interests of an employee in an employee benefit plan deposit are interests that are not capable of evaluation in accordance with FDIC rules, and are aggregated and insured up to $250,000. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to $250,000 separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

Aggregation of Plan and Account Deposits. Under FDIC regulations, an individual's interests in Plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits of the same institution will be insured up to $250,000 in the aggregate. In addition, under FDIC regulations an individual's interest in the deposits of one Bank held, for example, in (i) an IRA, (ii) government-sponsored 457 plan, (iii) self-directed Keogh plan, or (iv) self-directed defined contribution plan will be insured up to $250,000 in the aggregate, separately, whether or not maintained by the same employer or employee organization.

Questions about FDIC Deposit Insurance Coverage. If you have questions about basic FDIC insurance coverage, please contact your LPL Financial advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD), by visiting the FDIC website at www.fdic.gov/deposit/index.html or by email using the FDIC's on-line Customer Assistance Form available on the FDIC website.

SIPC Coverage

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like LPL Financial, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC insurance insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's brokerage account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of $500,000 (of which up to $100,000 may be cash) per customer in each separate capacity under SIPC rules. Additionally, LPL Financial accounts have excess of SIPC coverage per customer, subject to a $575 million aggregate firm limit. For more information on SIPC, including obtaining a SIPC Brochure, please contact SIPC at (202) 371-8300 or www.sipc.org.

Money Market Mutual Fund Shares are considered to be securities for purposes of SIPC coverage. The Deposit Accounts are not eligible for SIPC coverage.

If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your LPL Financial advisor or visit our website at www.lpl.com. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.

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