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## ACCOUNT AGREEMENT

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The terms and conditions of this Account Agreement (“Agreement”) will control the account you are opening with M1 Finance LLC (“M1 Finance”) and any other account you open with us in the future.

### **1. INTRODUCTION**

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M1 Finance will act as your introducing broker and Apex Clearing Corporation (“Apex”) will act as the broker that will carry the Account and extend credit on any margin purchases.

In consideration of M1 Finance and Apex accepting, and Apex carrying, your Account, and by selecting “I agree” during the account opening process, you agree to the terms and conditions of this Agreement, as amended by us from time to time. This Agreement also includes applicable disclosure documents related to your Account (“Account Disclosures”), together with any additions, amendments, or supplements to such documents. There may be additional terms, account disclosures, or agreements, which may be applicable to a particular feature, program, account, or service related to your Account.

In addition, by using our website, you also agree to any other online agreements that we post on our website, including any changes we make to these agreements. You agree that these agreements are the legal equivalent of signed, written contracts, and equally binding. By using our website, you agree to any changes.

When you open an account with us, you agree:

- to provide truthful and accurate information, and to keep it current;
- to allow us to get credit reports and verify information you provide in your account application;
- to settle all transactions in U.S. dollars drawn on a U.S. financial institution; and
- to pay our fees and to pay any amount owed on your Account.

If we approve your account application, we will open an account for you.

Your Account is a brokerage account and not an advisory account. Our interests may not always be the same as yours. Please ask us questions to make sure you understand your rights and our obligations to you, including the extent of our obligations to disclose conflicts of interest and to act in your best interest. We are paid both by you and, sometimes, by people who compensate us based on what you buy. Therefore, our profits, and our employees’ compensation, may vary by product and over time. You may contact [compliance@M1Finance.com](mailto:compliance@M1Finance.com) if you would like to discuss the differences between a brokerage account and an advised account.

### **2. DEFINITIONS**

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“**You**”, “**Yours**”, “**the Undersigned**” and the “**Accountholder**” refer to the customer, which includes individuals, trusts, corporations, partnerships, investment clubs, and other entities.

“**We**”, “**Our**”, “**Ours**” and “**Us**” refer to M1 Finance or Apex, together with their Affiliates. “**Affiliate(s)**” means any entity that is controlled by, controls, or is under common control with, M1 Finance or Apex. Each Affiliate is a separate legal entity, none of which is responsible for the obligations of the other.

“**Authorized Person**” means another person, if any, whom you authorize to take action on an account with us, including to establish an account for you and to sign and deliver all required documents on your behalf, including any Advisor that you have.

“**Advisor**” means a financial advisor or registered representative, if any, with whom you have a separate agreement to manage and control your financial assets.

“**Agreement**” refers to this Agreement, together with any supplemental agreements.

“**Account**” means collectively or individually any account you have with us, including any and all funds, money, Securities and/or Other Property that



you have with us pursuant to this Agreement at any time.

**“Securities and/or Other Property”** means, but is not limited to, money, securities, and financial instruments of every kind and nature, and related contracts and options, distributions, proceeds, products, and accessions of all property.

**“Business Day”** means Monday through Friday, excluding New York Stock Exchange holidays. **“Bank Business Day”** means Monday through Friday, excluding Federal holidays.

Any references to **“signing”** or **“typing”** your name to this Agreement include selecting “I Agree” during the account opening process.

### **3. OWNERSHIP, AUTHORITY & AGENCY**

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To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Accordingly, when you open an account with us, we will ask for your name, address, date of birth, taxpayer identification number, and other information that will also allow us to identify you. We may also ask to see a copy of your driver’s license or other identifying documents.

By signing this Agreement, you certify that information you have provided to us is accurate and complete, and that you have truthfully and fully completed all the items in opening an account and using our services. You also certify that: (a) you are, and any Authorized Person is, of legal age to enter into contracts in the state where you live, a permanent resident of the United States, and using a valid social security number or taxpayer ID number; (b) no one has any interest in the Account unless such interest is shown in the title of the Account; (c) you are opening an account for investment purposes, and not to disable or disrupt our operations, or to engage in any abusive, improper, or illegal activity, and you agree not to take or engage in any such actions; (d) you are not employed by a broker-dealer or other employer whose consent is required to open and maintain this Account by regulation or otherwise, unless such consent has been provided to us; (e) you are not a director, 10% beneficial owner, policy making officer, or otherwise an “affiliate” (as

defined in Rule 144 under the Securities Act of 1933) of a publicly traded company, unless you have so indicated to us, and (f) you are not insolvent. You will immediately notify us in writing of any changes to these representations.

We and our Affiliates shall have the right, at our sole discretion, but not the obligation, to advocate judicially or administratively on your behalf where we suspect financial exploitation, dementia, or undue influence in the course of a transaction. Pending any judicial or administrative remedies, we shall have, at our sole discretion, the authority to pause or reject instructions for any such proposed transaction.

You appoint us as your agent for the purpose of carrying out your instructions, including those relating to the purchase or sale of securities. You assume all investment risk with respect to such transactions. All transactions will be executed only on your order or the order of your Authorized Person(s), except as provided by this Agreement or otherwise agreed to. As your agent, we are authorized to establish relationships with clearing brokers and to appoint and use sub-agents. You authorize us and our sub-agents to, among other things, maintain customer records; hold securities in bearer, registered, or book entry form; place and withdraw orders; and take other reasonable steps in connection with our duties. We may, in our sole discretion, and without prior notice to you, refuse or restrict your orders.

Apex carries your Account as clearing broker pursuant to a clearing agreement with us. We do not act as Apex's agent, and you will in no way hold us, any of our Affiliates, or any officer, director, or agent of ours liable for any trading losses or other losses you incur. Until we receive a written notice from you to the contrary, Apex may accept from us any instructions concerning your Account, without inquiry or investigation, including orders to purchase or sell Securities and/or Other Property.

### **4. INFORMATION DISCLOSURE**

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You acknowledge that you have received a copy of the M1 Finance Privacy Policy (“Privacy Policy”) brochure, which describes our general policies regarding the use and sharing of information, and the personal information provided to us in connection with the opening of an Account.



We may use and share information about you, and you may “opt out” of certain types of information sharing, in accordance with those policies. You authorize us to obtain consumer credit and other reports from any consumer reporting agency to obtain information necessary to open your Account or for any other purpose for so long as your Account is open, or any amount is owed to us. Even if you opt out of information sharing with third parties for marketing purposes as described in the Privacy Policy brochure, and unless you separately object in writing, we may release your name, address, and security positions to the companies that issued such securities, if requested by those companies. Further, if you do opt out, we may choose to close your Account and terminate our relationship.

We are required to make a reasonable determination and verification of your Account profile. Until such verification is complete, we may not be able to service and maintain your Account. By signing this Agreement, you consent to our obtaining background and/or credit reports necessary to comply with any federal or state statutes or industry regulations. We may request credit-reporting agencies for consumer reports of your credit history. Upon request, we will inform you whether we have obtained any credit reports and, if we have, we will inform you of the name and address of the credit-reporting agency. If you fail to fulfill the terms of your credit obligations, we may submit a negative credit report to a credit-reporting agency. Under the Fair Credit Reporting Act (the Federal law embodied in 15 U.S.C. § 1681 et seq.), you have the right to notify us if you believe we have reported inaccurate information about you or your Account to any consumer-reporting agency. Send your notice in writing by email to [support@m1finance.com](mailto:support@m1finance.com). Include your complete name, current address, telephone number, account number, type of account, specific item or dispute, and the reason why you believe the information reported is in error.

You understand that if you are associated with another member or member organization, we may notify your employer in writing of your intention to open and/or maintain an account. We will electronically transmit duplicate copies of confirmations and statements or other similar information with respect to the Account, to your employing member as required by regulation.

## **5. NO GUARANTEE ON ACCURACY OF THIRD PARTY INFORMATION**

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You understand that we are not responsible for the information we receive from third parties. While we use vendors we believe to be reliable, we have not verified and do not make any warranty for information provided by third parties. At various times, our website may contain links to other websites for the convenience of our customers; however, we have no control over these other websites. Therefore, we do not approve or endorse these websites, and cannot guarantee the accuracy, reliability, or completeness of any material presented on the third party website, including any data, policies, activities, products, services offered, or other information.

## **6. SERVICES AND PRODUCTS PROVIDED BY OTHERS**

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You understand that our websites allow you access to various financial products and services that are provided by companies that are independent of us. These products and services may be governed by separate terms and conditions that are accessible through the websites of the companies that provide the products and services. You agree to the terms and conditions that govern the products and services offered by these independent companies. The independent companies can enforce their terms and conditions, relying upon your acceptance of this Agreement to do so. You agree and intend this and any other online agreement to be the legal equivalent of signed, written contracts, and equally binding.

## **7. COMMUNICATIONS, RECORDING & MONITORING; STATEMENTS & CONFIRMATIONS**

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We will send communications to the email address we have on file for you.. All communications we provide to you by email will be deemed personally delivered to you, whether you actually receive the communication or not.

You consent to our recording your telephone calls with us and monitoring your electronic communications with us without further notice.

It is your responsibility to review all account statements and trade confirmation delivered to you. We will conclude that all information is correct unless you contact us within ten (10) calendar days of receiving notice that the account statement or trade



confirmation is available. Failure to notify us shall prevent you from later asserting that such transactions were unauthorized.

If, for any reason, you do not periodically receive e-mails from us notifying you of your account statements or trade confirmation delivery, you agree to notify us immediately so that we can determine the cause of the notification failure, and take appropriate steps to correct it.

We will not send separate confirmations for the following transactions: (i) shares of money market mutual funds which are purchased or redeemed, (ii) reallocations of your Account pursuant to the terms and conditions of paragraph 29, or (iii) transactions effected pursuant to a periodic plan or automatic investment or withdrawal plan. Your Account statements will reflect these transactions.

You also agree to notify us promptly, in writing, of any change in your name, e-mail address, physical address, or employment.

## **8. PRE-DISPUTE ARBITRATION AGREEMENT**

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This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the Parties agree as follows. “Party” or “Parties” means you and M1 Finance, together with their Affiliates, collectively:

- All of the 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 forum in which the claim is filed.
- Arbitration awards are generally final and binding; a Party's ability to reverse or modify an arbitration award is very limited.
- The ability of the Parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings.
- 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.**

- **The panel of arbitrators typically will include a minority of arbitrators who were or are affiliated with the securities industry.**
- **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.**
- **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.**

**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 decertified; or**
- iii. **the client 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.**

**It is agreed that all controversies or disputes which may arise between you and us, including controversies or disputes with clearing agent, Apex (collectively, “us”), concerning any transaction or the construction, performance or breach of this Agreement or any other agreement between us, whether entered into prior to, on, or subsequent to the date of this Agreement, including any controversy concerning whether an issue is arbitrable, shall be determined by arbitration conducted before, and only before, an arbitration panel set up by the Financial Industry Regulatory Authority (“FINRA”) in accordance with its arbitration procedures. Any of us may initiate arbitration by filing a written claim with FINRA. Any arbitration under this Agreement**



**will be conducted pursuant to the Federal Arbitration Act and the Laws of the State of Illinois.**

## **9. NO INVESTMENT ADVICE**

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You understand and acknowledge that we do not provide any investment recommendations in connection with your Account, nor do we give advice or offer any opinion with respect to the suitability, profitability, or appropriateness for you of any security, investment, financial product, or investment strategy. You understand and acknowledge that you are responsible for determining whether a security transaction or strategy is suitable for you. All transactions will be done only on your order or the order of your Authorized Person(s), except as otherwise provided in this Agreement.

By making information available to you on our website, including model portfolios, we are not recommending or advising you to invest in any particular security, investment, or financial product, or to use any investment strategy. Information on our website is not personalized to fit your needs. It is not tailored to reflect your own financial circumstances or investment objectives, so the securities or investment strategies discussed on our website might not be suitable for you.

Risk is inherent in all investments, and you are responsible for determining whether you are able to assume the risks associated with your investments. We may provide tools that enable you to assess your own tolerance for risk; however, we do not review your financial situation or tolerance for risk and have not determined whether the tools we may provide will result in suitable, or profitable, investments for you.

## **10. PURCHASES AND SALES**

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We may execute orders to purchase or sell Securities and/or Other Property on any exchange or market we select. You are responsible for keeping yourself informed, and we are under no obligation to keep you informed of developments in the markets concerning your Account. You acknowledge that Securities and/or Other Property held in your Account may carry with them valuable rights that may expire unless you take action. You will be solely responsible for knowing the rights, terms, and

deadlines for taking action with respect to Securities and/or Other Property in your Account, and for taking action to realize the value of such Securities and/or Other Property. We have no obligation to notify you of the nature of such rights and terms, or of impending deadlines, expiration, or redemption dates affecting such Securities and/or Other Property.

We may, at our sole discretion, and without prior notice to you, prohibit or restrict your ability to trade or substitute Securities and/or Other Property in your Account. We cannot guarantee requests to cancel or modify an order. We may receive late and/or erroneous trade reports from the marketplace where your order is executed, which may result in an adjustment to your order, or the information on a trade execution reported to you.

We are not liable in connection with entering, executing, handling, selling, or purchasing securities or orders for your Account, except for gross negligence or willful misconduct on our part.

## **11. SECURITY INTEREST, INDEBTEDNESS, & LIQUIDATION**

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Except for ERISA (Employee Retirement Income Security Act of 1974, as amended) and IRA Accounts, the Securities and/or Other Property that we or our Affiliates currently hold, hold in the future, carry, or maintain for you shall be subject to a lien, a continuing and perfected security interest, and a right of set-off for the discharge of any and all indebtedness, or any other obligation you may have to us, and are to be held by us as security for the payment of any liability or indebtedness of yours to us in any of your Accounts held by us or any of our Affiliates. We will maintain a right to charge your Account for commissions, account fees, and other fees that are normal and customary as part of this Agreement.

In connection with enforcing our lien, perfected security interest, or right of set-off, we may, at any time, and without giving you prior notice, use, transfer, or liquidate any or all of your Securities and/or Other Property in any of your Accounts held by us or any of our Affiliates in order to satisfy a debt, or any other obligation you may have to us in your Accounts held by us or any of our Affiliates. Such use, liquidation, or transfer may occur without regard to whether we have made any advances in



connection with such Securities and/or Other Property, and without regard to the number of Accounts you may have with us. Included within our right of enforcement, we shall have the sole discretion to determine which Securities and/or Other Property are to be sold, or which contracts are to be closed without regard to any tax or other consequences you may face as a result of such actions. In the event of a breach or default by you under this Agreement, we maintain all of the rights and remedies available to a secured creditor under all applicable laws, in addition to the rights and remedies provided in this Agreement. You agree to indemnify and hold us and our Affiliates harmless from and against any losses or expenses incurred in connection with such enforcement or any other remedies available to us, including reasonable costs of collection.

While we reserve the right to use, transfer, or liquidate your Securities and/or Other Property without demand or prior notice, if demand is made upon you, you agree to satisfy any indebtedness, and pay any debit balance in any Account held by us or any of our Affiliates in which you have an interest. A finance charge may be charged on any debit balance in your Account, together with any increases in rates caused by money market conditions, and with such other charges as we may impose to cover our extra services.

You further agree that if you (i) default on any of your obligations under this Agreement; (ii) become bankrupt, insolvent, or subject to a similar condition, or subject to any bankruptcy, reorganization, insolvency, or other similar proceeding; or (iii) we, at our sole discretion, deem it advisable for our protection, then we may, at any time and without prior notice to you, (a) cancel, terminate, accelerate, liquidate, and/or close out any or all agreements or transactions between us and you, or otherwise relating to the Account, and calculate damages in a manner we deem appropriate; (b) pledge, transfer, or sell any assets in the Account, or any other account in which you have an interest (whether such account is held with us or our Affiliates), either individually or jointly with others; or (c) take any other action as we, in our sole discretion, deem appropriate with respect to any of the foregoing, and apply the proceeds to the discharge of such obligation.

In pursuing the remedies available to us, we may, without limiting our rights under this section, offset amounts you owe us against any amounts that we owe you. You will remain liable for any deficiency. You will pay the reasonable costs and expenses of

collection of any debit balance, and any unpaid deficiency in any of your Accounts, including, but not limited to, attorney fees incurred by us.

You authorize us and we have the right, at our sole discretion, to require additional collateral at any time. If a petition in bankruptcy or appointment of a receiver is filed by or against you, or if an attachment is levied against any Account in which you have an interest, or in the event of your death, we have the right, at our sole discretion, to sell any or all assets in your Account, whether carried individually or jointly with others, to buy any and/or all assets which may be short, to cancel any open orders, and to close any or all outstanding contracts, all without notice of sale or purchase or other notice or advertisement. Any such sales or purchases may be made at our discretion on any exchange or other market, or at public auction or private sale, and we may be the purchaser(s) for our own account. It is understood that a prior demand, call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of our right to sell or buy without demand or notice as provided in this Agreement. After deducting all costs and expenses of the purchase, buy-in and/or sale and deliveries, including, but not limited to commissions and transfer and stamp taxes, we shall apply the residue of the proceeds to the payment of any and all of your liabilities to us. You will remain liable for any deficiency.

No course of dealing between you and us, nor any delay on our part in exercising any of our rights or remedies shall constitute a waiver thereof, and any such right or remedy may be exercised as often as we may determine.

## **12. NOT FDIC INSURED/ SIPC ACCOUNT INSURANCE**

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Securities and Other Property held in your Account are not deposit obligations, and are not guaranteed by any bank. Such securities and Other Property are not insured by the Federal Deposit Insurance Corporation ("FDIC"), and are subject to investment risks, including possible loss of the principal amount invested.

We are a member of the Securities Investor Protection Corporation ("SIPC"). SIPC protects client accounts against the loss of their securities in the event of the member's insolvency and liquidation



by replacing missing securities and cash up to a maximum of \$500,000 per client, including \$250,000 for claims for cash. SIPC does not protect you against losses from changes in the market values of your investments. For more information on SIPC coverage, please see the explanatory brochure available at [www.sipc.org](http://www.sipc.org), or contact SIPC at 202-371-8300.

Monies held at banks are NOT covered by SIPC, they are instead covered by FDIC insurance.

### **13. CONTROL OR RESTRICTED SECURITIES**

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Prior to placing an order for securities subject to Rule 144 or 145 of the Securities Act of 1933, you must identify the status of the securities, and furnish us with the necessary documents to obtain approval to transfer and register these securities. There may be delays in processing these securities, and we will not be liable for any losses caused directly or indirectly by any delays. We may decline to accept an order for these securities until the transfer and registration of such securities has been approved.

### **14. NO TAX OR LEGAL ADVICE**

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We do not provide tax or legal advice with regard to any Account. You should consult with your personal tax advisor before making tax-related investment decisions. We do not render legal advice, nor are we obligated to take any action with respect to legal proceedings, including bankruptcy, that may arise regarding securities held or formerly held in your Account, or the issuer of those securities.

### **15. FEES & CHARGES**

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We do not charge a platform usage fee; however, we may assess your Account with charges to cover our services, or the termination of services, including, but not limited to, an annual household fee, operational & service fees, custodial fees, and transaction fees and commissions. This fee structure may be amended at any time without notification to you, and you agree to pay all applicable fees and charges. You agree that we may debit your Account for any fees or charges that you incur, or any reasonable out-of-pocket

expenses we may incur on your behalf. You agree to pay or reimburse us for all applicable state and local excise taxes. Any profit or loss from foreign currency exchange rated transactions will be charged or credited to your Account. Upon our request, you agree to reimburse us for any actual expenses we incur to execute, cancel, or amend any wire transfer payment order, or perform any related act at your request. We may charge any Account of yours for such costs and expenses without prior notice to you. Please see M1 Pricing and Fees disclosure for additional detail regarding applicable fees and charges. Among other things, please note that we receive fees related to your margin trading (see Section 22 of this Agreement) and securities lending (see Section 16 of this Agreement).

### **16. SECURITIES LENDING PROGRAM**

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All M1 Finance LLC clients are automatically enrolled in the Securities Lending program. Clients agree to the Master Securities Lending Agreement for APEX Clearing Corporation when opening an M1 Finance LLC account which outlines the details of the program including the risks and the benefits of participating.

Securities Lending involves lending securities to financial institutions who may want to borrow securities for multiple reasons. These reasons include but are not limited to supporting trading strategies, covering short sales, or satisfying customer possession and control requirements. Borrowers actively seek securities which are “hard to borrow”, meaning there is a limited supply of the securities available to be loaned.

#### **Dividends:**

For securities that are on loan, investors do not receive dividend payments directly on the securities, however they do receive and are entitled to substitute payments of equal value. These payments have different tax ramifications than a typical dividend payment and are taxed at income rates as opposed to typically lower dividend rates.

#### **Voting:**

On shares that are loaned clients will lose proxy voting rights.

#### **SIPC Coverage on Loaned Securities:**



The borrower provides collateral for the loan, usually cash, to protect the lender in the event of the borrower's default. To protect investors, cash is usually deposited on their behalf into a special reserve account protected by the Securities Investor Protection Corporation (SIPC®). Loaned securities **are not covered by SIPC**, however the collateral received for those securities typically are.

You should consult the [Master Securities Lending Agreement for APEX Clearing Corporation](#) for specific information.

M1Finance LLC keeps any revenue received from the Fully Paid program to allow it to offer its investment platform for free. Securities Lending is a relatively easy way to generate revenue on securities held by Apex on behalf of M1 Finance. M1 receives a credit to their account for the loan fee paid by the borrower. The clearing agent, Apex Clearing Corp., is entitled to receive a portion of the loan fee and the remainder is paid to M1 Finance. Securities held have no guarantee of being lent, and loan fees will fluctuate depending on market supply and demand.

For more information, please see [Apex Additional Fully Paid Disclosures and Information](#)

With any questions or to opt out of the Securities Lending Program, please contact [support@m1finance.com](mailto:support@m1finance.com)

## **17. PAYMENT FOR ORDER FLOW**

Securities which are traded in your Account may be traded in more than one marketplace. Consistent with the principles of best execution and applicable regulatory requirements, you agree that we may use our discretion in selecting the routing destination.

We route customer orders for over-the-counter and listed equity securities to selected market makers and exchanges for execution. We are not compensated directly for routing orders to market makers. However, we may receive rebates for providing liquidity to certain exchanges which are credited against the fees charged by those exchanges. We consider a number of factors when determining where to send customer orders including execution speed, price improvement opportunities, the availability of efficient and reliable order handling systems, the level of service provided, and the cost

of executing orders. We regularly review transactions for quality of execution.

We route customer option orders to selected broker dealers' smart routers and option exchanges for execution. In the event we receive compensation for directing orders to specific market centers for execution, such compensation may include cash payments as well as non-cash items such as discounts, rebates, reductions, or credits against fees that would otherwise be payable in full. We consider a number of factors when determining where to send customer orders including, but not limited to, price improvement opportunities, the availability of efficient and reliable order handling systems, the level of service provided, and the cost of executing orders. We regularly review transactions for quality of execution.

The source and amount of any compensation received in connection with your transactions will be disclosed upon written request. Please contact an Investment Professional for further information.

## **18. REALLOCATION ONLY**

M1 Finance does *not* participate in a Dividend Reinvestment Plan ("DRP"). Instead, M1 Finance will simply reallocate any dividends, capital gains, and return-of-capital income distributions pursuant to the reallocation terms and conditions set forth in paragraph 29.

## **19. PARTIAL SHARES**

You generally cannot transfer any partial (or fractional) share amount out of your Account. If you want to transfer the securities in your Account to another financial services firm, and the receiving firm does not accept partial shares, we will transfer your whole shares. Partial shares will be sold in the next window after we receive your complete transfer instructions. The money from these partial share sales will be deposited in your Account and transferred according to the transfer instructions.

## **20. ACCOUNT TYPES**





M1 Finance offers many different account types, including individual and joint accounts, individual retirement and other retirement accounts, custodial, DVP, estate, trust, and partnership accounts. Account types may be subject to certain restrictions and eligibility requirements, and certain services are not available to all clients and account types. You are responsible for selecting the account type that is appropriate for your needs and circumstances.

Regardless of the governing law provisions of this Agreement concerning the contractual obligations of the parties under the Account, the legal ownership of your Account shall be governed by and interpreted under the internal laws of your state of residence.

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## A. JOINT ACCOUNTS

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If this Account is maintained in the name of two or more persons, each Account holder agrees to be individually and jointly liable for all obligations under this Agreement.

Each Accountholder will have authority, acting individually, and without notice to any other Accountholder, to give instructions, buy, sell, and otherwise deal in Securities and/or Other Property, and to deal with us with regard to the Account as fully and completely as if each Accountholder alone were interested in the Account. You authorize us to follow the instructions of any Accountholder and to deliver funds, securities, or other assets held in the Account to any Accountholder or in accordance with any Accountholder's instructions, even if such deliveries and/or payments shall be made to any of you personally, and not for the Joint Account. You further authorize us to receive into the Account any Securities and/or Other Property delivered to it by or for either of you without delineation as to actual ownership of the property. In any situation where we cannot determine to our satisfaction the proper distribution of property from a Joint Account upon the death of one owner, we may, at our sole discretion, freeze the Account indefinitely pending a resolution deemed satisfactory to us or a final decision of an arbitrator or court having jurisdiction over the matter.

We are not responsible for determining the purpose or propriety of any instruction we receive from any Accountholder or for the disposition of payments or deliveries among joint Accountholders. Any notice we send to one Accountholder will be deemed to be notice to all Accountholders. You further authorize us to receive into the Account any Securities and/or

Other Property delivered to us by or for any Accountholder without delineation as to actual ownership of the property.

At any time, we may, in our sole discretion, require joint or collective action by all Accountholders. You authorize us, in our sole discretion, to do any one or more of the following: (i) select which instructions to follow; (ii) suspend all activity in the Joint Account, except upon further written instructions signed by all of you or upon instructions of a court; (iii) close the Joint Account and send any and all assets by ordinary mail to the address of record; or (iv) file an interpleader action, in which event we shall be entitled to recover all costs including reasonable attorneys' fees in an amount set by the court. Filing an interpleader action, however, will not serve as a waiver of our right to arbitration. If upon the death of one or more of the Accountholders, we cannot determine to our satisfaction the proper distribution of property from a Joint Account, we may, at our sole discretion, freeze the Account indefinitely pending a satisfactory resolution or final decision of an arbitrator or court having jurisdiction over the matter.

Laws governing joint ownership of property vary from state to state. You are responsible for verifying that the joint registration you select is valid in your state. Generally, however, for joint tenants with rights of survivorship, in the event of the death of any of the tenants, the entire interest in the joint Account shall be vested in the surviving joint tenant(s) on the same terms and conditions. For tenants in common, the interest in each tenancy shall be equal unless specified otherwise and in the event of the death of any of the tenants in common, the interest in their share of the tenancy shall vest in the decedent's legal representative. State laws regulating community property vary. If you designate your Account as a community property account, we will treat all property in the Account and any proceeds in the Account as community property. You should consult your personal legal advisor regarding the community property laws of your state of residence.

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## B. CUSTODIAL ACCOUNTS FOR MINORS

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If the Account is a custodial account, we will maintain an account established under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act. You represent that the assets in the Account belong to the minor, and that you will only use all such assets for the benefit of the minor. We are not



responsible for determining the appropriateness of any actions you take as custodian.

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**C. INDIVIDUAL RETIREMENT ACCOUNTS**

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If this is an Individual Retirement Account (“IRA”), by signing this Agreement you acknowledge that you have completed and signed an IRA enrollment form to open an IRA and you have adopted Apex Clearing Corporation (“Apex”) to serve as Custodian.

If you wish to cancel your Account, you must do so on or before the seventh (7th) calendar day after you receive the “Custodial Agreement and Disclosure Statement” by either delivering or mailing a written notice of cancellation to: Apex Clearing Corporation 350 North St. Paul Street, Suite 1300, Dallas, Texas 75201

This Agreement, and the Custodial Agreement and Disclosure Statement for your IRA include the terms and conditions of the relationship entered into by you and M1 Finance or Apex (as applicable).

Your beneficiary is the individual, estate, trust, or organization you designate when you open your IRA. You may change your beneficiary designation at any time by contacting us at the address listed on your Account statement. Each beneficiary designation you file with us will cancel all previous designations. Your beneficiary is subject to, and bound by, all the terms and conditions of the Custodial Agreement and Disclosure Statement. It is very important that you review the Custodial Agreement and Disclosure Statement, because if a beneficiary does not survive you, or if there is no record of a designated beneficiary, or if you divorce, the default beneficiary provisions of the Custodial Agreement and Disclosure Statement will govern. Also, if you name a trust, estate, or minor child as a beneficiary, there are additional requirements or information that will be required in accordance with the Custodial Agreement and Disclosure Statement.

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**D. TRUST & OTHER FIDUCIARY ACCOUNTS**

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If this Agreement is entered into by you as Trustee or other fiduciary, you represent that investments for the Account are within the scope of the investments authorized by such Trustee or other fiduciary's power to delegate under the governing instruments and/or laws, and that you are duly authorized to enter into this Agreement. You also undertake to advise us of any event which might affect your power or

authority as Trustee or other fiduciary or the property subject to this Agreement.

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**E. ABANDONED, UNCLAIMED OR DORMANT ACCOUNTS**

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We may impose fees on Accounts that are considered unclaimed, abandoned, or dormant as permitted by applicable state law. Accounts presumed to be abandoned or unclaimed will be escheated or delivered to the state listed as your address of record for your Account in accordance with applicable law. For more information about the treatment of unclaimed property in your state and the escheatment process, you should contact the appropriate state government agency of the state in which you reside.

In addition to the provisions above, you understand that M1, at its sole discretion, and without notice to you, may close your account for low inactivity. In such cases, M1 will liquidate all securities positions, and return to you the entire account balance, less any allowable fees.

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**21. SPECIAL PROVISIONS REGARDING ACCOUNTS ADVISED (OR MANAGED) BY THIRD PARTIES**

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The following provisions apply for all of your Accounts managed by an Advisor. By entering into this Agreement, or authorizing your Advisor to do so, you agree to this Agreement as amended by us from time to time. By using our website, or authorizing your Advisor to do so, you agree to any online agreements that we post on our website, including any changes we make to these agreements (of which your Advisor should inform you). You agree that these agreements are the legal equivalent of signed, written contracts, and equally binding.

You certify that:

- Your Advisor has investment discretion and trading authority over your assets held with us.
- Your Advisor has the authority to receive prospectuses for securities purchased for your Account for which prospectuses are required to be delivered.



- Your Advisor has the authority to receive trade confirmations for trades made in your Account and statements for your Account.
- Your Advisor has the right to be paid their fee from assets in your Account.
- Your Advisor has access to review and update certain elements of your profile and account information, and has the ability to view any action in your Account even if such action is taken directly by you separately from your Advisor.
- You agree to the Special Provisions Regarding Proxy Voting and Certain Voluntary Corporate Actions, below.
- You will first call your Advisor (before calling us, which you may do if necessary) if you have questions about your Account or any transactions. Your Advisor may in turn call us if assistance is required.
- Your Advisor may incur fees in your Account through trading or special service requests.
- Either you or your Advisor may close your Account at any time. This Agreement will remain binding until we acknowledge in writing that it is no longer valid.
- You are allowing us to debit your Account for all fees payable to your Advisor (as well as fees payable to us). Upon notice of account closure or transfer, we also reserve the right, but we are not obligated, to bill your Account for management fees submitted via invoice from your Advisor in the amounts provided by your Advisor's client agreement with you. Any discrepancy in fee amounts or prorated fees must be addressed directly with your Advisor.
- You authorize us to accept instructions from your Advisor and to take all actions that are necessary or incidental to such instructions without obtaining your approval or counter-signature.
- You indemnify and hold us and our affiliates, directors, officers, employees, and agents harmless under this Agreement from and against all claims, actions, costs, and liabilities, including attorneys' fees, arising

from or related to the performance or non-performance, delivery or non-delivery of services by your Advisor and any dispute between you and your Advisor that does not directly result from our performance of services as set forth in this Agreement.

## **22. MARGIN TRADING**

When you purchase securities on margin, you are borrowing money from us and pledging all securities and other property in your Account as collateral for these loans. You agree to evaluate your own financial situation, resources, investment objectives, and other relevant circumstances to determine whether margin transactions are appropriate for you. We will not make this determination. Even if you determine that margin is appropriate for you, we will determine whether to make such loans to you. You also understand that trading securities on margin involves risks, including, but not limited to, the following:

- You can lose more funds than you deposit in your margin Account;
- We may force the sale of securities or other assets in your Account;
- We may sell your securities or other assets without contacting you;
- You are not entitled to choose which securities or other assets in your Account are liquidated or sold to meet a margin call;
- We may increase our “house” maintenance margin requirements at any time, and we are not required to provide you advance written notice of the change; and
- You are not entitled to an extension of time on a margin call.

There are rules and regulations covering margin loans, including the initial and margin maintenance requirements for margin Accounts. We may impose more stringent margin requirements, which may change without notice to you.

In the event you carry margin accounts with us, you agree that we may liquidate securities we deem



necessary, in our sole discretion and without prior notice or demand, to maintain or protect, as required in certain circumstances, the required minimum equity in any margin accounts, including initial margin requirements as well as required margin maintenance requirements. We must receive good funds sufficient to fully cover purchases of securities before the close of business on settlement date. If sufficient funds are not in your Account on settlement date, your trade may be liquidated or offset at the option of and in the full discretion of us. We shall not incur any liability whatsoever to you for such action.

All securities and other property in which you may have an interest held by us or carried for your Account, now and hereafter acquired, shall be subject to a general lien and a right of set-off for the discharge of your indebtedness and other obligations to us, and are to be held by us as security for payment of any liability or indebtedness of you to us in any of your Accounts with us. We shall have the right to transfer securities and other properties so held by us from or to any of your Accounts with us whenever in our judgment we consider such transfer necessary for its protection. In enforcing our lien, we shall have the discretion to determine which securities and property are to be sold and which contracts are to be closed. No provision of this Agreement concerning liens or security interests shall apply to any account to the extent such application would be in conflict with any provision of ERISA or the Internal Revenue Code relating to retirement accounts.

In the event you become indebted to us in the course of operation of this Account, you agree to promptly and fully repay such indebtedness upon demand. You agree that if, after demand, you fail to promptly pay the indebtedness, we may close your Account and without further notice liquidate assets in your Account, or any assets or Accounts otherwise held by us, in an amount sufficient to pay your indebtedness, buy in ("cover") short positions, cancel outstanding orders in whole or in part, and take any other appropriate or necessary action without incurring any liability whatsoever. You understand and acknowledge that we may assign any indebtedness owed by you to others. All costs of collection of any debit balance and any unpaid deficiency in your Account, including without limitation attorney's fees incurred by us, shall be fully reimbursed by you to us

To trade on margin, your Account must maintain at least \$2,000 in minimum equity. You will meet the margin requirement in your margin Account before

entering any order and will satisfy any additional terms we may require. We may apply all premiums received from options writing against your margin requirements. You have the obligation to monitor the balances in your margin Account to ensure that you maintain sufficient amounts to meet margin requirements at all times.

We may decline to extend credit to you for any reason. There may be times when we have extended credit on certain securities, but due to market or other conditions, may require additional cash or securities from you.

You will pay interest on any credit provided to you for the purpose of purchasing, carrying or trading in any security. The interest rate will be determined using a base rate, and your margin interest rate will vary based on the base rate and the margin balance in your margin Account during the interest period. The base rates, and any changes, will be posted our website. We reserve the right to change the base rate without prior notice to you.

Interest will be calculated, for each day your Account carries a debit balance, by multiplying the applicable interest rate by your debit balance, with the result divided by 360. The sum of the daily interest charges is totaled at the end of each Account statement period and is posted to your Account on the last Business Day of the Account statement period. You will not earn interest on credit balances.

We may pledge, repledge, hypothecate, or re-hypothecate, without notice to you, all securities and other property that you hold, carry, or maintain for any of your Accounts. We may do so without retaining in our possession or under our control for delivery the same amount of similar securities or other property. The value of the securities and other property that we may pledge, repledge, hypothecate, or re-hypothecate may be greater than the amount you owe, and any losses, gains, or compensation that result from these activities will not accrue to your Account.

We are authorized to lend to ourselves or others any securities we hold in your Account and to carry all securities lent as general loans. In connection with such loans, we may receive compensation and retain certain benefits that you will not be entitled to, such as interest on collateral posted for such loans. In certain circumstances, such loans may limit your ability to exercise voting rights with respect to the securities lent. You understand that, in certain situations in



which we have borrowed your securities, you may receive a “payment in lieu” of the dividend issued.

### **23. SPECIAL PROVISIONS FOR PROXY VOTING AND CERTAIN VOLUNTARY CORPORATE ACTIONS**

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You retain the right and obligation to vote any proxies relating to the securities held in your Account. M1 Finance does not acquire or exercise proxy voting on your behalf, and will not advise you on the voting of proxies. You will receive proxy materials directly from the securities issuer or their providers, and any proxy voting must be exercised by you directly.

### **24. ELECTRONIC NOTICE, DELIVERY, AND ACCESS TO DOCUMENTS**

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Our opening and maintaining your Account is conditioned on your agreement to receive all notices, documents, and other information related to your Account and investments electronically. This may be done through an online posting on our website, by email or other electronic media to which you hereby consent. Your consent to electronic delivery extends to all information required to be provided by us, by the issuers of the securities in which you invest, and by other third parties. This means you will receive email or other notices that your account statements, confirmations, tax documents (which may include Form 1099DIV–Dividends and Distributions, Form 1099INT–interest Income, and Form 1099MISC–Miscellaneous Income), prospectuses, annual reports, our Privacy Policy, and all other information are available for viewing or printing from our website.

You agree that when we send these email notices to you that they constitute delivery to you of the information or documents referred to in the email, even if you do not actually access the information or documents on our website. This consent will be effective immediately, and will remain in effect unless revoked by us or by you. You may revoke this consent to electronic delivery at any time by providing written notice to us. However, since we have priced our services based on the considerable savings of electronic delivery, we reserve the right to terminate your Account or, in certain instances, charge you an extra fee if you ask for paper documents.

You agree to keep a working email address and other current contact information and will update your Account information immediately if your email address or other contact information changes. If you do not maintain an email address that is working and accessible to us, and we believe we are required to provide you paper notice or documents of particular matters or actions, and we do so, we may charge you an additional fee of not more than \$100 per such delivery. You acknowledge that you may incur costs (such as online service provider charges or printing costs) associated with the electronic delivery of information to you. To view PDF files, you will need to download the Adobe Acrobat Reader, which is provided for free.

In order to ensure that you receive all notices and documents either electronically or in paper form, as applicable, you must provide us with your current email address and other contact information. If your email address or other contact information changes at any time, you need to update your account information on our website. If we send you a paper reminder of the need to have an email address that is working and accessible to us, we will charge a reasonable fee for that reminder.

### **25. ACCOUNT ACCESS AND PLACING ORDERS**

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All trading orders must be placed through our website. **Alternatives are not available.**

Our Customer Service Representatives can assist you in entering an order online, but they cannot accept orders over the phone.

### **26. RISKS OF LIMITING TRADES TO OUR WEBSITE**

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Please consider carefully if you can afford or want to take on the risks of limiting your method of placing orders to our website. If you cannot access our website or our website is not functioning, you may not be able to place orders through other means. You agree that you assume responsibility for all losses that arise if your orders cannot be placed on or through our website.



## **27. RISKS OF ONLINE INVESTING**

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While we have put resources into building and testing our computer systems, computer glitches, slowdowns, and crashes will occur. We will also need to restrict access to some parts of our website or our entire website to perform routine maintenance. We will try to schedule our maintenance during the middle of the night.

While it is our intention that our website will be available seven days a week except when maintenance is scheduled (usually for weekends), you understand that we do not guarantee that you will always be able to access our website to place orders, or that your orders will always be executed. Computer problems can arise on your end, our end, or anywhere in between: your computer may break down; the connection between your computer and your Internet service provider may not work properly; your Internet service provider may go down; or our computers and the computers we link to may be unavailable due to unforeseen system outages.

When trading volumes soar on our nation's stock markets and many investors want to buy or sell at the same time, lines form and orders cannot be filled as quickly. You agree that we are not responsible for any losses or liabilities that may occur as a result of high trading volume, market volatility, or computer, telecommunications, or Internet failures, regardless of the cause.

## **28. KEEP YOUR ACCOUNT INFORMATION SECURE**

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You understand that you are responsible for securing the confidentiality and use of your user name, password, and other methods of securing access to your Account(s). You will be solely responsible for all transactions that are sent electronically using your user name, password, and other security measures. You should notify us immediately if your user name or password is compromised or lost.

You understand that we use technology to protect and encrypt the transmission of information from and to you. You also understand that we strongly suggest that you use a browser with 128-bit encryption to secure your information.

While we have taken reasonable measures to keep your information secure, we are not liable if your data and communications are intercepted. Should someone

intercept a transmission of your information, you agree that you will not hold us, our Affiliates, independent companies, or others who provide services through our website liable for any type of damages. This includes any liabilities or damages resulting from viruses that may infect your or our computer(s) or third-party Internet facilities.

## **29. MARKET QUOTES, MARKET ORDERS AND MARKET VOLATILITY**

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We will make reasonable efforts to have accurate market quotes and information available during market hours. However, you understand that we cannot and do not guarantee the accuracy or availability of such market quotes and information. Accordingly, you agree that our sole liability for claims arising out of the interruption, accuracy or delay of market quotes and information shall be to use our best efforts to resume the quote service as promptly as reasonably practicable.

You understand that there will be a lag in the price displayed on your screen, and that you will receive the price at which your order is executed in the marketplace. Particularly during periods of high volume, illiquidity, fast movement, or volatility in the marketplace, the execution price received may differ from the quote provided on entry of an order, and you may receive partial executions of an order at different prices. You understand that M1 Finance is not liable for any such price fluctuations. You also understand that price quotes generally are for only a small number of shares as specified by the marketplace, and larger orders are relatively more likely to receive executions at prices that vary from the quotes or in multiple lots at different prices.

## **30. ELECTRONIC FUNDS, AUTOMATED DEPOSITS, PAYMENTS, TRANSFERS, & REALLOCATIONS**

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### **A. LINKED CHECKING ACCOUNT**

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You may maintain a maximum of one linked checking account (the "Linked Checking Account") at any time. Initially, your Linked Checking Account will be the account that you designate. To establish



or change the Linked Checking Account, you will comply with applicable procedures on the website. We may place restrictions on the frequency with which you may change your Linked Checking Account.

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## **B. DEPOSITS AND WITHDRAWALS TO THE ACCOUNT; REBALANCING**

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At any time, you may enter instructions with M1 Finance to make cash deposits to the Account from the Linked Checking Account or withdrawals from the Account to the Linked Checking Account by taking appropriate action within the interface. You understand and agree that the deposit and withdrawal of funds to or from the Account will be conducted exclusively in cash via ACH transactions. You understand and agree that ACH transactions are subject to processing delays which may last up to five Business Days or longer, and funds transferred may not be credited to the Account, or otherwise available to you, during processing. M1 Finance, in its sole discretion, may impose a longer waiting period during which funds may not be available for trading or withdrawal. M1 Finance may, in its sole discretion, permit the transfer of funds into or out of the Account in other forms or via alternative means. M1 Finance reserves the right, at its sole discretion, and without advance notice to you, to refuse certain types of additions of funds to the Account. M1 Finance reserves the right to require that you make requests for withdrawals from the Account in writing. You may alternatively request transfer of funds to a different M1 Finance Account, or to a broker-dealer other than M1 Finance, by submitting a request to M1 Finance in a form determined by M1 Finance. Certain assets held in the Account may not be accepted by another broker-dealer. M1 Finance may determine to cancel this Agreement as a result of a request to transfer assets to another broker-dealer.

You understand that any deposits to or withdrawals from the Account may trigger buy, sell, or rebalancing transactions, as well as impact the performance of the Account. In establishing your Account, you will have directed an allocation of securities in your Account which you may change from time to time. You understand that once you define your target allocation of securities, all trades are generated and completed by M1 Finance's proprietary dynamic rebalancing algorithm. Any deposits to, withdrawals from, or rebalancing of the Account may trigger buy or sell transactions, as well as impact the performance of the Account.

The M1 Finance dynamic rebalancing algorithm is designed to minimize the trading required to most effectively move holdings towards their target given a certain amount to invest or divest. The M1 Finance dynamic rebalancing algorithm will generate and complete trades within a specified time period each trading day (a trade window). For each held position, the dynamic rebalancing algorithm creates a rank order of underweight to overweight securities by comparing current holdings to target holdings. When a deposit is made to an Account, M1 Finance invests in the most underweight security first up to the amount of the next most underweight, and then in tandem up to the third most underweight (and so on) until the value of the deposit is completely invested. Similarly, when a withdrawal is taken from an Account, M1 Finance divests from the overweight security in the same manner described for purchases until the value of the withdrawal is completely divested. In a rebalance event, underweight and overweight securities are respectively purchased and sold in the amount necessary to bring them to their target. The dynamic rebalancing algorithm then specifies how many dollars of each security to buy or sell. The orders are then aggregated with other customer accounts and executed during a trade window.

You also understand and agree that withdrawals from the Account may have adverse tax consequences and may prevent you from meeting your investment objectives.

Subject to the terms of this Agreement, you may withdraw an amount up to the current market value of the Account, less fees that are due M1 Finance. In making such request, M1 Finance and its bank service provider may act on your behalf to initiate the ACH disbursement. On receipt of an ACH disbursement request, M1 Finance will transmit payment instructions to the applicable bank. It is your responsibility to ensure that instructions are accurate before requesting that M1 Finance initiate an ACH disbursement. M1 Finance may, in its sole discretion, attempt to abide by a subsequent request for a change in instructions, but it is not obligated to do so. You agree to indemnify and hold M1 Finance and its Affiliates harmless from any losses arising out of, or relating to, an attempt to amend or cancel an ACH transfer request. You understand that any erroneous, mismatched, or incomplete identifying information on an incoming ACH transfer may result in such ACH transfer being rejected, lost, posted to an incorrect account, or returned to the originating bank without notice to you and you agree to indemnify and hold M1 Finance and its affiliates



harmless from any losses arising out of or relating to any erroneous, mismatched, or incomplete identifying information on an incoming ACH transfer.

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**C. TELEPHONE NUMBER FOR NOTIFICATION IN THE EVENT OF UNAUTHORIZED TRANSFERS**

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If you believe that an unauthorized transfer has occurred in your Account, call us at the number listed on your Account statement or notify Apex at the following telephone number: 214-765-1100 or email us at the address listed on your Account statement.

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**D. FEES**

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There are currently no fees charged by us for automated transfers. However, we reserve the right to charge such fees upon notice to you.

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**31. WIRE & AUTOMATED CLEARINGHOUSE TRANSFERS**

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**A. GOVERNING RULES**

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You may be a party to an Automated Clearing House (“ACH”) entry or a wire transfer that may be credited or debited against your Account. You agree that all wire transfers you initiate will be subject to the terms and conditions of our wire transfer agreement then in effect with respect to the type of transfer initiated. With respect to ACH transactions which you have authorized, you agree to be bound by the National Automated Clearing House Association (“NACHN”) operating rules and any local ACH operating rules then in effect. With respect to other electronic funds transfers, you agree to be bound by any rules then in effect governing the use of any system through which the funds may be transmitted including, but not limited to, Federal Reserve Board Regulation J with regard to Fedwire and the Clearing House Interbank Payments System (“CHIPS”), and the operating rules with regard to CHIPS.

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**B. NOTICE**

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You will be notified of the receipt of any ACH entry or wire transfer in your Account statement, but next-

day or other notice will not be provided. If you believe a transfer has not been properly credited to you, you agree to promptly notify us immediately at the number listed on your Account statement.

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**C. FINAL PAYMENT**

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Any credit resulting from an ACH credit or other wire transfer is provisional until we receive final payment. We reserve the right to delay or prevent withdrawal of funds pending verification of final payment. If final payment is not received, or if your Account was credited by mistake, you agree that we may reverse the credit to your Account or that you will otherwise reimburse us if funds in your Account are not sufficient. In the event that the payment does not become final, the originator will not be deemed to have paid you the amount of the credit.

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**D. COMPENSATION**

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If you are entitled to compensation for any delay or improper completion of an ACH or wire transfer as a result of an error by us, our liability will be limited to the payment of interest for a period not exceeding the lesser of sixty (60) days, or the period between the date of the error and the date of the correction. Any such compensation will be paid at our discretion by either (1) adjusting your Account balance to reflect the average balances you would have had but for the error, or (2) direct payment of cash in an amount equal to interest at the average applicable federal funds rate for that period.

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**E. ACCOUNT NUMBERS**

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You agree that payment for ACH or wire credit transfers may be made solely by reference to the account number of the recipient. We are not obligated to determine whether a discrepancy exists between the name and the account number shown on the transfer information.

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**32. LAWS AND REGULATIONS APPLY**

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All transactions executed through us are subject to the constitution, rules, regulations, customs, and methods of doing business at the exchange, market, clearinghouse, or agency that processes transactions. Various Federal and state laws and regulations may apply to transactions in your Account. These laws and regulations may place restrictions on your ability to





freely trade some securities if you own “restricted” or “control” securities, or if an insider trading policy applies to you. You agree to comply with all relevant legal requirements and only to effect transactions through us that are legally permissible.

### **33. EXTRAORDINARY EVENTS**

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We and our Affiliates are not liable for any loss caused directly or indirectly by acts of God, government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes or other labor problems, failure of the mails or telephones or other communication lines/systems or other interconnect problems (such as not being able to connect to your ISP), failure of electronic or mechanical equipment, or unauthorized Account access or theft, or any other conditions beyond our control.

### **34. ASSIGNMENT**

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We may assign the rights and duties under this Agreement to any of our subsidiaries or Affiliates without giving you notice, or to any other entity upon written notice to you.

Any rights either we or Apex have under this Agreement may be exercised by either of us, or may be assigned to the other, including, but not limited to, the right to collect any debit balance, or other obligations owing in your Account, and that we or Apex may collect from you, or enforce any other rights under this Agreement independently or jointly.

### **35. WAIVER**

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Unless specifically permitted in this Agreement, no provision of this Agreement can be, nor be deemed to be, waived, altered, modified, or amended unless agreed to in writing signed by us.

Our failure to insist at any time upon strict compliance with any term contained in this Agreement, or any delay or failure on our part to exercise any power or right given to us in this Agreement, or a continued course of such conduct on our part, will not, at any time, operate as a waiver

of such power or right, nor will any single or partial exercise preclude any further exercise.

### **36. SEVERABILITY**

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If any condition or provision of this Agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability affects only that condition or provision. The validity of the remaining provisions and conditions will not be affected and this Agreement will be carried out as though such invalid or unenforceable condition or provision were not contained in this Agreement.

### **37. INDEMNIFICATION**

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You agree to indemnify us, and our affiliates, directors, officers, employees and agents, and to hold us, and our affiliates, directors, officers, employees and agents harmless from all loss, damage, claims, actions, costs and liabilities, including attorneys’ fees arising out of any transaction in which we act, either directly or indirectly, or as your agent, absent any willful or grossly negligent conduct.

You also agree to indemnify us, and our affiliates, directors, officers, employees and agents, and to hold us, and our affiliates, directors, officers, employees and agents harmless under this Agreement from and against all loss, damage claims, actions, costs and liabilities, including attorneys’ fees, arising from or related to:

- any breach by you of any provision or representation of this Agreement;
- any dispute that does not directly result from our performance of services as set forth in this Agreement; and
- any inaccurate information supplied to us by you or your Authorized Person(s).

If the indemnification provided for in this section is unavailable, in whole or in part, or is insufficient to hold an indemnitee harmless, then the indemnitor shall contribute to the amount paid or payable by the indemnitee as a result of the Loss (such amount to also



include expenses of the indemnitee incurred in defense of the Loss, including attorneys' fee, if permitted by applicable law regarding contribution) in such proportion as is appropriate to reflect the relative benefits received by the indemnitee and the indemnitor in connection with the transaction(s) underlying the Loss or, if such allocation is not permitted by applicable law, in such proportion to reflect not only the relative benefits received but also the relative fault of the indemnitee and the indemnitor in connection with the transaction(s) underlying the Loss. The relative benefits received party shall be the total revenue derived by each party from the transaction(s) underlying the Loss. The relative fault shall be determined by reference to the act or acts committed by each party in the transaction(s) underlying the Loss and the parties' relative intent, knowledge, access to information, and opportunity to prevent or correct the act or acts committed by each party in the transaction(s) underlying the Loss.

### **38. MODIFICATION OF AGREEMENT**

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We may unilaterally change the terms and conditions of this Agreement at any time upon providing notice to you.

### **39. HEADINGS**

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All headings in this Agreement and other Account documents are for descriptive purposes only, and may not be deemed to modify or qualify any of the rights or obligations set forth in each such document.

### **40. SURVIVABILITY**

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The provisions of this Agreement governing arbitration, choice of law, liability, indemnification, and confidentiality will survive the termination of this Agreement.

### **41. TERMINATION**

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You may close your Account at any time by providing written notice to us. This Agreement remains in effect with respect to the Account you are

closing until we receive your written notice of termination, and we acknowledge the cancellation of your Account in writing, after which time you will not be bound for additional transactions made for the Account. However, you will remain responsible for all prior transactions, and for all transaction costs, including commissions, and related costs. We have the right to close your Account at any time without prior notice to you.

### **42. GOVERNING LAW**

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This Agreement shall be deemed to have been made in the State of Illinois and shall be construed, and the rights and liabilities of the parties determined, in accordance with the laws of the State of Illinois without regard to choice of law provisions.