

# LEVEL FEE BANK DEPOSIT SWEEP PROGRAM DISCLOSURE DOCUMENT

This section highlights certain key features of the Level Fee Bank Deposit Sweep Program (“Program”). Read the complete Disclosure Document before you decide to participate in the Program. You should consult HD Vest Investment Services® (“HD Vest”, “We”, “Us”, “Our”), which is your Broker/Dealer or your HD Vest Advisor (“Advisor”) for more information. All capitalized terms in the Program Summary below are defined below and in the Disclosure Document.

Program Summary		
<b>How the Program Works</b>	The Program is a core account investment vehicle option, which, if either selected by default or affirmatively elected, will be used to hold your cash balance before it is invested. The cash balance in your eligible Brokerage Account(s) (as defined in the “Introduction” section below) will be automatically deposited or “swept” into interest-bearing FDIC insurance eligible Program Deposit Accounts (also referred to as Deposit Accounts, as defined in the “Introduction” section below) at one or more FDIC-insured financial institutions (each a “Program Bank” or collectively, “Program Banks”).	Page 3
<b>Core Account Investment Vehicle Options</b>	The <b>Level Fee Bank Deposit Sweep Program (“Program”)</b> is a core account investment vehicle option, which may be the default option for eligible account holders who do not elect an alternative core account investment vehicle on their account application. (You should consult your HD Vest Advisor to learn which core account investment vehicle option is your default option). Eligible account holders may elect the Program as their core account investment vehicle option at any time. For information about any of the money market mutual funds (“Money Funds”) that may be available to use as your core account investment vehicle, including all charges and expenses, ask your Advisor to send you a free prospectus.	Page 2
<b>FDIC and SIPC Coverage</b>	Your Program Deposit (as defined in the “Introduction” section below) at the Program Banks will be eligible for FDIC insurance in the manner and to the extent more fully described herein. You need to review and understand how FDIC insurance will apply to your Program Deposits. Additional information regarding Deposit Insurance is available at <a href="https://www.fdic.gov/deposit/deposits/index.html">https://www.fdic.gov/deposit/deposits/index.html</a> . Your cash balance is only eligible for FDIC insurance once it becomes a Program Deposit held by a Program Bank. Your cash balance while held by NFS and/or HD Vest is not FDIC insured, but is covered by the Securities Investor Protection Corporation (the “SIPC”). For example, this includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by a Program Bank or which have been swept from a Program Bank back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. Any securities held in your Brokerage Account including Money Funds (as opposed to a Program Deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.	Page 7
<b>Program Banks</b>	The Program Bank List specifies the Program Banks into which your funds will be deposited and the sequence in which the Program Banks will receive your funds. The most up-to-date Program Bank List is available at: <a href="http://www.hdvest.com/cash-sweeps-program/">http://www.hdvest.com/cash-sweeps-program/</a> . You can also obtain the list from HD Vest or your Advisor. The Program Bank List also indicates your Excess Deposits Bank (as defined below in the Section entitled “Maximum Deposit Amount”) which will be utilized for deposits after the maximum deposit amount has been placed in all the Banks on your Program Bank List. To the extent your deposits in your Excess Deposit Bank exceed the applicable FDIC maximum coverage amount, <b>these excess funds are ineligible for FDIC insurance. Program Deposits are not covered by SIPC.</b>	Page 4
<b>Rates of Return</b>	<p>HD Vest or Your Advisor can provide you with the interest rate for your Deposit Accounts (as defined in the “Introduction” section below) and the most up-to-date interest rates are available at: <a href="http://hdvest.com/cash-sweeps-program">http://hdvest.com/cash-sweeps-program</a>. Your balances will earn the same rate of interest regardless of the Program Bank with which your funds are deposited or the total balance in the Program.</p> <p>Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other core account investment vehicles which are not FDIC insured or on bank account deposits available outside the Program.</p> <p>Program Banks do not have a duty to offer the highest rates available or rates that are comparable to Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.</p> <p>The Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, contact your Advisor to discuss investment options that may be available outside of the Program that may be better suited to your goals.</p>	Page 2
<b>Changes</b>	HD Vest reserves the right to modify the Program or your core account investment vehicle option for any reason. Generally, you will be notified in advance of changes to the Program or your core account investment vehicle option. Account holders may initiate changes to their core account investment vehicle by contacting their Advisor directly or by contacting HD Vest.	Page 5
<b>Duty to Monitor</b>	You are responsible for monitoring the total amount of deposits you have in each bank where you maintain cash deposits in order to determine the extent of FDIC insurance coverage available to you for the Program Bank(s). Depending on the amount of deposits that you maintain in each bank where you maintain cash deposits apart from your Program Deposits, you may wish to direct that one or more Banks be excluded from the Program Bank List applicable to you.	Page 2
<b>Benefits to HD Vest and Others</b>	The Program creates financial benefits for HD Vest and NFS. HD Vest receives a per account fee each month. The revenue generated by the Program may be greater than revenues generated by cash sweep options at other brokerage firms, and may be greater than other core account investment vehicles currently available to you or possible core account investment vehicles options that you have used in the past or may consider using in the future.	Page 6
<b>Contact Information</b>	Contact HD Vest or your HD Vest Advisor if you have any questions about the Program. HD Vest can be reached at 972-870-6000.	

## I. INTRODUCTION

As your broker/dealer (“HD Vest”, “we”, “us”, or “our”), we are making some important changes to the investments we offer to you in your brokerage account held with us in conjunction with National Financial Services LLC (“NFS”) (your “Brokerage Account”). The terms “account owner,” “you” and “your” refer to the owner indicated on the account application. For joint accounts, these terms refer to all owners, collectively and individually. For trust accounts, these terms refer both to the entity and to all account owners. For corporate accounts these terms refer to the corporate entity.

Your Brokerage Account has a core account that is used for settling securities transactions and holding credit balances. We may provide you with access to a variety of different cash sweep vehicles, including money market mutual funds and bank deposit accounts (each a “core account investment vehicle”), that may be used to hold a cash balance that is awaiting reinvestment. The Level Fee Bank Deposit Sweep Program (“Program”) is one such core account investment vehicle for available cash balances (from deposits to your account, securities transactions, dividend and interest payments and other activities) awaiting reinvestment in your Brokerage Account. If you do not elect a core account investment vehicle on your account application, you will be placed into the default core account investment vehicle as noted by your Advisor. HD Vest may also choose to make the Program the default core account investment vehicle for all eligible Brokerage Accounts. Contact your Advisor for more information.

Beginning on the Effective Date, eligible account holders may elect the Program as their core account investment vehicle at any time or may be placed in the Program by default. After the Effective Date, if your core account investment vehicle becomes the Program through either default or your election, available cash in your Brokerage Account will be deposited through the Program) into FDIC insurance eligible Program deposit accounts (“Deposit Accounts”) at one or more FDIC-insured depository institutions set forth in the list of depository institutions participating in the Program (each, a “Program Bank” or a “Bank”). The list of Banks participating in the Program (the “Program Bank List”) can be obtained from your Advisor or at the URL provided in the Program Summary page. The Program Bank List also shows the sequence in which your cash balance will be deposited in each bank, as more fully described below. Once your cash balance has been swept to a Program Bank, it is referred to as your “Program Deposit.” Note that your ability to access the money held at the Bank(s) may be limited, as more fully described herein.

As more fully described in this Disclosure Document, your Brokerage Account with us is generally protected, up to applicable limits, by the Securities Investor Protection Corporation (the “SIPC”). However, at the time funds are deposited with one or more Banks through the Program, your investment in the Program is eligible, subject to the limitations described in this Disclosure Document, to be insured, up to applicable limits, by the Federal Deposit Insurance Corporation (the “FDIC”). Funds in the Deposit Accounts at each Bank are generally eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest per depositor in most insurable capacities (e.g., corporate, individual, joint, etc.) when aggregated with all other deposits, including bank accounts, certificates of deposit (“CDs”) and deposits held through other brokers, held in the same insurable capacity at a Bank. For example, funds in the Deposit Accounts at a Bank held by a company or an individual are insured up to \$250,000, and funds in the Deposit Accounts at a Bank held jointly by two or more individuals are insured up to \$250,000 per joint owner. For IRAs, Section 457 Plans, self-directed Keogh Plans, funds in the Deposit Accounts at each Bank are eligible for deposit insurance up to \$250,000

principal and accrued interest per depositor in the aggregate. Funds deposited in Deposit Accounts are not eligible for coverage by the SIPC. Additional information regarding FDIC Deposit Insurance is available at <https://www.fdic.gov/deposit/deposits/index.html>.

Any deposits (including certificates of deposit) that you maintain in the same capacity directly with a Bank, or through an intermediary (such as us or another broker), will be aggregated with deposits in your Deposit Accounts at such Bank for purposes of the Maximum Applicable FDIC Deposit Insurance Amount. You are responsible for monitoring the total amount of deposits that you have with each Bank, including an Excess Deposit Bank (described below), to determine the extent of FDIC deposit insurance coverage available to you. You should review carefully the section of the Disclosure Document titled “FDIC/ SIPC Coverage.”

**Important Note:** Note that, NFS, as your agent, will place, regardless of the Maximum Applicable FDIC insurance coverage available, in one Bank up to \$246,500 of your cash balances for a corporate or individual account, an agency account and a trust account including a transfer upon or payable on death account; up to \$493,000 in one Bank for a joint account (regardless of the number of owners); and up to \$246,500 for an individual retirement account (each such limit referred to hereinafter as the “Maximum Deposit Amount”). For certain types of accounts, the Maximum Deposit Amount is substantially less than the maximum potential amount of FDIC insurance coverage. If your cash balances and existing Program Deposits at a Bank exceed the Maximum Deposit Amount at a Bank, funds greater than the Maximum Deposit Amount for each Bank will be swept into Deposit Accounts at one or more Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below).

Once funds equal to the Maximum Deposit Amount have been deposited for you through the Program in each Bank on the Program Bank List, any additional funds will be invested in an “Excess Deposit Bank” that will accept funds without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount, and thus may not be covered by FDIC insurance. In the rare instances where we are unable to place your funds at a Bank within the Program, your funds will be invested in an alternative core account investment vehicle for your applicable account type. For more complete information about any Money Fund, including all charges and expenses, contact your Advisor for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the Money Funds by contacting your Advisor.

Each Deposit Account constitutes a direct obligation of the Bank to you and is not directly or indirectly an obligation of us or NFS. Neither we nor NFS guarantee in any way the financial condition of the Program Banks or the accuracy of any publicly available financial information concerning such Banks. You can obtain publicly available financial information concerning each Bank at <http://www.ffiec.gov/> or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. You will not have a direct account relationship with the Banks. NFS, as your agent and custodian, will establish the Deposit Accounts for you at each Bank and make deposits to and withdrawals from the Deposit Accounts. The interest rate payable to you is determined by the amount of interest the Banks pay, minus the fees paid to NFS and other parties, and minus the monthly per-account flat fee charged to your account by HD Vest. You

should review carefully the section of the Disclosure Document titled “Information About Your Relationship with HD Vest and the Banks.”

The Banks do not have a duty to offer the highest rates available or rates that are comparable to Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Account for which you are an owner, whether as a corporation, an individual, joint tenant, trustee, executor, custodian or in any other capacity.

### Customers Affected by the Program

Only eligible Brokerage Accounts that utilize the Program as their core account investment vehicle will be subject to the information discussed in this Disclosure Document. Refer to the “Program Eligibility” section of this Disclosure Document or contact your Advisor for information concerning your eligibility for the Deposit Accounts.

Your Advisor can provide you with more information concerning the accounts and programs for which the core account investment vehicle options do and do not apply.

### Rates of Return

Information about the Program (including interest rates, and annual percentage yield) and current yields on Money Funds may be obtained from your Advisor. The interest rate will vary and may be higher or lower than other potential investment options. You should carefully review the section of the Disclosure Document entitled “Interest.”

### Alternatives to the Program as a Core Account Investment Vehicle Option

Currently, in addition to the Program (for eligible Brokerage Accounts), customers may elect a Money Fund as a core account investment vehicle if this option is made available to you by HD Vest. We are not obligated to offer you any core account investment options or to make available to you bank deposit sweep program investments that offer a rate of return that is equal to or greater than other comparable investments.

For more complete information about any of the Money Funds, including all charges and expenses, contact your Advisor for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the Money Funds by contacting your Advisor.

### You May Continue to Invest in Money Funds

After the Effective Date, we may continue to offer Money Funds as an alternative core account investment vehicle option. If we do, you may continue to use a Money Fund available as your core account investment vehicle by contacting your Advisor. If you purchase shares in Money Funds outside of your core account investment vehicle, such investments may be subject to customary commissions or fees. Additional cash balances in your Brokerage Account will not be automatically swept into these Money Funds, unless the Money Fund is the alternative core account investment vehicle and the Program is unavailable to accept your funds for any reason (as explained in this Disclosure Document).

Accounts that are ineligible for the Program may elect other available Money Funds. A current list of Money Funds available to you can be obtained

from your Advisor. You could lose money by investing in a money market fund. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Before investing, always read a money market fund's prospectus for policies specific to that fund.

### **No Impact on Your Annual Brokerage Account Fees**

The changes in our core account investment vehicle options discussed above and within this Disclosure Document will not affect your brokerage account fees.

### **Access to Funds in the Deposit Accounts**

As required by federal banking regulations, each Program Bank has reserved the right to require even (7) calendar days prior notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, and there is not a bank failure that would require FDIC intervention, your ability to access funds, including the ability to write checks against your account, should not be impacted. Your interest in a Deposit Account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

### **Tax Information**

You should consult with your tax adviser about how the Level Fee Bank Deposit Sweep Program (Program) affects you.

## **II. DETAILS**

This Disclosure Document contains key information about the Program which is offered by us in conjunction with NFS, a New York Stock Exchange ("NYSE") and Financial Industry Regulatory Authority ("FINRA") member, whom we have engaged to provide custody and clearing services to us. Additional terms, conditions, and disclosures applicable to your Brokerage Account held with us are included in other documents, including your account application, account agreement, and applicable privacy notice ("Other Agreements") and are hereby incorporated by reference into this Disclosure Document. In the event of a conflict between the terms of this Disclosure Document and the Other Agreements, this Disclosure Document will control. Review these Other Agreements for important information governing your account.

### **A. Program Eligibility**

Eligibility for the Program is based on your account type, the ownership of your Brokerage Account, and whether HD Vest or its agents have discretionary trading authority on the account. The Program is available only to individual retirement accounts (IRAs) subject to Section 4975 of the Internal Revenue Code in certain HD Vest advisory programs. The following individual retirement accounts are eligible for the Program if each beneficial owner is an Eligible Person: the Premiere Select<sup>®</sup> IRA, Premiere Select Roth IRA, Premiere Select SEP-IRA and Premiere Select SIMPLE IRA.

To the extent that you change any beneficial owner or beneficiary on your Brokerage Account, you are responsible for determining whether each beneficial owner or beneficiary of your Brokerage Account continues to qualify as an Eligible Person. If we or NFS determine that your Brokerage Account is not eligible for the Program or the Program eligibility requirements change, we may change your core account investment vehicle, as that term is defined in Brokerage Account documentation, or any amendments thereto, including but not limited to the Customer Agreement, from the Program to an alternative

core account investment vehicle made available by us and NFS, which may not be an FDIC-insured investment.

### **B. How the Program Works Sweep to Program Banks**

Through the Program, cash balances in your Brokerage Account (resulting from sales of securities, deposits, dividend and interest payments and other activities) will be automatically deposited or "swept" into FDIC-Insured Program Deposit Accounts at one or more Program Banks on the Program Bank List in the order in which the banks appear on the list. Once your cash balance has been swept to a Program Bank, it is referred to as your "Program Deposit." Note that your ability to access the money held at the Bank(s) may be limited, as more fully described herein.

Funds will be swept into Deposit Accounts at a Program Bank up to the Maximum Deposit Amount (as defined below in the section titled "Maximum Deposit Amount"). Funds in excess of the Maximum Deposit Amount (or funds that cannot otherwise be deposited at a particular bank because that Bank is not accepting additional deposits due to capacity constraints or other issues) will be swept into the next successive Bank on the Program Bank List. Once the Maximum Deposit Amount has been reached in all Banks on the Program Bank List that are accepting additional deposits, additional funds will be swept into the Excess Deposit Bank (as defined below in the section titled "Maximum Deposit Amount").

One of the entries on the Program Bank List may contain the names of up to four Banks ("Alternative Banks"). When each of the Banks prior to the Alternative Banks on the Program Bank List has received deposits equal to the Maximum Deposit Amount, your funds will be deposited in one of the Alternative Banks up to the Maximum Deposit Amount. Once funds in this Alternative Bank have reached the Maximum Deposit Amount, your funds will be deposited in the next Bank on the Program Bank List, not the next Alternative Bank. If all your funds are withdrawn from an Alternative Bank, the next time your funds are available for deposit in an Alternative Bank your funds may be deposited in a different Alternative Bank.

You may not change the Banks on the Program Bank List, the order in which funds are deposited at the Banks on the Program Bank List or the Maximum Deposit Amount at any Bank. You may, however, at any time, designate a Bank as ineligible (otherwise referred to as "opting out" of a Bank) to receive any funds by contacting your Advisor. Any such action will result in any current Program Deposit at such Bank being withdrawn and such funds (along with any new Program Deposits) being deposited into Deposit Accounts at the next available Bank on the Program Bank List on the next business day that a sweep is effected after such "opt out" instructions have been processed. No new funds will be deposited into any Bank that you have opted out of (i.e., designated as ineligible). If you designate one or more Banks as ineligible to receive funds, the total amount of FDIC insurance for which your cash balances will be eligible in the Program may be reduced. Participation in this Program requires at least one (1) Bank remaining eligible to receive your deposits. Thus, you may not opt out of all Banks on the Program Bank List.

With the exception of the Excess Deposit Bank, your cash balances will not be swept into a Deposit Account at a Program Bank in an amount that exceeds the Maximum Deposit Amount, and you may designate any Bank on the Program Bank List as ineligible to accept your funds by "opting out" in accordance with the procedures set forth herein. You are responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program that you have at each Program Bank, including any CDs, or other deposits made through us or through any other intermediary, for the purpose of determining the FDIC insurance

coverage for those deposits.

### **Maximum Deposit Amount**

NFS, as your agent, will place, regardless of the maximum potential applicable FDIC insurance coverage available, in one Bank, up to \$246,500 of your cash balances for an individual account, an agency account and a trust account including a transfer upon or payable on death account, up to \$493,000 in one Bank for a joint account (regardless of the number of owners), and up to \$246,500 for an individual retirement account (each such limit referred to hereinafter as the "Maximum Deposit Amount"). For certain types of accounts, the Maximum Deposit Amount is substantially less than the maximum potential amount of FDIC insurance coverage. If your cash balances and existing Program Deposits at a Bank exceed the Maximum Deposit Amount at a Bank, funds greater than the Maximum Deposit Amount for each Bank will be swept into Deposit Accounts at one or more Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below).

If the Maximum Deposit Amount has been deposited for you through the Program in each Program Bank on the Program Bank List (taking into consideration any Bank that you have opted out of or excluded), all excess cash balances will be deposited into one designated Bank on the Program Bank List without regard to FDIC-insurance limitations (an "Excess Deposit Bank").

### **Program Limitations**

The amount of your cash balances that are swept into Deposit Accounts may need to be limited if one or more Program Banks stop accepting deposits, become ineligible for the Program as described in this Disclosure Document, or for other exceptional circumstances, and such limitations may affect the total amount of FDIC insurance that is available to you. You will generally receive notification in advance of any Program Bank being removed from the Program Bank List, and if advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. Consult the following sections for further important information, as such action may affect the amount of your cash balances that are covered by FDIC insurance.

### **C. FDIC Insurance Coverage in General**

The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, to the Maximum Applicable FDIC Deposit Insurance Amount set by the FDIC for all deposits held in the same insurable capacity at any one Bank as more fully explained below. Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at a Bank. Generally, any accounts or deposits (including CDs) that you may maintain directly with a particular Bank, or through us or through any other intermediary, in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the Maximum Applicable FDIC Deposit Insurance Amount.

You are responsible for monitoring the total amount of deposits, including bank accounts, CDs, and deposits held through other brokers, that you hold with any one Bank, directly or through an intermediary (for example through a retirement plan) in order to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. We and NFS are not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits. See "FDIC/SIPC Coverage" below for more detailed information on insurance coverage of Deposit Accounts and Brokerage Accounts.

## D. Alternatives to Program

If you have an existing eligible Brokerage Account with a different core account investment vehicle than the Program, you may contact your Advisor to elect the Program if you desire or to determine if an alternative exists. For new accounts, if you do not affirmatively elect a core account investment vehicle, then your core account investment vehicle will be as determined by HD Vest. If a Money Fund option exists, you may contact your Advisor with respect to current yields, as well as to request a free prospectus.

If you wish to specify a different core account investment vehicle, if available for your account type, you may do so at any time by contacting us or your Advisor. Existing balances in your prior core account investment vehicles will be automatically transferred to the new core account investment vehicle you select.

## III. PROGRAM BANKS

### A. General Information About Program Banks

The Program Bank List specifies the Program Banks into which your funds will be deposited and the order of the Program Banks which will receive your funds. The Program Bank List will be available from your Advisor or at the URL provided in the Program. The Program Bank List indicates all Banks on the Program Bank List, including your Excess Deposit Bank, which will be utilized for deposits after the Maximum Deposit Amount has been placed in all the Banks on your Program Bank List and the sequence that will be used for deposits into these Banks. You cannot select the Excess Deposit Bank at which such excess deposits will be made. If an Excess Deposit Bank is also a Program Bank, the Excess Deposit Bank would receive, in the sequence listed, deposits up to the Maximum Deposit Amount just as any other Program Bank and after deposits of the Maximum Deposit Amount have been made at all of the other Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposits Bank. If your Excess Deposit Bank has already received Program Deposits up to the Maximum Deposit Amount, any further deposits in that Bank would generally not be eligible for FDIC insurance coverage. To the extent your deposits in your Excess Deposit Bank exceed the Maximum Applicable FDIC Deposit Insurance Amount, these excess funds are ineligible for FDIC insurance.

You should review the Program Bank List carefully. You are responsible for monitoring the total amount of deposits that you have at each Bank for purposes of reviewing deposits which may be eligible for insurance by the FDIC. We and NFS do not have any duty to monitor the core account investment vehicle for your account or make recommendations about, or changes to, the Program that might be beneficial to you.

Deposits at each Program Bank are eligible for FDIC insurance coverage, except for amounts deposited in your Excess Deposit Bank in excess of the Maximum Applicable FDIC Deposit Insurance Amount, which will not be insured by the FDIC. The amount of FDIC insurance in all Program Banks may be limited pursuant to the limitations explained in this Disclosure Document. In any event, all deposits in the Program are subject to all applicable FDIC qualification requirements and to the Program limitations described in this Disclosure Document.

### B. Program Bank List

Program Banks are organized into regional bank lists with each Program Bank List assigned based upon the state as reflected in your account mailing address. Your Brokerage Account mailing address is the address to which correspondence from HD Vest is mailed and for e-mail correspondence, the designated address contained on the electronic

document. You may contact your Advisor or go to the URL provided in the Program Summary page for a current Program Bank List and priority sequence order.

### C. Deposit Accounts

Your Program Deposits will generally be deposited in two linked bank accounts at one or more Program Banks: (1) an interest-bearing savings deposit account (commonly referred to as a Money Market Deposit Account or "MMDA" account) and (2) an interest-bearing transaction account (which may be a Negotiable Order of Withdrawal ("NOW") account or a demand deposit account ("DDA"), collectively with the NOW account referred to as the "Transaction" account). You will receive the same interest rate on the funds in your MMDA account and in your Transaction account at each Bank. Your Brokerage Account statement will reflect the combined balances of the MMDA account and the Transaction account at each Program Bank. There may be times when, to maximize the amount of FDIC insurance that your account is eligible for, your Program Deposits may be deposited into non-interest-bearing savings accounts.

Your Program Deposits will be deposited at the Program Bank into a Transaction account and an MMDA account maintained by NFS for your benefit and the benefit of other HD Vest customers and/or NFS that participate in the Program. A portion of your Program Deposit will be allocated to the Transaction account, and a portion of your Program Deposit will be allocated to the MMDA account as described herein. Available cash balances are deposited in your MMDA account at each Bank as set forth above. From time to time, part of such deposits may be transferred to your Transaction account to establish and/or maintain a threshold amount which may differ among customers. All withdrawals will be made from the NOW account at the Bank based on the reverse of the priority sequence of the Program Bank List (i.e., last in, first out). As necessary to satisfy debits in your Brokerage Account (securities purchases, checking, debit card, etc.), funds will automatically be transferred from the MMDA account to the related Transaction account at the applicable Bank.

If there are insufficient funds in the Deposit Accounts to satisfy a debit, NFS will withdraw funds from other available sources as described in this Disclosure Document or in your account opening paperwork.

Federal banking regulations limit the number of days in which you can have net withdrawals from an MMDA account to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA account at a Bank have reached the applicable limit, all funds will be transferred from that MMDA account to the linked Transaction account at the Bank. For the remainder of the month, all deposits for that Bank will be made to the Transaction account. At the beginning of the next month, an amount of funds on deposit in the Transaction account less any applicable threshold amount will be automatically transferred back to the MMDA account. Due to the linking of the NOW and MMDA accounts as described above, the federal banking limits on MMDA account transfers will not effectively limit the number of withdrawals you can make from funds on deposit at a Program Bank.

The cash balances awaiting reinvestment in your Brokerage Account will be automatically swept from your Brokerage Account into your Deposit Accounts on the business day following the day your Brokerage Account reflects a cash balance. For purposes of this Program, business day generally means a day on which Banks participating in this Program are open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Deposit Account(s) at the Program Bank(s). As stated above, to the extent your deposits outside of the Program, in combination with Program Deposits, exceed the Maximum Applicable

FDIC Deposit Insurance Amount at any Program Bank the amounts above such limits will NOT be eligible for FDIC insurance protection. Deposits at Program Banks are not eligible for SIPC coverage.

Although your funds generally will be deposited in Deposit Accounts at the Banks in the order in which the Banks appear on the Program Bank List, in rare circumstances, a Bank on the Program Bank List may be unable to accept your funds on a particular day or a Bank may be removed from the Program Bank List and not replaced. If advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. See the Section entitled "Changes" for options available to you resulting from a change in the Program Bank List. You should also consult your Advisor or regularly check in the Program Summary page for changes to your Program Bank List.

If a Bank is unable to accept your funds on a day you have funds to deposit, your funds will be deposited in the next available Bank on the Program Bank List up to the Program Limit. Due to the unavailability of a Bank for any circumstance, funds may be placed at a Bank in excess of the Maximum Deposit Amount and, as indicated above, Program Deposits in excess of the FDIC eligible amount will NOT be eligible for FDIC insurance protection. At the end of any given month, a reallocation of Program Deposits may occur, due to deposits in excess of the Maximum Deposit Amount at any Bank including an Excess Bank, an elimination of a Bank or the temporary removal of a Bank from the Program. If such occurs, we will determine the amount of your funds, if any, that are in excess of the Maximum Deposit Amount or that have been deposited in Banks in an order different than the priority sequence on the Program Bank List. If it is possible to re-balance your funds based upon the priority sequence of the Program Bank List, we will, as your agent, withdraw your funds and re-deposit them in that sequence. If this cannot be accomplished, your balances will remain at the Bank(s) where the deposits are currently situated.

### D. Withdrawals – Access to Your Program Deposits

When funds are needed to cover transactions in your Brokerage Account, we will use on the same day the debit is applied, the following sources, in the order listed, to satisfy the debit: (i) available cash balances, including money added to your Brokerage Account (such as checks, interest, or transaction proceeds) and not yet moved to a Deposit Account; (ii) any remaining balance in your previous core account investment vehicle (if any); (iii) Program Deposits; and (iv) if you have a margin account, any margin credit available. If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit, funds will be withdrawn from your accounts at the Banks in the reverse order in which Banks appear on the Program Bank List on the date of the withdrawal. Funds will be withdrawn on a "last in, first out" basis, (beginning with the Bank designated to hold funds in excess of the Program Bank Limit, if applicable) and moving backward through the Program Bank List up to the first Bank on the Program Bank List. Withdrawals from your Deposit Accounts will normally be made on the business day following transactions in your Brokerage Account; however, your Brokerage Account is credited on the day of the debit. This process might result in you having an obligation to make us or NFS whole for the sum of the debits in your Brokerage Account if there is a problem withdrawing funds from your Deposit Account or you otherwise fail to sufficiently fund your Brokerage Account for the full amount of your daily debits. Review your Brokerage Account agreement for important information regarding your unsatisfied obligations owed to us and/or NFS.

You may access your Program Deposits only

through your Brokerage Account. You cannot access or withdraw Program Deposits by contacting a Program Bank directly. NFS will automatically withdraw funds from your Deposit Accounts (up to the amount of your Program Deposit) back to your Brokerage Account in order to satisfy any obligation you have to us or NFS or to settle a securities transaction or other debit transaction (including, but not limited to, checks, wires, debit card purchases or margin balances) in any account you have with us or NFS. Your Program Deposits are also subject to legal process such as a levy or a garnishment delivered to us or NFS to the same extent as if those funds were in your Brokerage Account.

As required by federal banking regulations, each Program Bank has reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, and there is not a bank failure that would require FDIC intervention, your ability to access funds, including the ability to write checks against your Brokerage Account, should not be impacted. Your interest in a Deposit Account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your Brokerage Account, including, but not limited to: margin balances, settlement of transactions, checks, wires, and debit card Purchases

#### IV. INTEREST

##### A. Interest Rates

Your account will receive the same interest rates on all funds regardless of the Program Bank in which cash from your account is deposited. Interest will accrue daily on balances from the day funds are deposited into a Bank through the business day preceding the date of withdrawal from that Bank. Interest will be compounded daily and credited monthly. If you close your account during a month, your account will be credited the pro-rata amount of interest due.

The interest rates payable under the HD Vest Program are determined by the amount the Banks are willing to pay minus the fees paid to NFS and other parties, as well as the monthly per-account level fee charged to your account by HD Vest (detailed below). The interest rates accruing on your account's funds may change as frequently as daily without prior notice. The current interest rate for your Deposit Accounts may be obtained from HD Vest or your Advisor. The most up-to-date interest rates are found on <http://www.hdvest.com/cash-sweeps-program/>.

The interest rates paid by a Bank may be higher or lower than the interest rates available to depositors making deposits directly with the Bank or other depository institutions in comparable accounts and for investments in money market mutual funds and other cash equivalent investments available through HD Vest. HD Vest does not guarantee that you will receive a more favorable interest rate available to depositors if you elect to participate in the Program. Before you elect the Program as a core account investment vehicle option, you should compare the terms, interest rates, required minimum amounts, and other features of the HD Vest Program with other accounts and investment options

##### B. Fees

Under the Program, each Bank will pay an amount equal to a percentage of the average daily aggregated omnibus deposit balance. This amount includes the fee for the third-party administrator, NFS's fees, and interest payable to participating accounts. Different Banks may pay different amounts. You will have no rights to the amounts paid by the Banks, except for interest accrued to your account, as described above. However, amounts collected

from the Banks during each period, less interest credited, will be allocated on a per dollar per account basis and used to offset your monthly HD Vest account fee, as discussed more fully below, for providing the sweep services..

For its services, the third-party administrator will charge an asset-based fee. For any month where the amounts received from the Banks are insufficient to cover the third-party administrator's targeted compensation rate after the payment of customer interest rates and other fees, interest rates may be reduced in future periods to recover such compensation. Based on the calculation method set forth below, the third-party administrator will calculate the fees due to HD Vest.

For its services under the Program, including making the platform available, HD Vest receives an account fee per account each month (a "Monthly Account Fee"). HD Vest's compensation under the Program does not vary, and is not affected by the actual amounts held in the Deposit Accounts or in your account. As provided for below, the Program account fee schedule will be indexed to the current Federal Funds Target (FFT) Rate. Under the fee schedule, increases in the Federal Funds Target Rate will result in increased compensation for HD Vest. HD Vest can change the applicable fee schedule upon 30 days advance notice to you. Although it is generally anticipated that HD Vest's fees under the Program will be offset by the amounts paid by the Banks, as discussed above, and you hereby direct the third-party administrator to collect such fees from the Bank and remit such amounts over to HD Vest, HD Vest reserves the right to withdraw the Monthly Account Fee, or portion thereof, in the event or to the extent that the amount received from the Banks and paid over to HD Vest by the third party administrator for the period is less than HD Vest's fee for the same period.

The FFT Rate used to calculate HD Vest's Monthly Account Fee per account each month can be expressed as either a single value or a range of values. When the FFT Rate is expressed as a single value, then FFT for purposes of the calculations will equal such value. In time periods, where the FFT Rate is represented as a range, then the FFT for purposes of the above calculations will equal the midpoint of such range rounded to the nearest basis point.

The current FFT Rate can be found here: <http://www.federalreserve.gov/monetarypolicy/openmarket.htm>. Any account with a balance at any time during a month will be subject to the Monthly Account Fee.

HD Vest will be paid a maximum Monthly Account Fee of \$15 per account for its services in connection with maintaining and administering the Program. In a lower rate environment HD Vest's fee will be reduced based on the FFT, which will increase the likelihood of Program investors receiving a positive interest rate. The fees paid to HD Vest may be reduced to as low as \$1 per account per month. The Monthly Account Fee increases and decreases by \$0.0285 with every 1 basis point (a basis point is equivalent to 0.01%) change in the FFT Rate. HD Vest cannot receive a fee higher than \$15 per account per month, regardless of the FFT Rate.

Viewed formulaically: the Monthly Account Fee (for one account) = \$1.00 + (\$0.0285 X FFT in basis points)

The following examples are provided for illustrative purposes only.

*Example 1:* Fed Funds Target Range = 150-175 basis points  
Fed Funds Target for calculation = (150 bps + 175)/2 = 162.5 bps so round up to 163 bps

Monthly Account Fee (for one account) = \$1.00 + (\$0.0285 X 163 bps) = \$5.65

*Example 2:* Fed Funds Target Rate= 300 basis points  
Monthly per account fee = \$1.00 + (\$0.0285 X 300 bps) = \$9.55

*Example 3:* Fed Funds Target Rate= 550 basis points  
Monthly Account Fee (for one account) = \$1.00 + (\$0.0285 X

550 bps) = \$15.00 due to the \$15.00 max.

The Monthly Account Fee per account will not generally be seen on your statement due to the manner in which HD Vest recoups its fee from the Bank payments, as discussed above. Advisors do not receive any of the fees received by HD Vest from the Banks. The Program fees may be greater than the fees HD Vest receives from other sweep investment options. Other than these stated fees, there will be no charges, fees, or commissions imposed on your account with respect to the Program.

#### V. CHANGES

##### A. Changes to the Program Bank List

One or more of the Banks included on the Program Bank List may be removed, and in some cases replaced with a substitute Bank. At times, new Banks may be added, or the order of the Banks on the Program Bank List may be changed. Generally, you will receive notification in advance of any change to the Program Bank List, interest rate tiers (if applicable), material changes to the Program, etc. We may also notify you that a change will be forthcoming and direct you to your Advisor or to the URL provided in the Program Summary page, for specific information on such change. While we will endeavor to provide advance notice of changes, we may be unable to do so in some cases. We will provide you with notice of such changes as soon as is reasonably practical. It is your obligation to monitor your accounts, your FDIC coverage and your FDIC insurance eligibility. Changes to the Program Bank List can be obtained from your Advisor or will be posted at the URL provided in the Program Summary page and you should consult with your Advisor for the most up-to-date information about Bank eligibility and the priority sequence of Banks for your deposits. Other changes to the Program may be posted to this site (if available) as well and you should direct any questions you may have to your Advisor. If you do not agree with any of the changes, you should contact your Advisor to discuss an alternative core account investment vehicle or transferring your Brokerage Account to another provider. If you do not take any action in response to a change, you are deemed to consent to the change to the Program.

Generally, you will receive notification in advance of any such change to the Program Bank List and will have an opportunity to "opt out of" deposits being placed at such Bank. As previously stated, "opting out" of a Bank will affect the amount of your deposits eligible for FDIC insurance. If advance notice of a Program modification is not practical due to the circumstances, you will be notified, as soon as is reasonably practical, of any change in the Program that results in changing the Program Bank List. Contact your Advisor to "opt out" of any Bank. We may also notify you that changes to the Program Bank List will be forthcoming and direct you to your Advisor or to the URL provided in the Program Summary page for information on such change. Updated Program Bank Lists may be obtained by contacting your Advisor. It is your obligation to monitor your FDIC coverage and FDIC insurance eligibility.

##### B. Limitations on Deposits

The amount of your cash balances awaiting reinvestment that are swept into a Deposit Account may need to be limited if a Program Bank cannot accept deposits due to exceptional circumstances or if a Program Bank becomes ineligible for the Program, as described in this Disclosure Statement, and the Program Bank is not replaced. In such event, funds not swept into a Program Deposit Account will be invested up to the Maximum Deposit Amount into the next successive Bank on the Program Bank List if possible. Once the Maximum Deposit Amount has been reached in all Banks on the Program Bank List, additional funds will be swept into the Excess Deposit Bank or if not available, the

alternative core account investment vehicle chosen by us, as identified on the front page of this Document, as amended from time to time. If advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. See the "Changes to Your Core Account Investment Vehicle" below for additional information.

### **C. Changes to Your Core Account Investment Vehicle**

From time-to-time, circumstances, such as described in this Disclosure Document or otherwise, may require that we or NFS modify the Program, which may result in changing the core account investment vehicle for your Brokerage Account. If we make any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower. Generally, you will receive notification in advance of any such change. If advance notice of a Program modification is not practical due to the circumstances, you will be notified as soon as is reasonably practical of any change in the Program that results in changing the core account investment vehicle for your Brokerage Account. Unless you object within the time period specified, we will change your core account investment vehicle and, depending on the new vehicle, either transfer the balances from your prior core account investment vehicle into a new core account investment vehicle or leaving your balances in your prior account investment vehicle and withdrawing all debits from this vehicle while investing all credits in the new core account investment vehicle. If you object to the core account investment vehicle that we select, or, if at any time the Program does not meet your needs, including, but not limited to, due to any change in the Program, your Advisor can assist you in finding an alternative core account investment vehicle or in transferring your Brokerage Account to another provider or another program.

If we need to change your core account investment vehicle under the circumstances set forth in this Disclosure Document, or for other circumstances as may be necessary, the core account investment vehicle that we choose for you may receive a lower effective rate of return than is available on funds swept into a Deposit Account. We cannot guarantee any rate of return, including a return that is equal to or greater than your current return. We will notify you, as soon as is reasonably practical, if your cash balance is deposited into a core account investment vehicle other than the Program and additionally, if you will receive a lower effective rate of return.

### **D. Notices**

All notices described in this Disclosure Document may be made by means of a letter, an entry on or insert with your Brokerage Account statement, or an entry on a trade confirmation or by electronic or other form of notification if available to you by us which may include but is not limited to, electronic alerts or e-mail.

## **VI. ACCOUNT INFORMATION**

### **A. Statements and Confirmations**

The statement for your Brokerage Account will: (i) indicate your beginning and ending Program Deposit at each Bank as of the last business day of each monthly statement period (however, if your Brokerage Account was established on the last business day of a month, your statement will not include a Bank Deposit Sweep Detail section); (ii) detail sweeps to and from the Program Deposit Accounts during the statement period; and (iii) reflect interest credited to your Brokerage Account. This information is provided in lieu of separate confirmations for each sweep to and from a Program Deposit Account during the statement period. Transfers between your MMDA accounts and NOW accounts will not be reflected in your Brokerage Account statements.

Because you are responsible for monitoring the total amount of your deposits at a Program Bank (including any Program Deposit held at such Program Bank and all deposits you may make at a Program Bank outside the Program, including other bank accounts, CDs, or other intermediaries deposited through us or through an intermediary), in order to determine the extent of FDIC insurance coverage available, you should carefully review your statements to determine if a change in Program Banks has an impact on your deposit insurance coverage.

### **B. Tax Information**

You should consult with your tax advisor about how the Program affects you.

## **VII. INFORMATION ABOUT YOUR RELATIONSHIP WITH YOUR BROKER/DEALER AND THE BANKS**

### **A. Relationship with HD Vest and the Banks**

As your agent, NFS is establishing the Deposit Accounts at each Bank, depositing funds into the Deposit Accounts, withdrawing funds from Deposit Accounts and transferring funds between Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank showing the Deposit Account as an agency account held by NFS for the benefit of you and other customers and by records maintained by NFS as your agent and custodian. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your Brokerage Account statements will reflect the balances in your Deposit Accounts at the Banks. You should retain the Brokerage Account statements for your records. Once established on your behalf, the Deposit Accounts are obligations solely of the Banks and not your Broker/Dealer, NFS or any other entity. You may at any time obtain information about your Deposit Accounts by contacting your Advisor.

If either you or we terminate your use of the Program as a core account investment vehicle, or if one or more Program Banks with which you have deposits in the Program cease to participate in the Program, you may establish a direct depository relationship with each such Bank, subject to its rules with respect to maintaining Deposit Accounts.

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

### **B. Benefits to HD Vest and Others**

The Program may create financial benefits for us and NFS. For the services rendered under the Program, we receive a flat per- account fee each month that is taken out of the funds paid by the Banks. Amounts will vary, but in no event will the HD Vest's total Monthly Account Fee be more than \$180 per annum for each Deposit Account. In our and NFS' discretion, the fee may be reduced and the amount of the reductions may vary between clients. NFS will receive a fee from the Banks in connection to the Program. The fee paid to NFS may vary from Bank to Bank. The fee paid to NFS is for record keeping and other services with respect to amounts invested in the Program. The NFS fee will not be more than 3.50% on an annualized basis applied across all accounts. Both we and NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products. The fees received from Program Banks may be modified. HD Vest will notify you if the maximum Monthly Account Fee will increase on a per month and/or annual basis. In addition to these fees, other service providers with respect to the Program may receive fees from us, NFS, and each Bank (collectively, with the fees paid to us and/or NFS, "Program Fees").

In addition to the Program Fees referenced above, your Brokerage Account generally may be charged additional fees that apply to brokerage and securities accounts maintained by us.

Applicable law governing retirement accounts, such as qualified plans under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and individual retirement accounts under the Internal Revenue Code, necessitates that interest rates paid by the Program Banks for deposits in the Deposit Accounts, our fee, and other service fees were negotiated at arm's length, are believed to be fair and reasonable, and are designed to approximate value for the services involved and in the context of customers' Eligible Assets.

If your Broker/Dealer is affiliated with one or more Program Banks you should review the information included in this paragraph as it may apply to your Broker/Dealer, its affiliated Program Bank, and/or one or more of their affiliates. The Program Banks use Program Deposits to fund current and new lending and for investment activities. The Program Banks earn net income from the difference between the interest they pay on Program Deposits and the fees paid to us and the income they earn on loans, investments and other assets. As noted above, the Program Banks may pay rates of interest on Program Deposits that are lower than prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank. Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate. Lower rates may be more financially beneficial to a Program Bank. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any Money Fund rates. By comparison, a Money Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the Money Fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us and/or NFS may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other core account investment vehicles currently available to you or possible core account investment vehicles that we have used in the past or may consider using in the future.

As a result of the fees and benefits described above, the Program may be significantly more profitable to us and/or NFS than other available sweep options, if any. We and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the Program.

### **C. Sharing Your Information with Banks**

NFS may provide the Banks with information related to the Customers and any individual authorized by a Customer to trade in his/her Brokerage Account used in the Program (each an "Authorized Individual") pursuant to agreement between NFS and the Banks. If provided, the information could consist of the name, address (including city, state, postal code, and, if applicable, foreign country), date of birth, either Social Security number or taxpayer identification number and any other information as necessary or requested by the Banks.

### **D. Questions/Comments Regarding this Program**

You may contact HD Vest or your Advisor to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier. For the current yields for Money Funds, contact your Advisor.

The material in this document is intended for informational purposes. If there is any conflict between the descriptions in this document and the terms of your account agreement, this document

will control.

## VIII. FDIC/SIPC COVERAGE<sup>1</sup>

### A. Deposit Insurance

FDIC deposit insurance coverage maximum per insurable ownership capacity (the "Maximum Applicable FDIC Deposit Insurance Amount") is \$250,000 per deposit in any Bank. The Deposit Accounts are eligible for insurance by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) when aggregated with all other deposits, including other bank accounts, CDs and deposits held through us or through other brokers, held by you in the same insurable capacity at a Bank (e.g., corporate, individual, joint, etc.) and \$250,000 for certain individual retirement accounts, in each case such FDIC insurance may be insured for such greater or lesser amount as may be approved by the FDIC from time to time. Your funds become eligible for deposit insurance immediately when a Bank accepts your deposits into Deposit Accounts. To the extent that your deposits at a Program Bank that are in one ownership capacity, either through the Program or otherwise, including other bank accounts, CDs and deposits held through us or through other brokers, exceed the FDIC insurance limits applicable to that ownership capacity, deposits in excess of the limits will not be insured.

In the event a Bank fails, the Deposit Accounts at that Bank are insured up to the \$250,000 limit, or such other applicable limit, as applicable, for principal and interest accrued to the day the Bank is closed. Neither HD Vest nor NFS is responsible for any insured or uninsured portion of a Deposit Account. You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at a Bank apart from the Deposit Accounts, you may wish to direct that the Bank be excluded from the Program Bank List applicable to you.

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

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you through NFS. There is no specific time period during which the FDIC must make insurance payments available and therefore you may not have access to your funds during this time. Furthermore, you may be required to provide certain documentation to the FDIC and NFS before insurance payments are made. For example, if you hold deposits as trustee or in other fiduciary capacities for beneficiaries, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

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

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

The information contained in this section regarding FDIC deposit insurance and the applicable limits are subject to the limitations described throughout this document and as specifically noted in the section entitled "Maximum Deposits" and "Program Limitations" under Section II B. "How the Program Works" of this document.

### B. Information on Deposit Insurance for Individual Retirement Accounts

Individual retirement accounts as described in the Internal Revenue Code Sections 408(a) and 408A are insured up to \$250,000 per depositor. Each person's deposits in self-directed retirement accounts at the same Bank are added together and insured up to \$250,000, separately from any retirement accounts that are not self-directed and any non-retirement accounts. Refer to the "Maximum Deposit Amount" and "Program Limitations" sections within Section II.B "How the Program Works" for Program specific limitations.

### C. Questions about FDIC Deposit Insurance Coverage

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

### D. SIPC Coverage

Your cash balance awaiting reinvestment is only eligible for FDIC insurance once it becomes a Program Deposit held by a Program Bank. Your cash balance while held by NFS and/or your Broker/Dealer is not FDIC insured, but is covered by SIPC. This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by the Program Bank or which have been swept from the Program Bank back to your Brokerage

Account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your Brokerage Account (as opposed to the Program Deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.

If, due to Program limitations, your cash balance is placed into a core account investment vehicle other than the Program, your cash balance will not be eligible for FDIC insurance but may be protected by SIPC in accordance with applicable legal requirements and limitations.

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like NFS, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment, nor does SIPC protection insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's Brokerage Account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Money Fund Shares are considered to be securities for purposes of SIPC coverage. The Deposit Accounts are not eligible for SIPC coverage.

If you have questions about SIPC coverage and additional SIPC-like coverage, contact your Advisor. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at [www.sipc.org](http://www.sipc.org).

<sup>1</sup>The information contained in this section regarding FDIC deposit insurance and the applicable limits are subject to the limitations described throughout this document and as specifically noted in the section entitled "Maximum Deposits" and "Program Limitations" under Section II. B. "How the Program Works" of this document.

**Investment and Insurance Products:**

<b>Not Insured by FDIC or any Federal Government Agency</b>	<b>May Lose Value</b>	<b>Not a Deposit of or Guaranteed by a Bank or any Bank Affiliate</b>
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Securities offered through HD Vest Investment Services®, Member FINRA/SIPC, Advisory services offered through HD Vest Advisory Services®, 6333 N. State Highway 161, Fourth Floor, Irving, TX 75038, 972-870-6000. \*Brokerage account(s) carried with National Financial Services LLC, Member NYSE, SIPC, a Fidelity Investments® Company.

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