Truth in Lending Letter

Apex Clearing Corporation

This notice is provided by your brokerage firm and its clearing firm (Apex Clearing Corporation) regarding charges for any credit that either firm may extend to you in connection with your brokerage account(s).

1. **Cash Account Only:**

If you have cash accounts only, you may be charged interest on proceeds of sales which are paid to you prior to the settlement date at the rates listed in the Interest Rate Table below. These rates are subject to change without notice in accordance with any change in the broker call loan rate. Interest will also be charged on any late payments of purchases made in your account.

2. **Margin and Other Account Types:**

If you have account types other than cash accounts, you will be charged interest on any credit extended to or maintained for you for the purpose of purchasing, carrying or trading in any security. Interest will also be charged on any late payments of purchases made in your account.

The rate of interest will be based on the size and net debit balance during the interest period. The rates are subject to revision without notice in accordance with any changes in the broker call loan rate as published in the Wall Street Journal. When your interest rate is to be increased for any other reason, written notice will be given to you at least 30 days prior to such increase taking effect.

Interest Rate Table

Average Debit Balance	Interest Rate Above Broker Calls Money Rate (BC)
Below $15,000	BC + 6.25%
$15,000 – $49,999	BC + 5.75%
$50,000 – $99,999	BC + 5.25%
$100,000 – $249,999	BC + 4.75%
$250,000 – $499,999	BC + 4.25%
$500,000 and above	BC + 3.75%

The method of computing interest will be as follows: Interest is computed on a daily basis on the net debit balance during the interest period. In general, our interest period runs from the 16th of the prior month to the 15th of the current month. To compute your interest for such period it will be necessary to use the prior month's and the current month's statements as follows: take the debit balance on the 16th day of the prior month, each day add to it any debits appearing on your statement and subtract any credits to determine the day's debit balance; multiply each day's debit balance by the interest rate and by the fraction 1/360. The interest charged during the interest period is the total of the daily charges so computed. In the month of December, however, interest is computed and included to the last day of the year. Your monthly statements will show the opening and closing debit balances and the interest rate applicable to each day's net debit balance.

If, during any interest period, the movement of broker call loan rates requires a change in interest rates, separate charges will be shown for each change utilizing the different rates. Any adjustment of interest charged in the prior period will be posted as a regular entry on your account statement with a notation "Int. Adjustment Prior Period" and a description of the amount and the dates during the period that were affected.

Any credit balances generated by short sales (including shorts vs. the box) will not reduce your debit balance for the purpose of computing margin or debit interest.

All positions that have been sold short will be marked to the market. If the value of these short positions decreases in value, any margin debit will be reduced accordingly. If the value of these short positions increases in value, any margin debit will be increased accordingly. Marking to the market is done weekly or more frequently as needed.

If there is a debit in the cash account and there is a margin account, interest will be calculated on the debit balances in the cash account and charged to the margin account.

Free credit balances in all account types (except short accounts) which you may have with us will be set off against debit balances.

In addition to interest on debit balances, interest at the foregoing rates will be charged on the proceeds of sales paid to you prior to the settlement date and on late payments, including those in cash accounts.

All securities in all of your accounts are collateral for any debit balances, i.e., for any balances owed by you. A lien is created by those debits to secure the amount of money owed by you. This means that securities in your accounts can be sold to reduce or liquidate entirely any debit balances in your account, as is authorized in the Margin Agreement covering margin accounts.

In connection with margin accounts, if there is a decline in the market value of your securities which are collateral for your debits, you may be required to post additional margin. Ordinarily, a request for additional margin will be made when the equity in the margin account falls below our or our clearing firm's margin maintenance requirements, which may change from time to time without notice. We retain the right to require additional margin anytime we deem it desirable, and these margin calls can be met by delivery of cash or additional securities.

If you desire any further information concerning the foregoing please contact your account representative.

1st Discount Brokerage
Member: FINRA, SIPC

MARGIN DISCLOSURE STATEMENT

Your brokerage firm is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your firm. Consult your firm regarding any questions or concerns you may have with your margin accounts.

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

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

- **You can lose more funds than you deposit in the margin account**. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).

- **The firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or the firm's higher "house" requirements, the firm can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

- **The firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of the margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

- **You are not entitled to choose which securities or other assets your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.

- **The firm can increase its house maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).

- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

- **The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as a substitute payment in lieu of a dividend.** A substitute payment is not, a qualified dividend and is taxed as ordinary income.

- **Industry regulations may limit, in whole or in part, your ability to exercise voting rights of securities that have been lent or pledged to others.** You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.