

1. What is Pershing's paperless solution?

Pershing allows your clients access to a paperless (electronic) alternative to statements, confirmations, prospectuses, etc. at no charge. This service site allows clients to verify their identities, create a User ID and Password, and turn off paper for their accounts. Using this service allows clients to avoid the \$1.00 per statement and per individual confirmation paper surcharge.

2. What is NetXInvestor?

NetXInvestor is Pershing's client offering that provides account access to content like holdings, balances, transactions and delayed quotes.

3. Do I need to subscribe to NetXInvestor to go paperless?

Yes. NetXInvestor is a self-registration service that provides the opportunity to turn off paper delivery.

4. Are there fees for accessing NetXInvestor?

No. NetXInvestor is a service provided to your clients by Pershing at no extra cost.

5. Are there fees for online brokerage account statements and trade confirmations?

No. You are encouraged to have your client access www.netxinvestor.com and turn **on** electronic statements and confirms. This will avoid the \$1.00 per document paper surcharge.

6. What are electronic brokerage account statements and trade confirmations?

Clients can access a website, www.netxinvestor.com, which is available to all customers where they can view, download, or print their brokerage account statements, trade confirmations and other documents at their convenience.

7. Are there fees for physical (paper) brokerage account statements and trade confirmations?

Yes. Pershing applies a surcharge for each statement and trade confirmation that is printed and physically mailed. A surcharge of \$1.00 will be incurred on each STATEMENT AND CONFIRMATION generated in physical paper format.

8. Are there charges for any other documents other than statements and confirmations?

No. Only paper statements and paper confirmations are assessed a surcharge for physical paper delivery.

9. Who will pay the surcharge?

Your clients will be assessed the surcharge. Each monthly paper statement is assessed \$1.00 and **each** confirmation printed and physically mailed receives the surcharge.

10. How will the surcharge be applied to my client?

For statement surcharges, your client will see separate line item entries for each month being charged.

For confirmation surcharges, the fee will be calculated as part of the trade and will be disclosed in the "service charge" field in addition to the current confirmation fee.

11. How can clients avoid the surcharge?

Direct your clients to www.netxinvestor.com and advise them to **turn on** electronic statements and confirmations. If your client has turned on electronic statements and confirms, they will NOT be assessed a surcharge.

12. Can I absorb the surcharge for my client?

No. Currently you cannot absorb the surcharge for your client.

13. Will all account registration types receive a surcharge?

No. The account registration types that will receive a surcharge are:

- INDV (Individual)
- JNTN (Joint)
- TODI (Transfer on Death – Individual)
- TODJ (Transfer on Death – Joint)
- RETI (Retirement)
- RETR (Roth)
- DLJI (Retirement Accounts, Pershing LLC as Custodian)

NOTE: Third-party custodian accounts, for which Pershing is not the servicing agent, will not be subject to the paper surcharge. All other registration types are not subject to the paper surcharge.

14. How does NetXInvestor work?

Clients go to www.netxinvestor.com, click “Register” and follow these steps:

- Review and agree to terms and conditions regarding the use of the web site.
- Provide user information, including a valid e-mail address.
- Verify identity to help us ensure the safety and security of their information.
- Create a user ID and secure password.

An e-mail will be sent to the e-mail address provided by the client. They will click the link in the e-mail to complete enrollment. They will be redirected to www.netxinvestor.com and can log in with their user ID and password.

To reduce risk, clients must select and answer a set of challenge questions and choose an image and personal phrase the first time they log in.

Clients will be presented with a list of accounts associated with their Social Security number. All accounts will default to electronic delivery. They will click “Save” to confirm all choices.

NOTE: If a client is presented with an account they do not recognize, they should contact you immediately, and you should contact the Rep Technology Support Group.

After clients receive a letter in the mail and an e-mail to confirm their choices, they will only receive statements or confirms electronically. It takes five business days for delivery preferences to be confirmed.

Clients can view historical data and can view, print, or download their statements and trade confirmations. They will receive an e-mail whenever a new document is available to view online.

Clients can change their decision at any time. Clients can resume receiving paper copies of statements or trade confirmations by changing their delivery preferences.

15. Do my clients need a Social Security number to participate?

Yes, clients MUST have a Social Security number (SSN) to verify their identity within NetXInvestor and set up a user ID online. “Entity” accounts (trusts, corporates, etc.) with a Tax Identification Number are currently not supported and user IDs must be created by having the advisor email the Rep Technology at Reptech_group@saionline.com.

16. I have an account that has a Tax ID (like a trust or corporation), will they receive a surcharge?

No. Currently, only the account registrations types listed above will receive a surcharge.

17. How long are documents archived?

Brokerage account statements are archived for ten years, trade confirmations for three years, and 1099 tax statements for seven years. Clients should be encouraged to save a local copy of their documents when a new document is made available. Please note that as soon as customers log in to NetXInvestor, historical documents are immediately available to view.

18. How does e-Delivery work?

- Clients choosing to suppress paper will receive a welcome letter in the mail, and a welcome e-mail.
- Paper suppression takes effect five business days after enrollment. This allows time for the Welcome Letter to arrive in the mail. However, documents are immediately available to view online.
- When a trade confirmation or brokerage account statement is available to view online, an e-mail is sent to the e-mail addresses associated with the account for this purpose. The email contains no personal identifiable information for security purposes.
- Multiple attempts will be made over 48 hours to send e-mail notifications to each e-mail address associated with this process. If any e-mail is undeliverable, all accounts linked to the e-mail address are automatically de-enrolled and the client will begin to receive paper copies of confirmations or statements. A letter is sent to the address of record for each account, notifying the client that one or more of the e-mail addresses entered for this process was not operating properly and that they will begin receiving paper again. Paper delivery will resume for the next document sent for the affected accounts. **Please note** that online access to documents is not affected by an e-mail failure; clients do not lose access to their online documents.
- The last four digits of a client's account number are displayed on the mailed letters and on e-mail notifications.

19. What are some of the benefits of online brokerage account statements and trade confirmations?

- There are a number of benefits to going paperless, including:
 - **Cost savings** – The \$1.00 per document paper surcharge will be avoided.
 - **Increased security** – Going paperless reduces the risk of identity theft associated with sending sensitive financial information through physical mail.
 - **Instant access** – Clients will receive an e-mail as soon as a new brokerage account statement or trade confirmation is available to view online, avoiding the delays associated with postal delivery.
 - **Convenience** – Clients can access their brokerage account statements, trade confirmations and other documents from virtually any computer, at any time.
 - **Centralized record keeping** - Online documents can be viewed together with tax statements.
 - **Flexibility** – Clients have the ability to download, print, or e-mail a copy to their tax professionals. NOTE: Please encourage clients to email any documents through a secure, encrypted method.
 - **Reduced paper** – Less mail means less clutter, reducing the risk for clients to misplace important documents.
 - **Environmentally friendly** – Paper-free transactions are easier on the environment.

20. Once a client registers for NetXInvestor and logs in, which accounts will appear?

Once the account holder has registered, the system will identify any account for which that client is the primary or secondary account owner.

21. If a client has accounts with multiple financial organizations, will NetXInvestor.com identify all accounts from all financial organizations?

No. User IDs are associated with only one financial organization and NetXInvestor.com will not display accounts from multiple financial organizations. Clients would have to create a User ID for each financial organization with whom they have an account.

22. If a client wants to add additional accounts to their existing user ID, what should I do when the client calls to make this request?

The client can add additional accounts by going online directly. "Entity" accounts **can** be added by having the advisor contact Rep Technology at Reptech_group@saionline.com, **but** these account types are not subject to the paper surcharge.

23. Can a non-primary account owner register online for NetXInvestor (like a joint owner on the account)?

No. If you are not the primary owner (primary social security #) of the account, you cannot register online.

24. Can a non-primary account owner get access to NetXInvestor?

Yes. Advisors must email the Rep Relations Group and provide the client name (primary and non-primary), account # and the User ID they non-primary owner would like to use.

25. Can clients choose *not* to get an enrollment letter in the mail when they choose electronic delivery?

No. A letter must be mailed to the mailing address associated with the account.

26. Can clients choose *not* to get an e-mail notification that a brokerage account statement and/or trade confirmation is available?

No. At least one valid e-mail address must be associated with an account, and notification is required.

27. Can clients turn off paper delivery of tax statements, in addition to brokerage account statements and trade confirmations?

Yes. Clients can also turn off paper delivery for tax documents, prospectuses, notifications, and proxy/shareholder communications. Pershing continues to add other optional documents that can be sent electronically, so remind your clients to check their accounts periodically for new options.

28. What about statement inserts? Are they viewable online?

Yes. All inserts will be viewable online along with statements.

29. Will Pershing mail a copy of my statement insert to clients who have chosen electronic delivery for their account(s)?

No. All inserts are delivered in the same manner as the desired statement delivery options. So, if hard copies are being physically mailed, all inserts are mailed physically.

30. Will interested parties continue receiving paper trade confirmations and brokerage account statements if a client enrolls in paper suppression?

Yes. If your client changes the document delivery preferences for his/her account(s), interested parties will still receive paper copies of the documents.

31. Can an interested party receive electronic copies of statements and confirmations?

No, not at this time.

32. How quickly does a change to delivery options take effect?

Enrolling new accounts will take place in five business days and any other change will go into effect the next business day. Online access to documents is immediately available via NetXInvestor.

33. How does a client receive notification that a new statement or trade confirmation is available?

Clients will receive an e-mail notification, which includes a link to NetXInvestor. These e-mails do not contain the actual brokerage account statements and/or trade confirmations. Clients must log in to view their documents.

34. Will I know if my client chooses to go paperless?

Yes. This information will be available in the e-delivery Daily Paper Suppression Enrollment Report, available in Report Center.

35. What happens if a client's e-mail is undeliverable?

If any client e-mail is undeliverable, all accounts linked to that e-mail address are automatically de-enrolled and the client will begin to receive paper copies of confirmations or statements. A letter is sent to the address of record for each account, notifying the client that one or more of the e-mail addresses entered for this process was not operating properly and that they will begin receiving paper again. Paper delivery will resume for the next document sent for the affected accounts. Please note that online access to documents is not affected by an e-mail failure; clients do not lose access to their online documents.

36. If the account is de-enrolled for any reason, is the surcharge reinstated?

Yes. Both statements and confirmations will resume surcharges until electronically delivery is reinstated.

37. How long will my client have access to their accounts?

Your client will have access to their accounts as long as they have a user ID for an account on Pershing's records.

If Securities America de-links an account from a user ID, or if the user ID is deleted from the system, your client will no longer have access to documents on NetXInvestor.

When an account is purged from Pershing's systems, documents on NetXInvestor will no longer be available.

38. How can we be sure that clients have access to their documents?

While document retention on NetXInvestor is substantial, clients should be encouraged to save a local copy of their documents when a new document is made available.

39. If accounts are set up in a SelectLink® group, will clients be able to access the SelectLink summary page online?

Yes. For accounts using House Holding features, the SelectLink® summary page will be included in the online version of the primary account statement. By accessing the primary account for SelectLink, clients can easily view the summary page.

40. Are "confirm fees" waived if a client suppresses paper trade confirmations?

No. The "confirm fee" is a processing fee which is incurred regardless of the delivery mechanism. Pershing still needs to process, create, upload, store, and provide security for a confirmation for each transaction, and the fee covers the operational support Pershing is providing.

41. Can paper be suppressed for trust accounts, corporate accounts, custodial accounts, etc. through NetXInvestor.com?

No. Because registration through NetXInvestor.com requires a social security number, all other account registration types (corporate accounts, etc.) cannot register through the site.

42. What if a client does not have a Social Security number, or cannot verify his/her identity?

If a client does not have a Social Security number, or if they are otherwise not be able to verify their identity, they cannot create a user ID online. In that case, Securities America will need to create a user ID for the client. If a client is unable to successfully complete the identity verification process, he or she should contact you and ask to have a user ID created for NetXInvestor.

43. How does a client add new accounts to his/her NetXInvestor user ID?

If a client registers using the self-registration feature of NetXInvestor, the list of eligible accounts will be refreshed for a client each night—if a client opens a new account that is affiliated with his Social Security number that account will automatically appear in NetXInvestor.

PLEASE NOTE: Your clients must then update their delivery preferences through NetXInvestor for those newly linked accounts in order to suppress paper.

44. If clients have questions, whom should they call?

Clients should contact you with any questions. You should contact Rep Relations Group if you have further questions.

45. How do clients view their documents online in NetXInvestor?

After logging in to NetXInvestor.com, clients can find their documents under the Communications link, then the All Documents link.

46. How do clients change their delivery preferences online in NetXInvestor?

After logging in to NetXInvestor, clients can change their delivery options by clicking on Communications → Settings → e-Delivery Preferences.

TURNING PAPER BACK ON (turning off electronic delivery)

47. What if a client wants to opt back into paper brokerage account statements and/or trade confirmations, or they need to update their e-mail address?

Clients can manage their delivery preferences and e-mail accounts from the Communications → Settings → e-Delivery Preferences links.