SUPERVISORY PROCEDURES MANUAL

CRD Number: 25700

Main Office Address:
12400 Coit Road, Suite 700
Dallas, TX 75251

These written supervisory procedures were approved by Kimberly Miller, CCO. These procedures are effective from the date approved until the date of their authorized revision, update or replacement (see below).

Authorized Approval Signature: _Kimberly Miller_____

Date these procedures became effective: **January 1, 2026**

Contents

1. INTRODUCTION

This Written Supervisory Procedures Manual ("Manual") of Level Four Financial, LLC (or LFF or the "Company") describes its established supervisory procedures and system required under Rule 3110 and MSRB Rule G-27. The Company has established and maintains these supervisory procedures by taking into consideration, among other things, the firm's size, organizational structure, scope of business activities, number and location of offices, the nature and complexity of products and services offered, the volume of business done, the number of associated persons assigned to each location (and whether the location has a Principal on-site or is a non-branch location) and the disciplinary history of registered representatives or associated persons, among other factors. The Company's supervisory system is a result of the process by which it adopts compliance policies and supervisory procedures reasonably designed to achieve compliance with applicable securities laws and regulations as well as FINRA and MSRB rules. Having this process and requiring its designated top business officer ("President") to certify annually with regard to its implementation, facilitates compliance with FINRA Rule 3130. In addition, the Company, in accordance with Rule 3120, has in place supervisory control procedures to test and verify that its supervisory procedures are reasonably designed to achieve compliance with applicable securities laws and regulations and FINRA rules. The Company, pursuant to Rule 3120, is committed to amending or creating additional supervisory procedures when required. Procedures designed to ensure compliance with Rules 3110, 3120 and 3130 as well as applicable MSRB rules are described throughout this Manual.

It is the obligation of the Company to supervise the activities of its registered and associated persons. Each Principal assigned supervisory and/or compliance responsibilities (referred to throughout this Manual as the "designated Principal") has the obligation to ensure that the rules, regulations, and policies applicable to the business of the Company are maintained and followed in the specifically designated areas of his/her responsibility. This Manual is not to be construed as all-inclusive, but rather serves as a guide in conducting daily functions.

In the conduct of its operations, the Company strives to maintain high standards of commercial and ethical conduct and just and equitable Principals in its business dealings. The Company is dedicated to serving the best interests of its clients while complying with regulatory requirements. In addition, in all of its filings with FINRA, such as those regarding membership or registration, both the Company and its associated persons are *prohibited* from filing incomplete or inaccurate information or from failing to correct any such misleading information.

Anti-Money Laundering Compliance the Company's AML compliance program is under separate cover. All associated persons are directed to reference and abide by the procedures described therein. See Section ANTI-MONEY LAUNDERING.

1.1 BUSINESS CONTINUITY- SEE APPENDIX D

Emergency Preparedness In the event an emergency causes a disruption in the Company's business, Company personnel must endeavor to quickly recover and continue its operations. Company personnel will follow the procedures outlined in its "Business Continuity Plan" to resume normal operations. Personnel may access the Business Continuity Plan by locating it on the server, contacting supervisors, referring to printed documents.

The Business Continuity Plan is required under FINRA Rule 4370 and must identify procedures relating to an emergency or significant business disruption, designed to enable the Company to meet its existing obligations to customers. The procedures must address the Company's existing relationships with other Broker-Dealers and counterparties. The Business Continuity Plan must be updated upon any material change and, at a minimum, must be reviewed annually (see below). The Company must designate two emergency contact persons and must provide this information electronically to FINRA. The Executive Representative will ensure

that original contact information has been provided to FINRA and will review and update, if necessary, this contact information annually (within 17 business days of the end of the calendar year) or if any changes occur during the year.

The Company's Business Continuity Plan is maintained under separate cover and has been approved by the President. The President is responsible to review, or appoint someone to review, the Plan at least annually in order to assess its continued accuracy. If necessary, changes must be made to update the Plan. The President must review proposed changes and the final, updated version of the Plan and will maintain a record of his or her approval.

The Company must disclose to Its customers how its Business Continuity Plan addresses the possibility of a future significant business disruption and how it plans to respond to events of varying scope. This disclosure is made in a disclosure statement provided by Representatives to customers upon account opening. The most updated version of the statement is always available on the Company's website and upon request by customers (a written copy must be mailed when requested). All Company personnel are encouraged to periodically review the Plan in order to be prepared for unforeseen business disruptions.

1.2 CONTINUING MEMBERSHIP APPLICATION AND FORM BD

Approved Business At this time, the Company conducts securities business as described on its Form BD and/or Membership Agreement. Its clients consist of individuals, accredited individuals and institutions. Should the Company's ownership or control structure change, or should the Company wish to change the nature of its securities business outside the scope of approved business as described in its Membership Agreement, the President will ensure compliance with the application and approval requirements detailed in FINRA Rule 1017. The Company clears through Raymond James and Associates on a fully disclosed basis.

1.1 COMPLIANCE FUNCTIONS CHECKLIST

Below is a summary of the compliance functions within the Company and the persons responsible for overseeing these functions. This summary should be consulted for reference to the supervisory oversight in place with respect to a particular activity or function.

Each section of this Manual has a Supervisory Procedures Checkbox, designating "Who, What, When and How" as well as Appendix A: PRINCIPAL DESIGNATIONS. For each section, there is also a cross reference to the applicable FINRA Rule. The letters "WSP" denote the term "Written Supervisory Procedures" throughout this Manual.

1.3 USE AND DISTRIBUTION OF THIS MANUAL

This Manual is intended to be a set of specific supervisory directives, which shall be kept available for all Main Office and branch office supervisory personnel for day-to-day reference. Familiarity with this Manual is intended to reduce errors, avoid losses and save time.

Registered Representatives are also required to have a copy of this Manual (or access to it) at all times and to be familiar with its content.

It should be noted that this Manual includes only those rules, regulations and policies that are considered to be most applicable to supervision of the day-to-day activities of the Company's Registered Representatives and other associated persons. It is not all-inclusive of the laws and regulations with which the Company and its associated persons must comply. In order to be specifically familiar with the many rules and regulations

affecting registered and non-registered personnel, Company personnel are encouraged to visit FINRA's Website (www.finra.org), especially the "Registered Representative" page.

The most important rules and regulations that govern securities activity are the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Investment Advisors Act of 1940, as amended, FINRA and MSRB Rules and equivalent state laws. These statutes, rules and regulations are complex, and all Registered Representatives and associated persons are advised to consult with the Compliance Department for further clarification.

This Manual will be reviewed no less often than annually and any significant changes to SEC, FINRA, state laws, regulations and rules or Company policies will be reflected. This Manual is the exclusive property of the Company and, as such, its contents are confidential, and should not be revealed to any third party without the express written consent of the Company.

1.4 COMPLIANCE AND SUPERVISORY PRINCIPALS

The Company is committed to substantial and purposeful interaction between its associated persons and its compliance staff. The following sub-sections describe the compliance staff appointed by the Company to conduct daily oversight of business activities for the purpose of verifying compliance with all applicable securities laws and regulations and FINRA rules.

1.2 COMPLIANCE, OPERATIONS AND FINANCIAL PRINCIPALS

Chief Compliance Officer: The Company has designated the person named in the table below as the CCO. The responsibilities of the CCO shall include:

- Understanding the business of the Company;
- Understanding the rules and regulation applicable to the Company's business;
- Creating and keeping current written procedures to reasonably assure the Company's compliance with required rules and regulations;
- Testing and verifying supervisory procedures; and
- Meeting with the senior business officer of the Company to discuss the Company's Supervisory System, testing results and recommended remediation of gaps, as applicable.

Executive Representative: Pursuant to FINRA requirements, the Company must designate an Executive Representative to whom official FINRA notifications will be sent and who will have responsibility within the Company for notifying applicable personnel. If the Executive Representative or their contact information is changed, the Company must notify FINRA promptly of the change by updating the contact information through FINRA's Contact System and in applicable areas in CRD, including Firm Notifications. The Company has designated the person named in the table below as the Executive Representative.

Financial and Operations Principal ("FinOp"): The Financial Principal has overall responsibility for the systems of financial control and reporting for the Company. The Company has designated the person named in the table below as the FinOp.

Principal Operations Officer ("POO"): The POO is responsible for the day-to-day operations of the Company's business, including, but not limited to, overseeing the maintenance and accuracy of books and records related to customer onboarding, the retention of business records in accordance with SEA Rule 17a-3, the receipt and delivery of securities and funds, safeguarding customer and member assets, calculation and collection of margin from customers and processing dividend receivables and payables and reorganization redemptions and those books and records related to such activities. The Company has

appointed the person named in the table below as the Company's Principal Operations Officer, as required under FINRA Rule 1220.

Principal Financial Officer ("PFO"): The PFO has primary responsibility for financial filings and those books and records related to such filings. The Company has appointed the person named in the table below as the Company's Principal Financial Officer, as required under FINRA Rule 1220.

AML Compliance Officer ("AMLCO"): The AMLCO is responsible for ensuring that the Company has established policies and procedures customized to the Company's business to reasonably ensure compliance with applicable rules under the USA PATRIOT Act, Bank Secrecy Act and FINRA Rule 3310. The AMLCO will also be responsible for keeping these procedures current and implementing the procedures as set forth in the Company's AML Compliance Program.

While the AMLCO shall have overall responsibility for the Company's AML Compliance Program and will provide advice and guidance regarding the AML Compliance Program procedures, supervisory responsibilities relative to compliance with such procedures shall be vested with the principals assigned to various activities and business lines.

The AMLCO is not required to be registered with the Company in any capacity but must have the knowledge and experience related to AML rules and regulations to be able to discharge his duties.

The persons designated in the aforementioned roles, the registration and appointment dates are as follows:

Compliance, Operations & Financial Roles	Name of Assigned Principal	Registrations Held	Date Appointed or Assigned
Executive Representative ("ER")	Marc Whitehead	S4, 7, 9/10, 57, 82, 99	November 13, 2012
Chief Compliance Officer ("CCO")	Kimberly Miller	S4, 7, 24, 14 , 53, 63, 66 & 79,	February 1, 2025
Chief Advisory Operations Officer (CAOO)	Claudia Martin	S7, 24, 53, 63, 65	February 11, 2022
Financial & Operations Principal ("FinOp")	Tom Hopkins	S27	July 12, 2018
Principal Financial Officer ("PFO")	Tom Hopkins	S27	October 1, 2018
Principal Operations Officer ("POO")	Marc Whitehead	S4, 7, 9/10, 24, 55, 66 & 65	October 1, 2021
Anti-Money Laundering Compliance Officer ("AMLCO")	Kimberly Miller	S4, 7, 24, 14, 53, 63, 66 & 79	February 1, 2025

1.3 ASSIGNED AREAS OF SUPERVISION

Home Office: Level Four Financial, LLC home office is located at 12400 Coit Road, Suite 700, Dallas TX 75251. Designated principals ("DP"), as set forth in Appendix A, as required by Rule 3110(a)(2) are in this office and in remote branches that may be designated as OSJs. These principals are responsible for establishing and enforcing policies and procedures to ensure compliance with regulations relating to each listed area of supervision. Except as otherwise indicated, all books and records required to be kept by LFF by the Securities & Exchange Act of 1934 and Rules promulgated there under and/or FINRA Rules are kept under the custody and control of the home office. [1]

[1] Given the firm's framework and the characteristics of our RRs, the structure of our firm is not conducive to the operation of a field sales hierarchy. Therefore, we do not have branch sales managers, nor regional or district sales managers. Additionally, the principals assigned as

1.4 CONTACT INFORMATION AND GATEWAY USER ADMINISTRATION

Contacts: The CCO will ensure that personnel have been designated to maintain current contact information on the FINRA Contact System (FCS). In accordance with FINRA Rule 4517, the Company must report to FINRA all required contact information via FCS and must update its required contact information not later than 30 days following any change in such information. Designated personnel (Firm SAA) will conduct an annual review of Company contact information within 17 business days after the end of each calendar year and will make changes, if necessary.

The CCO or designee may conduct periodic spot checks of FCS to verify that Company personnel are meeting these requirements.

Under MSRB A-12, the Company must report information relative to the following persons authorized to receive official communications, invoices or inquiries regarding fees from the MSRB. Contacts shall be designated via Form A-12 and must be updated no later than 30 days following any change in such information. The Primary Regulatory Contact, Optional Regulatory Contact or Compliance Contact must review and affirm the Company's contact information, annually, within 17 business days after the end of each calendar year and will make changes, if necessary.

Gateway User Administration: The Company makes use of FINRA's online systems and applications, such as CRD, eFOCUS, Report Center, Regulation Filings, and WebIR (among others), to make required filings and review reports as a FINRA member. The Company has appointed a Super Account Administrator (SAA), who has the authority to grant or deny entitlements to account administrators and users. The SAA must be an employee or registered person. Unless the SAA is the sole user on CRD, he or she will review user accounts annually, during a certification period designated by FINRA, to verify or revise their continued entitlements and privileges. The CCO will ensure that the Company complies with FINRA's requirements for designation of an SAA and periodic online certification of AA's and users.

As stipulated by FINRA and to protect confidential information, the SAA will grant an individual user the permissions required to access only those areas of the Gateway that they need to perform assigned functions, to review the work of others or to review reports. Users are required to keep their passwords confidential and may not share them with others or log in using the access credentials of another person.

Users who forget their password can reset it using the "forgot password" function within the Gateway login or request the SAA to reset it with a temporary password. Neither the SAA nor any other person at the Company will maintain a log of user password so individual users are encouraged to keep track of their own password in a secure manner.

1.5 RESPONSE TO REGULATORS

The Company will respond to FINRA or MSRB requests for information not later than 15 days following any such request or within a different time frame, if specified by FINRA or MSRB staff. The CCO is responsible for ensuring responses are made as required and that a record is maintained regarding the requests and the Company's response.

Designated Principals providing support (which would be the closest function to sales management that we employ) perform no management function as it relates to the sales activity of our RRs and generally perform their principal oversight from locations separate from the RRs' branch locations.

2 STANDARD OF SUPERVISION

2.1 SUPERVISORY SYSTEM

Name of Supervisor ("designated Principal"):	Chief Compliance Officer AML Compliance Officer Designated Top Business Officer: President
Frequency of Review:	Annual; Ongoing, in accordance with established procedures. Upon hiring supervisory personnel.
How Conducted:	RR oversight; reviews of business activity, customer account reviews, etc. (as detailed throughout this WSP); Employment/experience review
How Documented:	This Manual; Account activity approvals; File records of reviews conducted.
WSP Checklist:	FINRA Rule 3110; Notices 99-45,04-54, 04-71; 05-08, 14-10; MSRB Notice 2010-60; MSRB G-27; FINRA Rule 1230

This Manual sets forth written procedures by which the Company intends to supervise its activities. In addition, it describes the Supervisory System in place to oversee the implementation of the procedures.

Under Rule 3110(a)(1) and MSRB Rule G-27, the Company must establish, maintain, and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of registered representatives and associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations and FINRA, MSRB and other rules.

The Company's Supervisory System has the following general components:

- Designation of responsible supervisory personnel (see below)
- Description of review process
- Documentation of reviews
- Specified frequency of reviews
- Monitoring performance of automated compliance systems
- Monitoring effectiveness of supervisory personnel
- Monitoring adequacy of outside service bureau compliance
- Description of steps to remedy deficiencies
- Procedure updates to reflect rule changes.
- Retaining records of past procedures

In accordance with FINRA Rules, each Registered Representative (RR) of the Company is assigned to an appropriately Registered Principal of the Company who shall be responsible for supervising that person's activities. The Compliance Department shall maintain a record of all such assignments.

The Company conducts a review, at least annually, of the businesses in which it engages, which is designed to detect and prevent violations of, and achieve compliance with, applicable securities laws and regulations and with applicable FINRA Rules. The Company's Supervisory Control System, described below, is designed to ensure and further enhance compliance by spreading responsibility to the senior management level. The Company reviews the activities of each office as applicable, including periodic examinations of customer accounts to detect and prevent irregularities or abuses. Offices are inspected as described below in the sub-sections concerning Office Inspections and branch, OSJ and non-branch office supervision.

2.2 QUALIFICATIONS OF SUPERVISORY PERSONNEL

FINRA Rule 3110(a)(6) requires the Company to make reasonable efforts to determine that all supervisory personnel are qualified to fulfill their assigned responsibilities. At a minimum, the supervisor must be properly licensed to conduct the assigned responsibilities as outlined in Rule 1230. However, passing the appropriate licensing examination does not, in and of itself, qualify a supervisor.

When designating supervisory personnel and responsibilities, the Company shall ensure that each Principal shall have proper licensing and employment qualifications. The Chief Compliance Officer is responsible for hiring or appointing designated supervisors. In doing so, this individual should determine that supervisors understand and can effectively conduct their requisite responsibilities. In this regard, the designated Principal should consider the experience the supervisor possesses to determine whether the individual is qualified by experience or if it is necessary to arrange training to ensure the person is qualified to supervise.

Specifically, the qualifications of the Company's supervisory personnel are determined in the following manner:

- The supervisor must have passed the requisite principal examination; and
- Prospective supervisors must have at least one year of direct experience or at least two years of related experience in the subject area to be supervised.

In addition, the performance and effectiveness of supervisory personnel will be reviewed periodically to ensure continued qualification.

2.3 OVERSIGHT OF SUPERVISORY PERSONNEL

FINRA Rule 3110(b)(6)(C) prohibits persons from supervising their own activities. Therefore, where possible, the Company will ensure that each designated supervisor further reports to a separate, appropriately registered person who does not report to and cannot determine the compensation or continuing employment of the individual they are assigned to supervise the requirements of FINRA Rule 3110(a).

However, the Company has determined that due to its size, resources and the position of the assigned supervisor they are unable to comply with these requirements in some or all circumstances. The CCO will maintain a record of the factors used in determining why compliance was not possible and how the supervisory arrangement otherwise complies with the Rule.

2.4 SUPERVISORY CONTROL SYSTEM

Name of Supervisor ("designated Principal"):	Chief Compliance Officer AML Compliance Officer Designated Top Business Officer: President
Frequency of Review:	Ongoing and annual
How Conducted:	Oversight of supervisory systems; reporting inadequacies; remedying problems; creating new procedures when required. Meetings between President and CCO or AMLCO
How Documented:	Annual report to senior management. Annual Certification by President
WSP Checklist:	FINRA Rules 3120 & 3130; Notices 04-71, -79, 05-08, -29, -75; 06-04, 08-57, 11-54, 14-10

The Company's Supervisory System, as outlined in this Manual, is summarized in Section 3.1, above. It is important that the Company have a system by which its Supervisory System is monitored for success—that is, to have a system of supervisory control policies and procedures. The Company has designated its Chief Compliance Officer to establish, maintain, and enforce this Supervisory Control System. The system's procedures have been designed to:

- test and verify that the Company's supervisory procedures are reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable FINRA rules (with respect to its activities and those of its registered representatives and associated persons) and
- create additional or amend supervisory procedures where the need is identified by such testing and verification.

2.5 TESTING & VERIFICATION

Testing and verification occurs by virtue of the CCO's interaction with registered persons, principals, supervisors and staff while they comply with the requirements described throughout this Manual. These interactions can provide ongoing evidence of the effectiveness of the Company's procedures or the need for changes. In addition, testing and verification will also specifically be implemented by the Company when: complying with the Office Inspection requirements; completing and/or reviewing the annual "needs assessment" under Continuing Education requirements, AML testing and other examinations of the Company's business and offices.

The Company will employ a risk-based method for testing and verification of its procedures. The CCO and his designee will review the procedures at least annually and determine where the Company and its registered persons may have the greatest exposure. They will review current regulatory requirements as it applies to the identified procedures to ensure that written procedures are adequate based on the current rules and/or regulations. The procedures will then be evaluated against the actual activities occurring within the Company. The CCO will create a report for senior management identifying the procedures being reviewed, the rules and/or regulations that are applicable, the Company's current activities related to these procedures and the outcome of their testing. Copies of all documents reviewed during this testing and the report will be retained in the Company's files with a copy of the President's 3130 certification and a report of any remedial actions undertaken.

If the Company generated more than $200 million in gross revenue in the calendar year preceding the date of the 3120-testing report, the CCO shall insure that the reports contain all applicable elements outlined in FINRA Rule 3120(2)(b).

Copies of all documents reviewed during this testing and the report will be retained in the Company's files with a copy of the President's 3130 certification and a report of any remedial actions undertaken.

In complying with the requirements under FINRA Rule 3120, the Company will also be in compliance with MSRB requirements related to the testing of its procedures.

2.6 ANNUAL COMPLIANCE AND SUPERVISION CERTIFICATION

Each year the Company's President will certify that the Company has in place processes to establish, maintain, review, test and modify written compliance policies and supervisory procedures reasonably designed to achieve compliance with applicable FINRA rules, MSRB rules, and federal securities laws and regulations, and has conducted one or more meetings with the CCO in the preceding 12 months to discuss the processes, in the format set forth in FINRA Rule 313I).

In these meetings, the CCO and President should discuss and review the matters that are the subject of the certification, discuss and review the Company's compliance efforts as of the date of such meetings, and identify and address significant compliance problems and plans for emerging business areas.

The CCO will submit a summary report, annually or more frequently if desired, to the Company's senior management. This report will include:

- A description of the Company's system of supervisory controls (i.e., a current copy of this Manual),
- A summary of the test results and significant identified exceptions (i.e., an assessment of the effectiveness of the Company's supervisory system—whether adequate or inadequate to meet regulatory requirements; the following reports (or a summary of these reports) will be included to provide supporting evidence of these conclusions: CE Needs Analysis, completed Office Inspection reports and any reports generated from supervisory reviews of account activity conducted by Branch Office Managers, etc., referred to below in the "Reviews of Producing Managers" sub-section, if applicable), and
- Any additional or amended supervisory procedures created in response to the test results or in response to changes in securities regulation.

The summary report, demonstrating the Company has in place the processes as outlined above and in the certification report, must be submitted to the Company's senior management within 45 days of the date of execution of this certification. This report may be the same report outlining the results of the Company's testing and verification of its policies and procedures or in a separate report prepared by the CCO or his designee.

FINRA Rule 3130 permits the designation of a single co-CEO solely for the purpose of compliance with this Rule. However, the co-CEOs may not divide the requirements under the Rules and each CEO would need to be responsible for the certification as if they were the sole CEO. Therefore, the signature of each must appear on a single certification each year.

In complying with the requirements under FINRA Rule 3130, the Company will also be in compliance with MSRB requirements related to the Annual Certification.

2.7 SUPERVISION OF MAIN OFFICE PERSONNEL

The Main Office is an OSJ and therefore personnel and activities will be supervised in accordance with applicable procedures as described throughout this Manual.

2.8 TRADE DESK SUPERVISION

Although the Company clears its transactions through its clearing firm, the firm conducts ongoing reviews of its trading activities as described in Section 12 Trade Desk

2.9 REGISTRATION OF BRANCH, OSJ & NON-REGISTERED BRANCHES

Name of Supervisor ("designated Principal"):	Designated Principal described throughout this Manual and named in Appendix A
Frequency of Review:	Upon application and thereafter, in the daily course of business
How Conducted:	Investigation Interviews, Forms Review of Reg. Rep. activity
How Documented:	Form BR
WSP Checklist:	FINRA Rule 3110

The Designated Principal is responsible for determining if an office is required to be registered as a branch office or an OSJ as defined in FINRA Rule 3110 and to ensure all required branch office information is reported on Form BR.

In addition, the Designated Principal will ensure that each registered representative's Form U4 accurately reflect the office, registered or unregistered, where he or she is located and the office that supervises the representative's activities.

A listing of all registered and unregistered locations will be maintained by the Company and will include:

- the office address,
- telephone number,
- dba, if applicable,
- list of persons located within each office,
- the name of the person in charge at the office,
- the name of the supervisor assigned,
- the inspection cycle,
- the assigned office inspector and whether or not the office is under heightened supervision.

2.10 RESIDENTIAL SUPERVISORY LOCATION (RSL)

Name of Supervisor ("designated Principal"):	Designated Principal described throughout this Manual and named in Appendix A
Frequency of Review:	Periodic reviews of supervisory locations
How Conducted:	Risk Assessment Meetings Trainings
How Documented:	Form U4
FINRA Rule	FINRA Rule 3110 – Supervision FINRA Rule 3110.19 – Residential Supervisory Location

FINRA Rule 3110.19 (Residential Supervisory Location) was effective on June 1, 2024. Under the rule member firms are permitted to treat a private residence at which an associated person engages in specified supervisory activities, subject to certain safeguards and limitations, as a non-branch location for which inspections must be conducted on a regular periodic schedule (presumed to be at least every three years) instead of the annual inspections currently required for an office of supervisory jurisdiction (OSJ) and "supervisory branch office."

2.10.1 CONDITIONS FOR DESIGNATION AS A RESIDENTIAL SUPERVISORY LOCATION (RSL).

1. A location that is the associated person's private residence where supervisory activities are conducted, shall be considered for those activities a non-branch location, provided that:
2. only one associated person, or multiple associated persons who reside at that location and are members of the same immediate family, conduct business at the location;
3. the location is not held out to the public as an office;
4. the associated person does not meet with customers or prospective customers at the location;
5. any sales activity that takes place at the location complies with the conditions set forth under Rule 3110(f)(2)(A)(ii) or (iii);
6. neither customer funds nor securities are handled at that location;
7. the associated person is assigned to a designated branch office, and such designated branch office is reflected on all business cards, stationery, retail communications and other communications to the public by such associated person;
8. the associated person's correspondence and communications with the public are subject to the firm's supervision in accordance with this Rule;

9. the associated person's electronic communications (e.g., e-mail) are made through the member's electronic system;
    a. the member must have a recordkeeping system to make and keep current, and preserve records required to be made and kept current, and preserved under applicable securities laws and regulations, FINRA rules, and the member's own written supervisory procedures under Rule 3110;
    b. such records are not physically or electronically maintained and preserved at the office or location; and (C) the member has prompt access to such records; and

10. the member must determine that its surveillance and technology tools are appropriate to supervise the types of risks presented by each RSL. These tools may include but are not limited to:

    a. firm-wide tools such as, electronic recordkeeping system; electronic surveillance of e-mail and correspondence; electronic trade blotters; regular activity-based sampling reviews; and tools for visual inspections;
    b. tools specific to the RSL based on the activities of associated person assigned to the location, products offered, restrictions on the activity of the RSL; and
    c. system tools such as secure network connections and effective cybersecurity protocols.

2.10.2 MEMBER FIRM INELIGIBILITY CRITERIA.

A member shall not be eligible to designate an office or location as an RSL in accordance with Rule 3110.19 if the member:

1. is currently designated as a Restricted Firm under Rule 4111;
2. is currently designated as a Taping Firm under Rule 3170;
3. is currently undergoing, or is required to undergo, a review under Rule 1017(a)(7) as a result of one or more associated persons at such location;
4. receives a notice from FINRA pursuant to Rule 9557 (Procedures for Regulating Activities under Rule 4110 (Capital Compliance), Rule 4120 (Regulatory Notification and Business Curtailment) or Rule 4130 (Regulation of Activities of Section 15C Members Experiencing Financial and/or Operational Difficulties)), unless FINRA has otherwise permitted activities in writing pursuant to such rule;
5. is or becomes suspended by FINRA;
6. based on the date in the CRD, had its FINRA membership become effective within the prior 12 months; or
7. is or has been found within the past three years by the SEC or FINRA to have violated Rule 3110(c).

2.10.3 LOCATION INELIGIBILITY CRITERIA.

An office or location shall not be eligible for designation as an RSL in accordance with Rule 3110.19 if **one or more** associated persons at such office or location:

1. is a designated supervisor who has less than one year of direct supervisory experience with the member, or an affiliate or subsidiary of the member that is registered as a broker-dealer or investment adviser;
2. is functioning as a principal for a limited period in accordance with Rule 1210.04;
3. is subject to a mandatory heightened supervisory plan under the rules of the SEC, FINRA or state regulatory agency;
4. is statutorily disqualified, unless such disqualified person has been approved (or is otherwise permitted pursuant to FINRA rules and the federal securities laws) to associate with a member and is not subject to a mandatory heightened supervisory plan

5. has an event in the prior three years that required a "yes" response to any item in Questions 14A(1)(a) and 2(a), 14B(1)(a) and 2(a), 14C, 14D and 14E on Form U4; or
6. has been notified in writing that such associated person is now subject to, any Investigation or Proceeding, by the SEC, a self-regulatory organization, including FINRA, or state securities commission which expressly allege they have failed to reasonably to supervise another person subject to their supervision, with a view to preventing the violation of any provision of the Securities Act, the Exchange Act, the Investment Advisers Act, the Investment Company Act, the Commodity Exchange Act, any state law pertaining to the regulation of securities or any rule or regulation under any of such Acts or laws, or any of the rules of the MSRB or other self-regulatory organization, including FINRA

2.10.4 OBLIGATION TO PROVIDE RSL DETAIL TO FINRA.

As required by rule, the firm will provide a current list of all locations designated as RSLs by the 15th day of the month following each calendar quarter in the manner and format (e.g., through an electronic process or such other process) as FINRA may prescribe.

2.10.5 RISK ASSESSMENT.

As required by rule, the firm will, prior to designating an office or location as an RSL, develop a reasonable risk-based approach to designating such office or location as an RSL, and conduct and document a risk assessment for the associated person assigned to that office or location. The assessment will document, at a minimum, the following:

1. customer complaints, taking into account the volume and nature of the complaints;
2. heightened supervision other than where such office or location is ineligible for RSL designation
3. failure to comply with the member's written supervisory procedures;
4. any recordkeeping violation;
5. any communications from a Regulator, indicating that the associated person at such office or location failed reasonably to supervise another person subject to their supervision, including but not limited to, subpoenas, preliminary or routine regulatory inquiries or requests for information, deficiency letters, trading questionnaires, or examinations.
6. any higher risk activities that take place or a higher risk associated person that is assigned to that office or location.
7. any indicators of irregularities or misconduct (i.e., "red flags")

Red flags will be reviewed, where applicable, the firm will evidence steps taken to address those red flags where appropriate.

2.11 SPECIAL SUPERVISION

Name of Supervisor ("designated Principal"):	Chief Compliance Officer AML Compliance Officer And assigned Designated Principal overseeing RRs as described throughout this Manual and named in Appendix A
Frequency of Review:	As specifically designed and as required
How Conducted:	Conduct supervision as designed, including added reviews, inspections, monitoring, and visits.

How Documented:	Periodic certification forwarded to Compliance confirming special supervision. Other documentation in accordance with terms of special supervision.
WSP Checklist:	FINRA Rules 3110, 3170; Notices 96-59, 98-52, 97-19, 01-38, 14-10 By-laws, Article III, Section 4

During the course of a Registered Representative becoming registered or after a Representative has been registered with the Company and is engaged in business on its behalf, there may come to the Company's attention circumstances that would warrant Special Supervision for that person. These circumstances are such as to indicate that, while the person can function well within the regulatory regime, certain aspects of the person's history point to a need for more than the usual level of attention by supervisory personnel.

Indicators of such a need would include (but are not limited to):

- A history of customer complaints, disciplinary history or arbitrations;
- A prior termination for a significant sales practice or regulatory violations;
- A frequent change of Broker-Dealers within the industry;
- Excessive trade corrections, extensions and liquidations;
- Personal or financial stress;
- Former employment at a "disciplinary firm"; and/or
- Statutory disqualification pursuant to Article III, Section 4 of FINRA By-Laws (See section entitled "Statutorily Disqualified Persons").

The foregoing considerations would apply as well to persons hired in a non-representative capacity that had formerly been Registered Representatives and had experienced any of the foregoing "red flags."

Supervisory and compliance personnel at the Company, once having identified the need, will develop Special Supervision for this person (a "Special Representative") designed to diminish the concerns raised by the "red flags." The assigned Designated Principal will carry out the terms of this Special Supervision, which will be documented in the personnel records of the Special Representative and will at a minimum include:

- Restrictions on the kinds of activities engaged in;
- Monitoring customer account activity, Correspondence and phone calls;
- Special training (possible re-take of series exams, etc.);
- Assignment to a supervisor responsible for administering the Special Supervision;
- Increased level of visits, inspections, reviews of records and transactions;
- Initial meeting to obtain commitment of Special Representative to the program;
- Agreed upon consequences if program does not work; and
- Timeline and periodic progress review to determine success.

In the case of statutorily disqualified persons, registration approval will be necessary before the person conducts business activities for the Company; additionally, the supervisor will carry out special supervision as required under an agreement with the applicable SRO reviewing the disqualified person.

2.12 THE TAPING RULE

The Company currently is not subject to the requirements to implement a taping system as outlined in FINRA Rule 3170. In the event the Company becomes subject to such requirements, the CCO, in conjunction with applicable supervisory personnel, will review the triggering event and make a determination on whether to:

- Reduce applicable staff levels below triggering levels within 30 days of receiving notification from FINRA it has become subject to the Rule, provide FINRA Member Regulation written

notice identifying the termination person(s) and not rehire any persons terminated in this reduction for at least 180 days after their termination;

- Apply to FINRA for an exemption within 30 days of becoming subject to requirements; or
- Adopt processes and procedures to comply with the requirements under the Rule within 60 days of becoming subject to the requirements.

2.13 BROKER-DEALER REGISTRATION

Name of Supervisor ("designated Principal"):	Designated Principal as described throughout this Manual and named in Appendix A
Frequency of Review:	Upon application and thereafter, in the daily course of business
How Conducted:	Investigation Interviews, Forms Review of Reg. Rep. activity
How Documented:	Form BD

Broker-Dealer Registration and Disclosures It is clear that under federal and state regulations the making of solicited offers to sell securities and the transaction of purchases and sales with residents of a given jurisdiction requires that the Company register as a Broker-Dealer in that jurisdiction. Under the laws of some jurisdictions merely posting a website that provides information regarding the Company's services or product offerings or allows transactions (unsolicited or otherwise) with residents of that jurisdiction is construed as requiring registration. Extreme caution should be exercised, and the Designated Principal must confirm registration in a given jurisdiction before allowing transactions with a resident of that jurisdiction. See "Use of Electronic Media" for more considerations for online activities.

Supervision of Online Activities

The Company, whether it maintains a website, allows its Reps to maintain websites, permits its Reps to communicate with customers via social networking sites, or provides its customers with online account access and/or trading, has certain obligations that span various compliance categories. The personnel designated in this Manual to oversee these aspects of the Company's business operations must ensure strict adherence to the policies and procedures described herein; in addition, they are required to remain abreast of continually changing regulations, interpretations and guidance relating to these subjects. FINRA's website provides access to informational and educational material on electronic communications and should be referenced periodically by all supervisors.

2.13.1 STEPS TO REMEDY DEFICIENCIES

Name of Supervisor ("designated Principal"):	Chief Compliance Officer AML Compliance Officer And assigned OSJ and Designated Principals overseeing RRs as described throughout this Manual and named in Appendix A
Frequency of Review:	Immediate if situation calls for it (for instance, for rule violations); otherwise, as part of normal review procedures described herein.
How Conducted:	Review and Report, Improve Discipline
How Documented:	Special Records and other reports, as described herein (for instance, with regard to testing and verification procedures)
WSP Checklist:	FINRA By-laws Article IV, Section 3; FINRA Rule 1210, FINRA Rule 4530. Notice 10-39, 11-06

Level Four Financial, LLC takes the following steps in cases where deficiencies are identified in (1) supervisory procedures, (2) supervisory systems or (3) compliance by individuals with the procedures or systems:

- Review and/or investigation by designated Principal(s) involved;

- Report and/or review by Compliance Department;
- Change (if required) in procedures or systems;
- Change (if required) in duty assignments;
- Replace (if required) personnel;
- Any required reports filed with regulatory agencies; and/or
- Discipline (if required) individuals involved, including:
- U5 or reassignment or suspension,
- Fine or other monetary penalty,
- Restriction in business activities or types of customers,
- Assignment to special supervision or monitoring,
- Re-take one or more Series exams, and/or
- Special Continuing Education.

2.13.2 TERMINATION

Name of Supervisor ("designated Principal"):	Designated Principal described throughout this Manual and named in Appendix A
Frequency of Review:	Upon application and thereafter, in the daily course of business
How Conducted:	Investigation Interviews, Forms Review of Reg. Rep. activity
How Documented:	Form U5, Form BR

Each Registered Representative should understand that association with the Company is not a right but a privilege. Continuing and diligent compliance with the Company's policies and procedures and an ability to coordinate and grow with the Company's business objectives will generally mean that a Representative is welcome, supported and encouraged to stay. However, the Company's management retains the power, at its sole discretion, to retain or terminate the registration of any person at any time and for any reason. In the event of termination, voluntarily or otherwise, the Company will vigorously seek to assert and maintain any rights under non-competition or other arrangements to which the Representative is subject.

Any Registered Representative may at any time resign voluntarily as a FINRA associated person of the Company, subject to the provisions of any agreements between the Representative and the Company.

In the event of a serious concern as to the appropriateness of a Representative's continuing association with Level Four Financial, LLC, the Company's management may (and in cases where FINRA Rules require it, management shall) terminate the Representative's association with the Company and file a complete and accurate Form U5 on CRD, as described below.

Within 30 days of termination or resignation of a registered person, the Designated Principal shall file Form U5 electronically with FINRA as outlined under FINRA Rule 1010. The Form U5 must disclose the reason for termination and contain the current address of the Representative.

Within 30 days of filing the Form U5, the Designated Principal will provide the Representative with a copy of his/her Form U5 and will ensure that a copy of the submitted Form U5 and evidence it was sent to the individual is maintained in the registration file for that person.

In the case of a non-registered fingerprinted person who leaves the Company, the Designated Principal will file an amendment to Form NRF to report the termination date.

REGISTERED RESEARCH ANALYST SUPERVISION - not applicable

2.13.3 NETWORKING ARRANGEMENTS WITH FINANCIAL INSTITUTIONS

Name of Supervisor ("designated Principal"):	OSJ and Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	In accordance with designated schedule; upon review of agreements, disclosures, advertising, sales materials
How Conducted:	Visits; review of agreements, disclosures, sales literature and advertising,
How Documented:	Office inspection materials; advertising files; agreements. Verify LF136 Customer Disclosure and Written Acknowledgement is on file.
WSP Checklist:	Consol. FINRA Rule 3160; Notices 97-89, 10-21; SEC No-Action Letter Chubb Securities Corporation (November 24, 1993)

These policies and procedures apply to retail sales of mutual fund shares and other securities ("non-deposit investment products") through or on the premises of banks, savings associations and credit unions (collectively, "banks"). Registered representatives and principals must comply with these policies and procedures with respect to all non-deposit investment products sold on bank premises or to bank customers referred by the bank, pursuant to a license or networking arrangement between the Firm and a bank.

Sales of non-deposit investment products by banks or by unaffiliated Broker-Dealers through banks are subject to various federal and state regulatory requirements. The nature and extent of the regulation may be affected by the regulatory structure of the bank (e.g., national bank, state-chartered bank, savings and loan association, credit union) or by other restrictions applicable to that particular institution. The Designated Principal should verify the nature of the bank's regulatory oversight and consult with the Compliance Department to verify that additional procedures or compliance measures are not required.

The Firm will market non-deposit investment products in a manner that does not mislead or confuse customers as to the nature of the products or their risks. Specifically, the Firm will conduct its Broker-Dealer activity in a physical location that is distinct from the area where retail deposits are accepted. At a minimum, the Firm will post a sign that clearly distinguishes the investment area from the retail deposit area of the bank.

2.13.4 EFFECTING TRANSACTIONS IN BANK SECURITIES

Equity Securities. Registered representatives are prohibited from soliciting transactions in the bank's equity securities or the equity securities of any bank affiliates (including required service corporations). However, registered representatives may accept non-solicited transactions for the banks and any affiliate's securities (including those of a required service corporation).

Debt Securities. Registered representatives are prohibited from selling the debt securities of the bank or its affiliates (including required service corporations), on an unsolicited basis or otherwise.

2.13.5 DISCLOSURES AND ADVERTISING

Registered representatives must make complete and accurate disclosure to customers in order to make it clear that non-deposit investment products are not bank deposits and are not insured by the Federal Deposit Insurance Corporation ("FDIC").

At a minimum, registered representatives must provide conspicuous disclosure to retail customers (the "minimum disclosures") that the non-deposit investment products offered:

- are not FDIC insured.
- are not deposits or other obligations or guarantees of the bank.

- involve investment risk, including possible loss of principal amount invested.

Written disclosure must be conspicuous and presented in a clear and concise manner. The minimum disclosures should be provided to the customer:

- Orally, during any sales presentation.
- Orally when investment advice concerning non-deposit investment products is provided.
- Orally and in writing prior to or at the time an investment account is opened to purchase these products.

In advertisements and other promotional materials (described below).

Except as described below, all advertising and other promotional material used to describe or promote the availability of the Firm's Broker-Dealer services on the bank's premises must contain the disclosures described above.

With respect to billboards, signs, posters, written advertisements and brochures, a "logo" format may be used, provided the item contains the following disclosure:

- Not FDIC Insured.
- No Bank Guarantee
- May Lose Value
- Not a deposit
- Not insured by any federal agency
- The disclosures **must** be conspicuous and easy to read. The print must be as large as the surrounding text.

All advertising and promotional material must be approved by the Compliance Department. Any reference to the bank in advertisements or other promotional material must be limited to the purpose of identifying only the location where brokerage services are available and must not appear prominently in the materials. In addition, all advertisements must indicate that (1) brokerage services are being provided by the Firm and (2) accounts are carried with the clearing firm.

All advertising and other promotional material used to promote the availability of Broker-Dealer services of the Firm on the bank's premises must otherwise comply with applicable securities laws and with FINRA Rule 2210 and, where required, must be filed with the FINRA Advertising Regulation Department.

Confirmations and account statements must not contain the name or logo of the bank and must contain the minimum disclosures.

If sales activities include any disclosures made with respect to any insurance entity ***other*** than the FDIC, (e.g., SIPC), then the registered representative must provide clear and accurate written or oral explanations of the insurance coverage, in order to minimize confusion with FDIC insurance.

2.13.6 USE OF CONFIDENTIAL INFORMATION

The Firm may use confidential financial information provided by the bank to solicit customers for Broker-Dealer services provided the bank presents evidence of the customer's written consent to use the confidential financial information for that purpose. Furthermore, the Firm and the bank must comply with Regulation S-P or any other applicable privacy regulations and adhere to adopted privacy policies.

2.13.7 DUAL EMPLOYEES

If the Securities Activities and Services Agreement between the Firm and a bank contemplates employees of the bank also serving as registered representatives of the Firm ("Dual Employees"):

- The Firm will exclusively control, supervise and be responsible for the securities activities of each Dual Employee to the extent that such Dual Employee acts in the capacity of a registered representative. Each Dual Employee will be supervised by the Firm's supervisory personnel who are registered securities principals.
- The Firm will determine the transaction-related compensation of Dual Employees under its customary compensation program, independent of any compensation that the bank may pay the Dual Employee.
- The Firm will train each Dual Employee to comply with all of the policies and procedures applicable to all its registered representatives as well as the policies and procedures applicable to securities activities through banks. The Firm will provide each Dual Employee with a copy of its Procedures Manual and will monitor the Dual Employee's compliance with the manual.
- If the Securities Activities and Services Agreement does not contemplate that bank employees will also serve as registered representatives of the Firm, all bank employees will be subject to the restrictions set forth below for non-registered employees.

2.13.8 NON-REGISTERED EMPLOYEES OF BANK

Bank employees who are not registered representatives of the Firm ("Non-Registered Bank Employees") are limited to purely clerical and ministerial functions, with respect to sales of non-deposit investment products. Non-Registered Bank Employees must:

- Not engage in any securities-related or investment-related activities on behalf of the Firm.
- Not recommend any security, give any form of advice, describe investment vehicles, discuss the merits of any security with a customer, or handle any questions that might require familiarity with the securities industry or require the exercise of judgment regarding securities.
- Not accept or transmit orders or handle customer funds and securities.
- Refer all securities-related questions to properly licensed registered representatives.
- The Firm may not pay to any Non-Registered Bank Employee a transaction-related compensation or referral fee. The bank may, however, pay Non-Registered Bank Employees a one-time fee of a nominal, fixed-dollar amount for the referral of a customer, which is wholly unrelated to whether the referral results in a transaction or the volume of securities traded by the customer, to the extent this is permitted by law and the contractual arrangement between the bank and the Firm.
- The Firm will provide the bank with written procedures to make available to its Non-Registered Bank Employees. The written procedures will specify the limits of the activities of Non-Registered Bank Employees.

2.13.9 SECURITIES ACTIVITIES AND SERVICES AGREEMENT WITH BANK

The Firm will enter into a Securities Activities and Services Agreement with each bank that will enable the Firm to sell to bank customers and must comply with the provisions of the Interagency Statement on Retail Sales of Non-deposit Investment Products, which has been adopted by the four primary banking regulatory agencies, including the FDIC. At a minimum, the Securities Activities and Services Agreement must:

- Describe the duties and responsibilities of each party, including a description of permissible activities by the Firm on the bank's premises, terms as to the use of the bank's space, personnel, and equipment, and compensation arrangements for personnel of the bank and the Firm.
- Specify that the Firm must comply with all applicable laws and regulations and will act consistently with the provisions of the Interagency Statement and, in particular, with the provisions relating to customer disclosures.
- Authorize the bank to monitor the Firm and periodically review and verify that the Broker-Dealer and its sales representatives are complying with its agreement with the bank.

- Authorize the bank and the appropriate banking agency to have access to the records of the Firm as are necessary or appropriate to evaluate compliance.
- Require the Firm to indemnify the bank for potential liability resulting from the Firm's actions with regard to the investment product sales program.
- Stipulate that that Firm's supervisory personnel, as well as representatives of the SEC and FINRA, shall be permitted access to the bank's premises where the Firm conducts Broker-Dealer services in order to inspect the books and records and other relevant information maintained by the Firm with respect to the Broker-Dealer services.
- Stipulate that unregistered employee of the bank shall not receive any compensation, cash or noncash, which is conditioned upon whether a referral results in a transaction.
- Stipulate that the Firm shall notify the bank if the Firm terminates any registered representative who is also employed by the bank, for cause.

2.13.10 COMPLIANCE

The Compliance Department will periodically review the securities activities conducted pursuant to Securities Activities and Services Agreements for compliance with these procedures.

The Firm will comply with reasonable requests by the bank in connection with its internal compliance programs. The Firm shall also allow the bank and banking regulators access to its books and records in connection with any compliance or regulatory examination.

The Designated Principals will be responsible for supervising the registered representative serving on bank premises.

The Designated Principal or designee, at least every three years, will inspect each branch location on bank premises to ensure compliance with the policies and procedures. The inspector will utilize a checklist to evidence supervision of the bank branch and forward a copy of the completed checklist to the Compliance Department. In addition to standard branch inspection reviews, the Inspector may include the following:

Setting and Circumstances.

- Determine whether there are effective controls to distinguish retail deposit-taking activities from retail non-deposit investment sales.
- Ensure that the signage in the bank clearly delineates the different locations on the premises where brokerage and bank services are provided.
- Ensure that the brokerage location clearly (i) displays the minimum disclosures as described above, (ii) identifies the Firm as the provider of brokerage services, and not the bank and (iii) discloses that the Firm clears all transactions through the clearing firm (member FINRA/SIPC). Such disclosures must be clearly displayed on the registered representative's desktop in full view of the public.
- Where the deposit-taking and securities sale functions are performed by the same personnel, determine if the registered representative uses appropriate written and oral disclosures to guard against customer confusion. The designated principal will observe the extent to which such disclosures are made in these circumstances.

Promotional material.

- Ensure that promotional literature for brokerage services is appropriately placed and is not located at teller stations.

- Review promotional material at the brokerage location and ensure that all such literature is current and contains (i) the minimum disclosures; (ii) identifies the Firm as the provider of brokerage services; and (iii) discloses that the Firm clears all transactions through the clearing firm (member FINRA/SIPC).
- Ensure that all promotional materials have been approved by the Compliance Department.
- Discard any promotional materials that (i) fail to contain the appropriate disclosures, (ii) contain stale performance figures, or (iii) that have not been approved by the Compliance Department for use with the public. A list of these materials will be sent to the Compliance Department.

Teller Stations. Observe the non-registered bank employees to ensure that they do not engage in impermissible activities.

Customer Disclosures.

- Observe the registered representative during sales presentations to potential customers to ensure that the minimum disclosures are made in an appropriate and timely manner.
- Ensure that the registered representative requires the customer to sign all applicable forms including, but not limited to, the account agreement and customer agreement, and LF136 Customer Disclosure and Written Acknowledgement.
- Determine whether all of the required disclosures are featured conspicuously in all written or oral sales presentations; advertising and promotional materials; and confirmations and account statements;
- Determine whether disclosures are made with respect to early withdrawal penalties, sales charges, commissions, mark-ups/downs and CDSCs.
- If representations about non-FDIC insurance coverage are made, determine whether the explanation is appropriate and is given to all customers.

Use of Confidential Information. Ensure that the Firm's and the clearing firm's privacy notices are provided in a timely manner and made available to all potential customers upon request.

2.13.11 BRANCH BASED SALES ADMINISTRATIVE ASSISTANTS

All Branch Based Sales Administrative Assistant activity is supervised by the Designated Principal. This is done to ensure that a Sales Administrative Assistant (who is not a registered person) does not participate in any sales activities. The responsibilities of the Sales Administrative Assistant are purely clerical and administrative. These responsibilities include, but are not limited to filing, answering telephones, copying documents, ordering sales information, and opening mail. An unregistered Sales Administrative Assistant may contact a prospective customer only for the following reasons:

- to extend an invitation to firm-sponsored events at which any substantive presentations and account or order solicitation will be conducted by appropriately registered personnel.
- to inquire whether the prospective customer wishes to discuss investments with a registered person.
- to determine whether the prospective customer wishes to receive investment literature from the Firm.

Unregistered Sales Administrative Assistants may <u>not</u>:

- discuss investments or make recommendations to customers.

- solicit, take or accept orders from customers; distribute sales literature or prospectuses; answer customer questions related specifically to investments.
- open new accounts; or discuss the financial market or specific securities.

Unregistered Sales Administrative Assistants must be:

- Fingerprinted and the Compliance Department will either:
    1. Enter a U-4 into the FINRA Web CRD system opening a Series 7 for testing purposes; or
    2. Enter the person as a NRF (non-registered fingerprinted associate)

2.14 OFFICE INSPECTIONS

Name of Supervisor ("designated Principal"):	Designated Principal as described throughout this Manual and named in Appendix A
Frequency of Review:	As required every three years or 1 year for OSJ branches Periodically for RSL Locations
How Conducted:	On-site or remote as permitted by rule
How Documented:	Branch Inspection work papers and reports
FINRA Rule:	FINRA Rule 3110 (c) – Supervision / Internal Inspections FINRA Rule 3110.18 – Remote Inspections Pilot Program

Focus and Report. The office inspection is designed to evaluate the general compliance of the office and monitor any changes in its business, products, people and practices, taking into consideration the outside business activities of personnel and any potential conflicts of interest. The office inspector(s) must record the results of the review in a written report. The written report will be dated and will provide results from the testing and verification of the Company's policies and procedures, including, but not limited to, supervisory procedures in the following areas:

- Safeguarding of customer funds and securities;
- Maintaining books and records;
- Supervision of customer accounts serviced by Branch Office Managers;
- Transmittal of funds between customers and RRs and between customers and third parties;
- Validation of customer address changes; and
- Validation of changes in customer account information.

If the Company does not engage in all of the activities enumerated above, it must identify those activities in which it does not engage in its written inspection report and document in the report that supervisory policies and procedures for such activities must be in place before the Company can engage in them.

The inspection report will be maintained for three years.

Offices: The Company operates and/or has registered persons providing services from multiple locations. Each location will be inspected as outlined in the following procedures.

Inspectors: Under FINRA Rule 3110(c), the Company requires inspections of its offices. The Designated Principal appoints office inspectors in consideration of certain factors, including their understanding of the business, depth of experience, and ability to challenge assumptions, as well as a lack of conflict of interest, when possible. FINRA Rule 3110 requires office inspections to be conducted by someone other than the respective Office Manager or anyone else with supervisory authority in the office, including anyone directly supervised by these persons. However, the Company, if it is of limited size and resources, may rely on an

exception to this Rule. The Designated Principal shall maintain a file showing the designated inspector assigned to each office and the Company's rationale for appointing persons not independent of the manager or supervisors of the offices, when applicable.

Cycles The Company will adhere, at a minimum, to FINRA's stated inspection cycles as outlined in FINRA Rule 3110(c) for registered branches and OSJs. However, the Company will also endeavor to determine whether to deploy shorter inspection cycles or if surprise inspections will be made through risk assessments made by the Designated Principal. Each risk assessment will address certain factors, such as:

- the size and complexity of the Company as a whole and of the office, itself,
- the nature of its securities business and clientele,
- the geographic distance between offices,
- the history and strength of relationships with office personnel,
- the disciplinary history of office personnel,
- prior results of office inspections (both positive and negative results, as well as repeat findings),
- the nature of outside business activities conducted by personnel in the office, and
- customer complaint history, among other factors.

The inspection cycle for each unregistered location shall be three years, as recommended in FINRA Rule 3110.13, unless it is determined by the Company, based on the factors outlined above and other information regarding the office and its personnel, that an alternative cycle will be used. The inspection cycle and the rationale for a cycle outside the guidance in FINRA Rule 3110 shall be noted in the listing of offices maintained in the Company's records.

The FinOp works primarily from a location outside of the main office (or a registered branch location) of the Company. The FinOp performs monthly reviews of financial, computation of net capital, filing of regulatory reports and related duties from his primary work location. This location has been reported on Form U4.

No Company records will be maintained in this location. Given the nature of the activities occurring in this location, the CCO has determined that no inspections of this office would be required.

2.14.1 REMOTE INSPECTION PILOT PROGRAM

On January 23, 2024, FINRA announced the addition of new Supplementary Material .18 to FINRA Rule 3110 (Supervision) to adopt a voluntary, three-year remote inspections pilot program (Pilot Program) to allow eligible members to fulfill their location inspection obligations remotely versus conducting on-site visits. Part 1 of the pilot program starts on July 1, 2024, and continues for 3 years. In the event that it is deemed necessary for a branch office to be inspected within one year of its opening and/or registration, the audit must be conducted in on-site/in-person, as new hires/associated persons are not eligible for remote inspection pilot program.

2.14.2 GENERAL PILOT PROGRAM REQUIREMENTS

As the firm has satisfied the following conditions, the firm will be opting into the Remote Inspection Pilot Program:

- Email and other electronic communications must be made through the member's electronic system;
- Firm personnel correspondence and communications with the public must be subject to the firm's supervision in accordance with Rule 3110;

- The firm must have a recordkeeping system that makes, keeps current, and preserves records as required under applicable law, must have prompt access to such records, and cannot maintain or preserve its required books or records solely at the location subject to remote supervision; and
- A firm must determine that its surveillance and technology tools are appropriate to supervise the types of risks presented by each remotely supervised location, including electronic recordkeeping systems, electronic email surveillance, electronic trade blotters, regular activity-based sampling reviews, tools for visual inspections, and system security tools such as secure network connections and effective cybersecurity protocols.

2.14.3 FIRM AND LOCATION INELIGIBILITY

Should, at any time, the following apply to the firm, there would be a requirement to withdrawal from the Remote Inspection Pilot Program:

- The firm is or becomes designated as a "Restricted Firm" under Rule 4111 or a "Taping Firm" under Rule 3170;
- The firm receives a notice from FINRA pursuant to Rule 9557 regarding compliance with financial or operational rules relating to net capital compliance, business curtailment, or regulation of activities of firms experiencing financial difficulty;[1] or
- The SEC or FINRA has found within the past three years that the firm violated Rule 3110(c) (Internal Inspections).

Additionally, a branch office location with one the following would be considered **ineligible** for inclusion in the Pilot Program:

- Proprietary trading occurs at the location, including the incidental crossing of customer orders, or the direct supervision of such activities.
- The location handles customer funds or securities.
- One or more associated persons at the location is subject to a mandatory heightened supervisory plan under the rules of the SEC, FINRA, or a state regulatory agency or becomes statutorily disqualified (subject to certain limited permitted exceptions).
- An associated person at the location:
    a. has in the prior five years, one or more "final criminal matters" or two or more "specified risk events" as defined in FINRA Rule 1011;
    b. has an event in the prior three years that required a "yes" response to certain disciplinary-related items on Form U4; or
    c. is subject to a disciplinary action taken by the member that is or was reportable under FINRA Rule 4530(a)(2).

2.14.4 REASONABLE REVIEW AND RISK ASSESSMENT

To participate in the Remote Inspection Pilot Program, the firm has created a risk-based approach to determine if remote inspections are appropriate for each of the firm's branch offices. These reviews are based on, at a minimum, the following criteria:

- Volume and nature of customer complaints (where applicable),
- The volume complexity of products offered,
- The nature of the customer base (including vulnerable adult investors),
- Whether associated persons are subject to heightened supervision
- Volume and nature of outside business activities conducted by associated persons within the branch
- Failures by associated persons to comply with the Firm's WSP

- Recordkeeping violations

The risk assessments will be reviewed periodically to ensure that they remain accurate and for ongoing consideration for the remote inspection pilot program.

2.14.5 BOOKS AND RECORDS

The firm will maintain a centralized record for each of the pilot years that separately identifies each of the locations it inspected remotely and any locations for which the firm determined to impose additional supervisory procedures or more frequent monitoring.

The firm, as required to participate in the pilot program, will provide FINRA with quarterly counts and other information with respect to:

- The number of total, remote, and on-site inspections completed
- The number of on-site inspections completed due to a finding (including identification of the locations, how many findings the firm identified, and a list of any that were significant).
- The firm's written supervisory procedures for remote inspections in each of the four following areas:

    a. procedures for escalating significant findings.
    b. procedures for new hire.
    c. procedures for supervising brokers with a significant history of misconduct.
    d. procedures related to outside business activities (OBAs) and doing business as (DBA) designations.

As with the firm's on-site examinations, the Remote Inspection Program inspections will include, at a minimum, the following elements.

- Pre-audit questionnaires
- Review of client trading activity and positions
- Review of RR designations
- Interviews with registered personnel via conference/video calls
- Targeted review of personnel electronic communications
- Targeted review of social media usage
- Employee personal trading activity
- Review of outside business activities and associated conflicts
- Review and supervision of actively traded accounts
- Confidentiality of Firm and Customer Information
- Cybersecurity review of computer settings and passwords for independent associates

Written reports will be created which will include observations, exceptions, and challenges regarding remote inspections and remote working. Remote Inspection Reports will be reviewed by senior management, the firm's CCO and Corporate Counsel. Significant findings will be addressed as required.

The firm will utilize, at a minimum, data from the following technology platforms to perform both its remote and on-site branch office examinations:

- RCI
- Black Diamond
- Custodian Supervision and Client Reports from Raymond James, Fidelity and Charles Schwab
- Zoom Meeting for remote audits

- Laserfiche for books and records
- QuestCE
- Global Relay

Heightened inspection procedures will be implemented when deemed necessary to avoid conflicts of interest that serve to undermine complete and effective inspection because of the economic, commercial, or financial interests that the branch supervisor holds in the associated persons and businesses being inspected.

Designated compliance staff will apply one or more of the following heightened inspection procedures when deemed necessary:

- unannounced office inspections,
- increased frequency of inspections,
- a broader scope of activities inspected, and
- having one or more principal's review and approve the office inspections.

The designated Principal shall maintain records for the rationale for placing the office under heightened supervision, if deemed appropriate.

2.14.6 ACTIVITIES ON MILITARY INSTALLATIONS

The Company does not currently conduct sales or solicitation activity on the premises of military installations. Prior to engaging in such activity, the Company will review FINRA Rule 2272 and Notice 15-34 to establish supervisory procedures.

3 LICENSING

3.1 REGISTERED REPRESENTATIVES / ASSOCIATED PERSONS

Name of Supervisor ("designated Principal"):	Designated Principal Onboarding Committee as described throughout this Manual and named in Appendix A
Frequency of Review:	Upon application, amendments and annual renewals thereafter, in the daily course of business
How Conducted:	Investigation Interviews, Form LF123 Onboarding Committee Meeting & Ruling
How Documented:	Form U4 / CRD Profiles Questionnaires Background Checks
WSP Checklist:	FINRA Rules 1210 and 1017(a)(7); IM-1000-2; MSRB G-3; FINRA Rules 1010, 2263, 4530. Notices 00-02, 02-53, -73, 03-23, -44, 04-57, 05-14, -24, -39, 09-23, 09-40, 11-06, 11-33, 21-09
Comment:	

Although the Company may wish to hire personnel in a registered or unregistered capacity, it may be prevented from doing so by FINRA. FINRA has the authority to suspend the ability of an associated or formerly associated person to associate with the Company, if that person failed to pay an award or settlement decided in FINRA arbitration. Please consult Article VI, Section 3 of FINRA By-Laws for specifics.

3.2 WHO IS REQUIRED TO BE REGISTERED.

In General, all persons engaged or to be engaged in the investment banking or securities business who are to function as representatives shall be registered. Specifically, this is to include persons associated with the Company, including assistant officers other than principals, who are engaged in investment banking or securities business for the Company including the functions of supervision, solicitation or conduct of business in securities or who are engaged in the training of persons associated with the Company for any of these functions. This includes administrative personnel engaged in accepting and processing unsolicited customer orders for execution. The Company will not make an application to register any person as a Representative where there is no intent to employ such person in its investment banking or securities business (in other words, the Company will not "park" any registrations as described above in the section entitled "Termination").

After October 1, 2018, the Company may register persons associated with the Company not specifically engaged in the activities covered by the registration if the Company determines it would be beneficial to have the person registered. The Designated Principal will maintain documentation related to any such registrations.

The Exchange Act provisions define associated person to include any partner, officer, director, or branch manager of a Broker-Dealer (any person occupying a similar status or performing a similar function), any person directly or indirectly controlling, controlled by, or under common control with a Broker-Dealer, or any employee of a Broker-Dealer. This includes order-takers. The SEC interprets the term associated person to include any independent contractor, consultant, franchisee, or other person providing services to a Broker-Dealer equivalent to those services provided by the persons specifically referenced in the statute.

The Designated Principal will ensure that all associated persons are properly licensed to conduct their assigned responsibilities.

Exempt from registration are several very specific categories of personnel:

- Persons associated with the Company whose functions are solely and exclusively clerical or ministerial;
- Persons associated with the Company who are not actively engaged in the investment banking or securities business;
- Persons associated with the Company whose functions are related solely and exclusively to the need for nominal corporate officers or for capital participation; and
- Persons associated with the Company whose functions are related solely and exclusively to:
- effecting transactions on the floor of a national securities exchange and who are registered as floor members with such exchange;
- transactions in municipal securities;
- transactions in commodities; or
- transactions in security futures, provided that any such person is registered with a registered futures association.

Also, the Company may direct transaction-related referral compensation to non-registered foreign persons under certain circumstances set forth in FINRA Rule 2040.

Principal Registration. The Company is required to register as a principal all persons who are actively engaged in the management of the Company's investment banking or securities business, including supervision, solicitation, conduct of business or the training of persons associated with the Company. Every Office of Supervisory Jurisdiction shall be supervised by at least one registered principal. "Actively

engaged" means day-to-day conduct of the member's securities business and the implementation of corporate policies related to such business. Thus, directors or persons with a similar official position who have a role to play but are not "actively engaged" need not register. A General Counsel who officially participates in decision-making and supervisory responsibilities must register.
No Registered Representative may solicit or conduct securities transactions before such individual has been appropriately registered through the Company. The Designated Principal shall ascertain that all requirements have been met before any business is conducted by reviewing the Representative's status in CRD demonstrating approval by FINRA and applicable states (see below).

Individuals who are required to be registered in non-sales related capacities, may be permitted to act in covered functions for a limited amount of time pending the successful completion of the requisite qualification examination. The Designated Principal will monitor the registration status and activities of these individuals to determine compliance with this interim provision.

3.3 ONBOARDING DOCUMENTATION AND VERIFICATION

Onboarding and pre-hire:
Following the receipt and review of hiring documents including, authorization to allow the Company to conduct a background and pre-hire check, the Designated Principal shall undertake reasonable investigation of the character, reputation, qualification and experience of the person applying for registration or association with the Company.

In conducting the pre-hire investigation, the Designated Principal shall prepare LF123 Onboarding Committee Meeting & Ruling:

- Review the applicant's Form U4 and other hiring documents to ensure they are completed thoroughly and gather additional information where needed;
- Obtain a copy of the most recently filed Form U5 (when available);
- Conduct a Credit check; and/or
- Conduct an OFAC check; and/or
- Conduct a pre-hire check through the CRD system.

In addition, the Hiring Committee may require and review any or all of the following when evaluating whether or not to register a person with them:

- Manually signed Form U4 (including employment and disciplinary history);
- Fingerprint results;
- Form U5 or NFA Form 8-T from the representative's last broker/dealer; and
- Signed Compliance Certification; and
- Registered Representative/Compensation Agreement/Signed Contract.
- Previous employers' assessments of prior performance and disciplinary history

The Designated Principal will carefully review each person's answers to the disclosure questions located in Question 14 of Form U4. Details to any "yes" answer to Question 14 must be reported on the respective Disclosure Reporting Page (DRP).

Persons with Disciplinary History (FINRA Rule 1017(a)(7): Rule 1017(a)(7) requires a member firm to submit a written request to FINRA's Department of Member Regulation, through the Membership Application Group, seeking a materiality consultation ("MATCON") and approval of a continuing membership application ("CMA"), if required, when a natural person is seeking to become an owner, control person, principal or registered person of the member firm has, in the prior five years, one or more "final criminal matters" or two or more "specified risk events."

Effective 9/1/2021, FINRA amended rules in the FINRA Rule 1000 Series (Member Application and Associated Person Registration) - specifically the rules that govern membership proceedings (MAP Rules)- to impose additional obligations on member firms when a natural person who has, in the prior five years, either one or more "final criminal matters" or two or more "specified risk events" seeks to become an owner, control person, principal or registered person of the member firm.

Such events include:

1. **One or more "final criminal matters"** -The term "final criminal matter" means a criminal matter that resulted in a conviction of, or plea of guilty or nolo contend ("no contest") by, a person that is disclosed, or is or was required to be disclosed, on the applicable Uniform Registration Forms.

2. **Two or more "specified risk events" -** The term "specified risk event" means any one of the following events that are disclosed, or are or were required to be disclosed, on an applicable Uniform Registration Form:

    a. a final investment-related, consumer-initiated customer arbitration award or civil judgment against the person for a dollar amount at or above $15,000 in which the person was a named party;

    b. final investment-related, consumer-initiated customer arbitration settlement or civil litigation settlement for a dollar amount at or above $15,000 in which the person was a named par.

    c. a final investment-related civil action where: (A) the total monetary sanctions (including civil and administrative penalties or fines, disgorgement, monetary penalties other than fines, or restitution) were ordered for a dollar amount at or above $15,000; or (B) the sanction against the person was a bar, expulsion, revocation, or suspension;

    d. a final regulatory action where (A) the total monetary sanctions (including civil and administrative penalties or fines, disgorgement, monetary penalties other than fines, or restitution) were ordered for a dollar amount at or above $15,000; or (B) the sanction against the person was a bar (permanently or temporarily), expulsion, rescission, revocation, or suspension from associating with a member.

The written MATCON will be submitted pursuant to FINRA Rule 1017(a)(7) and will address conduct underlying the individual's "final criminal matters" and "specified risk events," as well as other matters relating to the subject person, such as disciplinary actions taken by FINRA or other industry authorities, adverse examination findings, customer complaints, pending or unadjudicated matters, terminations for cause or other incidents that could indicate a threat to public investors.

If, during the course of registration, a disclosure is added to the individuals Form U4, the Designated Principal reviewing the Form U4 is responsible for reviewing the added disclosures and filing a materiality consultation prior to filing Form U4 if it includes the events specified above.

Firm Procedure

Prior to associating with any individual subject to the requirements of Rule 1017(a)(7), the Firm must file a MATCON or CMA per the guidance. The DP shall review the CRD profile and related disclosure information prior to associating such individual to determine whether the Firm must file a MATCON or CMA. The DP will ensure that such person will not become associated with the firm until such time as he/she is deemed to be approved via this process.

The DP shall be responsible for items including, but not limited to, the following:

- Review and understand the guidance provided by FINRA and how it applies to the Firm, seeking additional legal or consulting where applicable.
- Build any controls needed to ensure compliance with such mandates, including updating Firm checklists or training needs of the persons involved in the processing and/or approval of Form U4's. This includes ownership status, control status, principal exam windows, new representative U4's, etc.
- Ensure that all natural persons are approved prior to associating with the Firm or changing control status, ownership status or registration status.
- If applicable, file the required MATCON or CMA per rule 1017(a)(7).
- The Firm will proceed with the registration request only after FINRA has approved a filed MATCON. If FINRA does not approve the MATCON, the Designated Principal will review the information and will ensure a CMA is filed prior to effecting the contemplated change. The Firm shall not move forward with such individual until the CMA is approved.

Once such person becomes associated with the Firm following FINRA and DP approval, the Firm will follow its standard operating procedures as it relates to new hire requirements and considerations (e.g., additional training and/or heightened supervision mandates).

Verification: FINRA conducts background checks following the submission of a Form U4 and will notify the Company of any discrepancies between the information reviewed and the U4 within 15 days of the filing. The Company will rely on the FINRA investigations.

If discrepancies are found the Company will be required to review the deficiency notices provided by FINRA and to amend the Form U4 or provide information to FINRA on why the amendment is not required within 30 days after the original Form U4 was filed. The Designated Principal is responsible for ensuring the Company is complying making amendments or notifications to FINRA as required and for retaining documents related to an investigation undertaken by the Company with regard to FINRA's findings.

Registered representatives are responsible for the accuracy and completeness of their Form U4. Failure to report any events requiring disclosure, discrepancies or changes in the reported information to the Company may result in disciplinary action and the Company may require the Representative to reimburse the Company for any late filings fees it incurs. Further, the representative could be subject to regulatory action.

Rule 2263 Notification: When asking an associated person to manually sign a new or amended Form U4, or otherwise provide written (such as electronic) acknowledgment of a U4 amendment, the Designated Principal or his/her designee must provide the person with a written statement (per FINRA Rule 2263) regarding the pre-dispute arbitration clause contained within the Form U4 and the associated person's rights and/or obligations thereunder. In general, associated persons are required to arbitrate disputes, claims or controversies arising between themselves and the Company or customers (or others, per SRO rules). Exceptions include those cases involving employment discrimination and sexual harassment, or disputes arising under a whistleblower statute prohibiting the use of pre-dispute arbitration agreements (such as the Dodd-Frank Act).

Filings and Signatures: The Company is required to electronically file Form U4 (and U5) with FINRA, as well as all amendments and supplements. The Designated Principal will ensure that all required information is recorded and that the electronic filing accurately reflects the information provided by the Registered Representative as well as the address where the Representative will be located and the address of the office he will be supervised from.

Representatives and a Company signatory must manually sign the original Form U4 to evidence agreement with the form's attestations and information.

In the case of U4 amendments, manual signatures are not required unless; disclosure information is amended. When disclosure pages are added or amended, the Company must provide the RR with a copy of the pending amendment and must receive written acknowledgement of the changes in hard copy or electronically prior to making the filing. If such acknowledgement is refused or not obtainable, the Company will note the Rep's refusal or unavailability on the Rep's electronic signature line and make the filing. All amendments will be filed within 30 days of the change being reported or sooner if required by regulation.

For Registered Representatives who are dually registered a concurrence filing must be filed through WebCRD for any U4 amendment.

Fingerprinting: All registered personnel and any other personnel who are required under SEA Rule 17(f)(2) must be fingerprinted. The Rule exempts employees from fingerprinting who do not: sell securities; regularly have access to the keeping, handling or processing of securities, monies or the original books and records relating to the securities or monies; or have direct supervisory responsibility over those who sell securities or have access to securities, monies or the original books and records. The Designated Principal should be consulted with questions on these requirements; and will determine if certain employees require a non-registered fingerprint filing ("NRF") on CRD.

Fingerprints must be submitted to FINRA electronically for review and FBI processing within 30 days of on the Form U4 being filed through CRD, unless extended by FINRA. Failure to submit fingerprints within required time frames will result in an 'inactive' registration and RR's must be instructed in this case to cease all activities requiring registration.

The Designated Principal must ensure that the fingerprints received belong to the individual being employed. The principal or designee will provide applicants with a list of acceptable third-party vendors that provide fingerprinting services.

Documentation: A copy of all documents obtained/reviewed during the hiring and registration process will be maintained in the registered person's registration/employment file. The Designated Principal shall periodically review registration/employment files to ensure they contain copies of all required documents.
U4 amendments and U5 filings and amendments that do not require the employee's manual signature may be maintained solely on WebCRD and do not have to be maintained in the Company's books and records;
However, RRs' written acknowledgments of U4 amendments to disclosure information and original U4 filings must be maintained by the Company. The Company will attempt to provide copies of amendments to its registered persons. It will maintain required filings for at least 3 years following termination.

For Registered Representatives who are dually registered a concurrence filing must be filed through WebCRD for any U4 amendment.

3.3.1 STATE AND OTHER REGISTRATION

Registered Representatives must be registered in the state from which they conduct business and may be required to be registered in other states where customers are located, unless exemptions from registration are available. Most states require successful completion of the Series 63 Uniform State Agent Securities Law Examination. Successful completion of the exam does not automatically confer registered status on the examinee. Application must be made by filing a Form U4 amendment through the WebCRD system for both the Company and its RRs to obtain respective state registrations.

No Registered Representative may solicit or conduct securities transactions in a given state before such individual's registration has been approved to conduct securities business in that state or the Designated Principal has determined that registration is not required because of an exemption made available by that state.

The Designated Principal shall review transactions to ensure that Registered Representatives are registered where required and will not approve transactions where registration is not approved or exempted.

The Company, depending on its business activities, may require registration/membership with various exchanges or other SRO's; likewise for its personnel conducting certain business activities, such as municipal securities sales. The Designated Principal will determine registration requirements and ensure compliance with all respective registration and documentation requirements.

3.3.2 DUAL REGISTRATION

A "dual licensing" situation exists where a Registered Representative maintains a registration with another Broker-Dealer as a Registered Representative, is registered as an investment advisor or is registered as an investment advisor representative. Any Registered Representative desiring to obtain or maintain "dual licensing" status must contact the Designated Principal in advance for approval. It is noted that many state jurisdictions restrict or prohibit "dual licensing" and any such activity should be conducted with full knowledge of these state restrictions.

The Company will generally prohibit a Registered Representative from becoming an IAR of an independent third-party advisory firm, since it will have a limited ability to properly meet its compliance and supervisory obligations under Notices 94-44 and 96-33. Company management may, at its discretion, consider exceptions to this general prohibition on a case-by-case basis only. Any such exceptions granted will be evidenced in writing from the Chief Compliance Officer or his designate. If granted, Section 17.2 Supervision of Advisory Activities-Where IA is an Outside Business Activity applies.

3.3.3 FOREIGN LICENSING

FINRA and certain foreign jurisdictions have rules that prohibit persons who are not licensed in these jurisdictions conducting or soliciting securities business. Depending on the laws of the applicable foreign jurisdiction, a wide variety of activities may constitute solicitation of business for purposes of foreign local law. For instance, solicitation of business may occur through newspaper ads, internet postings, e-mails, telephone calls, or facsimile transmissions. Under no circumstances may an RR of the Company solicit securities business in a foreign jurisdiction without being properly licensed and authorized by the Company. RRs desiring to engage in such activities must contact the Designated Principal in order to request and subsequently secure licensing and approval.

FINRA has rules that apply to U.S.-based member firms conducting business in foreign locations, to member firms based in other countries that do business in the United States, and to foreign representatives who wish to engage in securities business in the U.S. Collectively, these rules and programs make it easier for FINRA members to conduct business abroad.

FINRA also offers examinations and continuing education programs abroad.

In many cases foreign jurisdictions will bring unlicensed activities directly to the attention of the Company or FINRA, leading to swift disciplinary penalties. The Company will refuse to process any transactions proposed to be undertaken where the Company or the RR has not complied with applicable licensing requirements.

The Company and all persons associated with it are obligated to comply with applicable U.S. laws and foreign laws when soliciting business in any foreign jurisdiction. The designated Principals of the Company, in conducting their respective supervisory duties described throughout this Manual, will take note of any perceived violations of such laws and will immediately report such observations to the Chief Compliance Officer for further review and investigation.

3.3.4 TRANSFERRING TO THE COMPANY

Registered Representatives transferring to the Company need to follow the directives of the Designated Principal and provide the information to effect their registration as described above.

In light of regulatory actions against other firms and concerns related to privacy, the designated Principal and senior management, as part of the onboarding process, will review any conditions in the representative's contract with his prior firm, the notifications provided to the clients related to the sharing of their information with an unaffiliated third-party and the information being utilized by the representative for transferring clients to the Company for services.

Representatives will be prohibited from contacting prior clients or sending transfer paperwork to them until this review has been completed and communications have been approved by the Company. Further, the use of a third-party to send new account information or transfer documentation to clients to affect the movement of the clients' accounts to the Company must be reviewed and approved by the designated Principal.

FINRA Rule 2273 requires the Company to provide an education communication prepared by FINRA to each individual, non-institutional customer of a transferring registered representative. This communication is required during the first 3 months following the transfer of the registered representative to the Company, can be provided in paper or electronically and is required, within the time frames specified below, when:

- The Company, directly or indirectly through the registered representative, contacts a former customer to facilitate a transfer of assets, or
- A former customer of the representative, absent direct contact by the Company or the registered representative, transfers assets to an account assigned, or to be assigned, to the transferring registered representative.

Timing: The timing for the delivery of the required education communication to the prior customers of the transferring representative ("former customer") will depend on how the contact with the former customer occurred and whether the former customer has initiated the transfer without being contacted individually. These requirements are as follows:

- When there is individualized contact by the representative, the Company or a third-party on behalf of the representative of the Company with the former customer, the notices must be delivered.
- At the same time and in the same format as any written communications to the former customer related to the transfer of assets;
- As an attachment or hyperlink in any electronic communication to the former customer related to the transfer of assets; or
- When the contact is made orally, the educational communication must be sent by the earlier of
    - 3 days after the communications with the former customer, or
    - With any documentation sent to the customer to effect the transfer.
- If the former customer initiates the transfer, and there has been no individualized contact, prior to the initiation of the transfer request by the customer, the notices must be delivered to the former customer with the account transfer approval documentation.

If a customer expressly states that they do not wish to transfer their assets, during the contact by the Company, the registered representative or a third-party on behalf of the representative and/or Company, the education communication is not required to be provided. However, if the customer changes their mind and initiates a transfer of the assets within 3 months of the registered representative joining the Company, without further contact from the Company or the registered representative, the education material must be delivered with the transfer approval documentation.

The Designated Principal, in conjunction with the assigned Designated Principal, is responsible for ensuring that the educational communication is provided as required. During review of customer records, the Designated Principal shall verify that delivery was made as required and will bring any violations to the attention of the supervisor and/or CCO for further action where required.

Bonuses and Accelerated Payments: Where a bonus or accelerated payout arrangement is in effect for a transferring Representative, the arrangement needs to be cleared in advance with the Compliance Department.

3.3.5 DESIGNATED SUPERVISORS

Each Registered Representative shall be assigned directly to a designated Principal who will have responsibility for supervising his/her activities. When designating supervisory personnel and responsibilities, the Company shall ensure that each Principal shall have proper registration and employment qualifications. The principal responsible for hiring or appointing designated supervisors (designated earlier herein) is responsible for making the determination that the individual is qualified by experience or to arrange training to ensure the person is qualified to supervise. Please refer to the section entitled "Qualifications of Supervisory Personnel" for further information.

3.3.6 SPECIAL REPRESENTATIVE/SUPERVISION

As part of the interview process the CCO and Hiring Committee, should explore the following with each applicant:

- The nature of the applicant's prior customers and types of securities sold;
- The reason(s) for any history of rapid changes from dealer to dealer;
- Explanations as to any customer complaints or regulatory actions; and/or
- Discussion of any DRP items on Form U4 and pending proceedings, investigations or complaints not in CRD.

The Company's compliance or supervisory personnel will undertake an evaluation of items covered during the discussion. If appropriate, given the nature of these matters, the applicant may be required to be licensed by the Company as a Special Representative, subject to Special Supervision and review by the designated Principal of the Company. The records of such Representative will indicate the nature of such Supervision, the person(s) responsible for such Supervision and any time limits, periodic evaluation, etc., imposed on the person. Proceedings or complaints not accurately reflected on Form U4 should be placed there by amendment. See below under "Reporting Requirements: Customer Complaints and Other Disclosure

3.3.7 STATUTORILY DISQUALIFIED PERSONS

Name of Supervisor ("designated Principal"):	Designated Principal and Hiring Committee as described throughout this Manual and named in Appendix A
Frequency of Review:	Upon application; during course of business following hire.
How Conducted:	Review of employee's records; Interviews with employee or regulatory authorities. Review of business conduct.
How Documented:	Form MC-400 or MC400A Agreement with SRO determining supervision requirements.
WSP Checklist:	FINRA By-laws Article III, Section 4; Rule 9520 series Section 3(a)(39) of the SEA, MSRB G-4, G-5, Notice 07-55, 09-19

It is the Company's obligation to determine if prospective new hires, whether registered personnel or not, are subject to disqualification under Article III, Section 4 of FINRA's by-laws. In doing so, the Designated Principal should carefully scrutinize any state regulatory actions against the applicant and any other circumstances which may render him or her disqualified under the Rule (association with disqualified persons is also grounds for disqualification) and notify the CCO.

In the event the Hiring Committee considers hiring an applicant subject to statutory disqualification, the Designated Principal will take steps to conform to FINRA Rule 9522. The Designated Principal will complete and file Form MC-400 with FINRA's Registration and Disclosure department. Registration approval will be necessary before the employee conducts business activities for the Company. Note that disqualified persons seeking employment in strictly clerical or ministerial capacities are also subject to FINRA's pre-approval via the MC-400 filing process.

For currently registered persons meeting the definition in the by-law, the Designated Principal must investigate any supposed disqualifications and take steps necessary to ensure permissible registration prior to approving the persons continuing employment; likewise for compliance with MSRB Rules G-4 and G-5. Documentation relating the Principal's review and any regulatory filings made in conjunction with the continuing employment of the individual will be maintained in the registration or employment file. The Company itself is also subject to these Rules should it become a disqualified member.

Each disqualified person's supervisor will carry out special supervision as required under an agreement with FINRA. Records of such supervision will be kept by the designated Principal. Please refer to "Special Supervision" herein for further details on supervision.

3.3.8 TERMINATION OF REGISTRATION, CONTINUING COMMISSIONS AND CUSTOMER COMMUNICATIONS

Within 30 days of termination or resignation of a registered person, the Designated Principal or designee is required to electronically file notice thereof with FINRA on Form U5 disclosing the reasons for termination. Upon receipt of Form U5 in proper order, FINRA will amend the CRD record of the Representative to reflect the termination. Within 30 days of filing the Form U5, the Designated Principal or designee must provide the Representative with a copy of his/her Form U5. The Designated Principal will ensure that a copy of the submitted U5 and evidence it was sent to the individual is maintained in the Terminated Representative file for that person.

Continuing Commissions
FINRA Rule 2040 allows the Company to pay continuing commissions to persons after they cease to be registered, or upon death to their beneficiaries or their estates provided that there is in existence a bona-fide contract for such payment prior to the registered persons termination or death. Continuing commissions can only be paid for business closed prior to the representative's termination or death No arrangement shall cover the solicitation of new business, the opening of new accounts or the payment of commissions on transactions closed after the representative's termination or death. The provisions of the Rule should be consulted before any arrangements are entered into or payments are made.

3.3.9 ACTIVE-DUTY PROFESSIONALS

In the event any of the Company's Registered Representatives volunteer or are called into the Armed Forces of the United States, the Designated Principal shall notify FINRA (or ensure that such RR's have provided notification) and the Registered Representatives will be placed on specially designated "inactive" status. Such RR's need not be re-registered by the Company upon their return to active employment with the Company.

Notification Requirements
The member firms are required to provide FINRA with the following information (once the person's military service has started) relative to persons who seek inactive status pursuant to applicable Rules:

- A copy of the individuals orders or official call-up notification or a copy of leave request (for individuals that volunteer); and
- A letter from the firm (on firm letterhead) to FINRA indicating:
    - Firm CRD #;
    - Date the person's active military service started;
    - The person's name; and
    - The person's CRD #

When the individual terminates or completes their active military service, the following information must be provided to FINRA:

- A copy of the individual's discharge papers indicating the start and end dates of service; and
- A letter from the firm (on firm letterhead) to FINRA indicating:
    - Firm CRD #;
    - Date the person returned to the firm;
    - The person's name; and
    - The person's CRD #

A Registered Representative who is placed on inactive status as described above will not be required to complete either of the Regulatory or Firm Elements of the continuing education requirements while on such inactive status.

3.3.10 REGISTRATION RENEWALS

The Designated Principal is responsible for processing annual registration renewals.

3.4 EDUCATION AND CERTIFICATIONS

3.4.1 CONTINUING EDUCATION

Name of Supervisor ("designated Principal"):	Regulatory Element: Designated Principal named in Appendix A Firm Element: Chief Compliance Officer, AML Compliance Officer and assigned Designated Principals overseeing RRs as named in Appendix A
Frequency of Review:	Regulatory Element: Annually Firm Element: Annually
How Conducted:	Request completed certifications
How Documented:	Certifications File notations

All covered persons are required to comply with the rules set forth by FINRA regarding Continuing Education. This rule prescribes requirements regarding the Continuing Education of certain registered persons subsequent to their initial qualification and registration with FINRA. The requirements consist of a Regulatory Element and a Firm Element. The designated Principal will ensure that all covered persons are fully aware of their responsibility to comply with their Continuing Education responsibilities.

Pursuant to FINRA Rule 1250, LFF has developed and implemented a program for the continuing education of its covered registered persons. These covered registered persons include registered persons who have direct

contact with customers in the conduct of the Company's securities sales and trading activities; are registered as an Operations Professional or are the immediate supervisors of such persons.

The designated Principal shall administer its continuing education program in accordance with its annual evaluation and written plan and shall maintain records documenting the content of the program and completion of the program by its registered covered persons.

The Company's continuing education and training program, which describes the requirements as outlined in FINRA Rule 1250, is contained under separate cover. The CCO or Executive Rep will ensure that the contact person for continuing education is reported through the FINRA contact system and identified in its program.

3.4.2 ANNUAL COMPLIANCE CERTIFICATION/QUESTIONNAIRE

Name of Supervisor ("designated Principal"):	Chief Compliance Officer or Designee
Frequency of Review:	Annually
How Conducted:	Request completed certifications
How Documented:	RCI Certifications File notations

Each Registered Representative, registered principal and other associated persons will be asked to complete and sign, electronically or in hard copy, an Annual Compliance Certification/Questionnaire containing a series of questions. The Certification/Questionnaire is designed to verify information about the person, confirm their understanding of certain policies and procedures and to determine whether that person has engaged in conduct, which requires additional compliance scrutiny. The designated Principal will review each Certification / Questionnaire for completeness and accuracy. Failure to complete the Certification / Questionnaire or failure to answer a question honestly is grounds for disciplinary action.

3.4.3 ANNUAL COMPLIANCE MEETING

Name of Supervisor ("designated Principal"):	Chief Compliance Officer or Designee AML Compliance Officer
Frequency of Review:	Annual
How Conducted:	Combination of in person meetings and online recordings and/or presentations.
How Documented:	Meeting records; Sign-in sheet
WSP Checklist:	FINRA Rule 3110.04
Comments:	

LFF shall require all Registered Representatives, Registered Principals and other associated persons, either individually or collectively, at least annually, to attend an interview or meeting conducted by the designated Principal(s) at which compliance matters relevant to the Company and its associated person(s) are discussed.

If the annual meeting or portions thereof is conducted through electronic means, the designated Principal must ensure:

- Attendees can ask questions and receive responses in a timely manner, such as being able to send questions via email to the presenter or a centralized address or by telephone and receiving responses directly or via the Company's intranet site, when applicable.
- All associated persons required to attend the annual compliance meeting, whether in person or electronically, are in attendance for the entire meeting and a record of attendance is maintained.

- Each person attending electronically will be assigned a unique id to log in and will be required to confirm their attendance periodically throughout the presentation as well as at the meeting's conclusion.

Documentation regarding the materials covered at the meeting, copies of any supplemental materials used, and the attendance records must be filed in the Company's Annual Compliance Meeting file and retained for a period of three years.

3.5 RR AND ASSOCIATED PERSON CONDUCT

3.5.1 OUTSIDE BUSINESS ACTIVITIES AND PRIVATE SECURITIES TRANSACTIONS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Review of notification when received; document consideration of OBA. Review of selling away transactions: as described in this Manual, as with all securities transactions (daily).
How Conducted:	Document analysis, restrictions and/or prohibitions of OBA Monitor OBA, if necessary, based on analysis. Correspondence Reviews Compliance Review, Interviews, Audits
How Documented:	RCI for notice and approvals,, analysis records. Investigation records Checklists. Verify Request to Engage in Outside Activity is on file.
WSP Checklist:	FINRA Rule 3110, 3280, 3270; Notice 01-79, 10-49, 14-10

3.5.2 OUTSIDE BUSINESS ACTIVITIES (OBA): FINRA RULE 3270.

Registered persons with new outside business activities: No registered person of the Company may be an employee, independent contractor, sole proprietor, officer, director or partner of an enterprise/business other than the Company, or be compensated, or have the reasonable expectation of compensation as a result of such outside activity, unless he or she has provided PRIOR written notice to the Company by completing a Request to Engage in Outside Activity. Registered persons should provide the required notice as far in advance as possible, however, no later than two weeks prior to the planned commencement of the activity.

All registered persons who intend to commence new outside business activities must request from the Designated Principal the appropriate form or other document used to disclose all information required by the Company about the activity. Registered persons must submit the required, completed form and any additional, requested information to the Designated Principal, or designee, and MAY NOT begin to conduct the activity prior to notification from the Designated Principal that such activity may commence without restrictions or conditions. In the event the Designated Principal imposes restrictions or conditions relating to the activity, the registered person must comply with them or cease to commence his outside business relationship/activity. If the Designated Principal prohibits the activity based on his/her concerns about the activity, the registered person may not commence the relationship/activity.

Registered persons with existing outside business activities: Any registered person who is currently conducting an outside business activity, and who has *not* notified the Company as described in the procedures directly above, must complete a Request to Engage in Outside Activity. Registered persons should not assume that as long as their existing OBA is disclosed on their Form U4, they have met their compliance obligations. Internal notification and supervisory processing is required for all outside business activities as described herein.

As with a new OBA, in the event the Designated Principal imposes restrictions or conditions relating to the existing activity, the registered person must comply with them or terminate his/her outside business relationship/activity. If the Designated Principal, or designee prohibits the activity based on his/her concerns about the activity, the registered person must terminate the relationship/activity.

When a RR terminates an OBA or their duties, responsibilities, compensation or other matters related to a previously reported OBA, the RR must notify the designated Principal so the changes to the activity can be reviewed and the records of the Company and the RR's Form U4 can be updated if and when required.

Designated Principal's responsibility: Upon receipt of a written notice of a new or existing OBA, the Designated Principal, or designee, shall consider whether the activity will: (1) interfere with or otherwise compromise the registered person's responsibilities to the Company and/or its customers or (2) be viewed by customers or the public as part of the Company's business based upon, among other factors, the nature of the activity and the manner in which it will be conducted or offered.

After such a review, the Designated Principal may impose specific conditions or limitations on the outside business activity or may outright prohibit it. The Designated Principal will convey such restrictions to the registered representative and establish a system for monitoring compliance. Registered representatives must cooperate with such monitoring or face disciplinary action. If the outside activity meets the definition of 'private securities transaction' as described below, the Designated Principal will ensure that the related procedures are followed.

The Company will maintain records evidencing compliance with these procedures as called for in SEA Rule 1I4(e)(1) (three years). In addition, each respective registered person's Form U4 must be amended to disclose any outside business activities not previously reported, in accordance with U4 reporting instructions.

Note that passive investments and activities as described below are exempt from this requirement.

3.5.3 PRIVATE SECURITIES TRANSACTIONS ("SELLING AWAY")

Private securities transactions (otherwise known as "selling away") are all securities transactions engaged in by the individual outside his or her regular course of activities as an associated person, or other investment transactions which may mislead customers or participants into believing the transactions are sponsored by the Company. For purposes of this rule, private securities are not specifically defined but have generally been held to include any offering that could appear to be a security by a reasonable person, including but not limited to lending or financing arrangements and sales of partial interest in a product, company or service where the purchaser has an expectation of financial gain resulting from the purchase. Questions on whether an activity could be considered a Private Security Transaction should be directed to the designated Principal or CCO.

Note: Investments in private funds or other alternative investments by an associated person, if not purchased in a brokerage account or reported to the Company via statement or confirmation, would be considered private securities transactions and require reporting as outlined below.

FINRA Rule 3280 requires associated persons to provide written notice of their intention to participate in any private securities transaction before commencing the activity. FINRA Rule 3280 further requires that the Company provide written approval or disapproval, depending on its preference, of the associated person's participation in the transaction if the person proposes to receive compensation as a result of his or her participation; should there be no intended compensation, the Company shall acknowledge the associated person's notice and may require adherence to specific conditions in connection with his or her participation in the transaction. In the event an associated person participates, with the approval of the Company, in a private

securities transaction for compensation, the transaction shall be recorded on the books and records of the Company and the Company shall supervise the person's participation in the transaction as if it were executed on behalf of the Company.

The Firm requires strict adherence to this policy.

The Designated Principal designated to approve and review these Outside Business Activities and Private Securities Transactions is also required to comply with these procedures. Review of, if required, the Designated Principal's Outside Business Activities and Private Securities Transactions are the obligations of the CCO. Each designated individual must ensure that the policies described above are enforced and documented and must document and follow up on any violations discovered.

Note that passive investments and activities are exempt from this requirement. Passive investments are those from which an individual receives income but for which he or she performs no service. Examples would include interest on investments or income from a corporation of which the person is a passive shareholder. Passive investments need not be reported; however, in accordance with FINRA Rule 3210, the Company requires all associated persons to provide written notice of whether or not they have accounts with outside brokerage firms (for further information, see "Personal Accounts and Trading").

Investments in private funds or other alternative investments, if not purchased in a brokerage account or reported to the Company via statement or confirmation, would be considered private securities transactions and require reporting as outlined above.

3.5.4 PERSONAL ACCOUNTS AND TRADING

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon transactions (internal accounts) or quarterly (outside accounts)
How Conducted:	Review of notifications, Review of duplicate confirmations and/or statements issued by outside brokerage firms to employee or his family member, if required, Verify that outside firms were notified of associated person's association with the Company; Annual attestations, if used. Discussions with employees.
How Documented:	Outside Account Declaration in RCI, or similar LFF approved notifications and consents maintained in outside account or associated person employment/registration files, Confirmation/statement files initial by reviewer. Annual attestations signed by reviewer.
WSP Checklist:	FINRA Rules 2010, 3110, 3210, 5130; Notice 91-27, 08-57, 14-10; MSRB G-28
Comments:	FINRA Rule 3210 is effective 4-3-17.

These procedures are designed to comply with the Company's reporting and supervisory obligations under federal and state securities laws. All associated persons of the Company must carefully read and understand these policies. Any and all questions should be referred to the Designated Principal(s).

3.5.5 REGISTERED ASSOCIATES SECURITIES ACCOUNTS:

Prior to opening a new account at another Broker-Dealer or financial institution through which securities transactions can be executed ("covered accounts"), all associated persons must notify the Company in writing or electronically via the Outside Account Disclosure within the firm's compliance platform, or similar LFF approved document, of their intention to open a new account. If the account was opened prior to joining the

Company, associated persons must notify the Company within 30 days hiring regarding their accounts and their intention to maintain them after hire.

Associated persons may hold accounts at the following Broker-Dealer firms:

Charles Schwab	Merrill Lynch	Raymond James
Fidelity	Morgan Stanley	Vanguard

Onboarding employees to who hold covered accounts not held at the aforementioned Broker-Dealers must make plans to move the accounts within 30 days of hire. Accounts not able to be moved to one of the aforementioned broker dealer firms may be charged a manual review fee at the discretion of the firm. The list of permitted firms may expand as additional data feeds are introduced at RCI.

Covered accounts shall include accounts of the associated persons as well as accounts over which they are deemed to have a beneficial interest. Associated persons are considered to have a beneficial interest over accounts held by:

- The associated person's spouse or partner;
- Children of the associated person or their spouse or partner who reside in the same household as the associated person or are financially dependent on the associated person;
- Other related persons over whose accounts the associated person has control; or
- Any other individual over whose account the associated person has control, and the associated person provides material support to the individual.

Notification: Associated person must notify the Designated Principal, prior to a new covered account being opened. If the covered account was opened prior to the associated person joining the Company, they must notify the Company in writing within 30 days of hiring that such accounts exist and their intention on maintaining them after hire. Accounts not able to be moved to the noted approved broker dealer firms may be charged a manual review fee at the discretion of the firm.

Associated persons must also notify the Broker-Dealer or financial institution where the account is being opened or maintained that they are associated with a Broker-Dealer so the firm holding the account can monitor the activities for compliance with their policies and restrictions related to certain securities activities by associated persons of a Broker-Dealer, such as participating in an IPO.

If a covered account is closed or the ownership and/or control of the account has changed, the associated person should notify the Designated Principal so the Company can determine if it is still a "covered account" and update the records related to outside accounts.

For accounts at financial institutions, other than another Broker-Dealer, the Designated Principal must consider the extent to which the Company will be able to obtain duplicate copies of confirmations and statements, or transactional data normally contained in these documents, directly from the institution upon written request.

If the associated person maintains an account that is limited to transactions in UITs, registered mutual funds, municipal fund securities, 529 plans and/or variable contracts (i.e., no equities or other trading may take place in the account)—for instance, an account held directly at a mutual fund company with no brokerage capabilities, no notification is required. If an associated person has questions as to whether notification and consent to open and maintain an account away from the Company is required, they should consult their supervisor or the Designated Principal for guidance.

Duplicate Confirmations/Statements: Duplicate confirmations and statements related to all non-Company account transactions must be sent contemporaneously to the Designated Principal for his or her review.

Trading: Associated persons are required to comply with applicable securities laws and Company policies when engaging in trading in covered accounts.

Insider Trading: Employees are prohibited from effecting transactions based on knowledge of material, non-public information (see Firm Policy on Insider Trading). Associated persons must adhere to any and all trading restrictions established by Watch and Restricted Lists, as described herein.

Attestation: The Company requires registered representatives to attest quarterly and annually regarding the accounts they hold and that their activities in these accounts comply with all applicable securities rules and regulations and the company's policies. This requirement may be waived if account activity is being received electronically by the firm. The Designated Principal shall review these attestations.

Principal Review: All trades in personal accounts of associated persons, held at the Company will be reviewed in the same manner as client accounts with a special emphasis on identifying potential:

- Trading in IPO's;
- Trading ahead of customers;
- Illegal participation in trading profits;
- Manipulative trading activity; or
- Trading on Inside Information.

Personal accounts subject to review will include accounts held in the name of the associated person and accounts over which they are deemed to have a beneficial interest. Associated persons are considered to have a beneficial interest over accounts held by:

- The associated person's spouse;
- Children of the associated person or their spouse who reside in the same household as the associated person or are financially dependent on the associated person;
- Other related persons over whose accounts the associated person has control; or

Any other individual over whose account the associated person has control, and the associated person provides material support to the individual.

Associated person must also ensure that all trades, regardless of where the account is held, are made in accordance with securities laws and Company policies.

The Designated Principal designated to approve and review personal accounts and trading is also required to comply with these procedures. Approval of, and subsequent review of, the Designated Principal's personal accounts and trading are the obligations of the CCO. This designated individual must ensure that the policies described above are enforced and documented and must document and follow up on any violations discovered.

3.5.6 PROFESSIONAL DESIGNATIONS & AWARDS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	On-going
How Conducted:	Review RCI Disclosures, Email Signatures, Email
How Documented:	Employee Disclousres and Principal approvals are maintained in RCI

WSP Checklist:	FINRA Rules 3110, 2210 Communications with the Public / Rule of Conduct

FINRA Rule of Conduct 2210 prohibits brokerage firms and brokers registered with FINRA from referencing nonexistent or self-conferred degrees or credentials or from referencing legitimate degrees or credentials in a misleading manner. Communications include, but are not limited to, designations and/or awards that are held out to the public via an associated persons email signature, social media sites, websites, newsletter, business cards and other forms of communications visible to the general public, customers and/or prospective customers.

3.5.7 DESIGNATIONS

Generally, any designations approved for use by an associated person of the firm will be required to have the following elements:

- Extensive training including online or in person study
- Proctored Examination
- On-going continuing education requirements
- Appropriate for use based on the associated persons role
- Must be able to evidence that designations are current and/or valid

Associated persons that wish to receive approval to utilize a designation must submit the request to the Compliance Department via the RCI Employee Portal.

3.5.8 "SENIOR" DESIGNATIONS

Level Four generally does not permit the use of the word "Senior" in their title, as FINRA Regulatory Notice 07-43 and 11-52 outlines regulators concerns that use of the word "Senior" implies expertise, certification, training, or specialty in advising senior investors.

Firms that allow the use of any title or designation that conveys an expertise in senior investments or retirement planning where such expertise does not exist may violate FINRA Rule 2010, NASD Rule 2210, and possibly the anti-fraud provisions of the federal securities laws and FINRA rules.

3.5.9 AWARDS

Any Associated Persons that wish to be considered for an industry award must come to compliance to receive approval prior to applying or providing information to the issuer of an award. Awards that have that have a requirement to submit information relating to either the associated person or the firm, to a 3rd Party must submit the information to compliance for review and verification **prior** to submitting to the 3rd Party that provides the award.

There are many financial industry awards that exist for the company issuing the award to sell advertising and/or promotional products and create the awards to sell local magazine advertising. The awards themselves can be misleading to the general public about an associated persons qualifications and/or experience. Associated persons may not advertise, by any means, awards that have not been reviewed and approved by Compliance.

3.6 INSIDER TRADING

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; daily
How Conducted:	Review daily transaction report. Review/approval of personal transactions Field inquiries from regulators Personal supervision of activities Consultations with personnel regarding questioned activity Consultations with counsel Referrals to regulators, if necessary
How Documented:	Investigation records Records of all consultations Initials on daily transaction records Notation in files of action taken
WSP Checklist:	SEA Rule 10b-5; SEC Regulation FD; Section 15(g) of '34 Act; Notice 89-05, 91-45, 05-51 09-11, 14-10; FINRA Rules 3110, 5280
Comments:	

SEA Rule 10b-5 under the Securities Exchange Act of 1934 generally makes it unlawful for any person to use, either directly or indirectly, material inside information that has not been publicly disseminated in connection with the purchase or sale of securities. The Insider Trading Act, passed by Congress in 1988, was promulgated to address the abuses of disclosing non-public information. This legislation listed a number of policies and procedures to be adopted by Broker-Dealers "reasonably designed to prevent the misuse of material non-public information." These policies and procedures include, among other things, restricted access to files and other sources likely to contain non-public information and provisions for continuing education programs regarding insider trading.

In determining whether the information could be considered "Insider Information," and is therefore unusable, the following terms apply:

"Material information" is defined as a) information which in reasonable and objective contemplation might affect the value of the issuer's publicly traded securities, or b) information which, if known, would clearly affect investment judgment, or which directly bears on the intrinsic value of the issuer's publicly traded securities. Examples of "material information" would be:

- Mergers, acquisitions, tender offers or restructuring;
- Securities offerings or share purchases;
- The appointment of an investment banker or signing a letter of intent with an underwriter;
- Possible proxy fights;
- Asset valuations;
- Dividends or earnings changes (or changes in estimates);
- Significant shifts in operating or financial circumstances such as write-offs, cash flow reductions, changes in accounting methods and the like;
- Imminent change in credit rating by agency;
- Voluntary calls of debt or preferred stock issues;
- Major new products, discoveries or services or loss of any of these;
- Significant new contracts or loss of business;
- Regulatory developments (such as FDA approvals);
- Significant litigation or litigation developments;

- Extraordinary management developments; and
- Forthcoming publications or articles, such as research reports, which may affect market prices.

"Publicly disseminated" means information that is generally available to the public and about which the public has had a reasonable opportunity to make an investment decision.

"Solicited orders" include all orders for which the inducement to sell or purchase comes from within the member firm.

The most common violations of the "insider trading" rules include purchasing or selling securities on the basis of such information in any account in which one has a direct or indirect beneficial interest and "tipping" such information to anyone or using it as a basis for recommending the purchase or sale of a security (this includes spreading rumors).

Persons who are in possession of any material inside information that has not been disseminated to the public are prohibited from:

- Purchasing or selling securities for their own accounts, accounts of close relatives, or accounts over which they exercise discretion;
- Soliciting customer's orders to either purchase or sell the securities; or
- Disclosing such information or any conclusions based thereon to anyone.

If, after considering these items, any of the Company's Registered Representatives or other associated persons believes that the information he or she has is material and non-public, he or she should take the following steps:

- Review the matter with their Designated Principal;
- Do not purchase or sell the securities until all concerns have been addressed; and,
- Do not communicate the information to others until there is no danger of insider trading.

The OSJ principals are responsible to monitor trading activities and communications among Company personnel and between personnel and customers to ascertain whether "inside information" has been improperly used. The Compliance department shall maintain records of such monitoring activity.

The Company shall cooperate with any investigation being conducted by any regulator or law enforcement official regarding insider trading activities. The CCO is responsible for responding to any such inquiries.

3.6.1 FIRM POLICY ON INSIDER TRADING

It is the policy of Level Four Financial, LLC that no personnel (employees, officers, directors, Registered Representatives and others) may trade either personally or on behalf of others or participate directly or indirectly in the trading of any security of any issuer about which the individual possesses material non-public information at or prior to the time such information is publicly disclosed and available in the marketplace.

Further, no personnel may communicate any material non-public information to anyone outside the Company (including customers, suppliers, family members and others). No such information may be communicated inside the Company except as specifically authorized by the CCO.

Violation of the above policy or conduct that has the appearance of violation although outside the scope of legally prohibited activity can be extremely embarrassing to the Company and to the person involved. It can cause the Company to lose an existing or prospective client and cast a pall over the Company's reputation. Consequently, all incidents will be vigorously and actively investigated and, if appropriate, the Company will cooperate in the prosecution of any personnel involved in alleged infringements of this policy or its procedures.

All associated persons shall annually certify their understanding of and compliance with the Company's Insider Trading Policy. This certification shall be included in the Company's Annual Compliance Questionnaire or be provided in another format as determined by the CCO.

3.6.2 CHINESE WALL REQUIREMENTS- NOT APPLICABLE

3.6.3 RESTRICTED OR WATCH LISTS

The Company follows the restricted list of the clearing firm, and cannot override any security on the restricted list.

3.6.4 OTHER INFORMATION BARRIERS- NOT APPLICABLE

3.6.5 TRAINING AND UPDATES

By virtue of each employee having read and understood these procedures, training will have been provided. Any person with questions about these procedures should contact his or her supervisor.

Training may also be provided periodically through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

In the event federal or SRO authorities materially change, add or clarify insider trading rules and regulations, the CCO will ensure that these procedures will be revised accordingly and that personnel will be informed of and trained in the new procedures.

3.7 FOREIGN LICENSING/SECURITIES BUSINESS

Name of Supervisor ("designated Principal"):	Designated Principal
Frequency of Review:	Upon hiring; in daily course of business, no less frequently than annually
How Conducted:	Review RR activity Employee file reviews Interviews
How Documented:	U4

As discussed in Section 4.1 above, certain licensing may be required under circumstances where Registered Representatives wish to conduct securities activities in foreign jurisdictions. The Company does not permit foreign licensing.

3.8 COMMISSION/FEE SPLITTING AND REFERRALS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	In the daily course of business

How Conducted:	Trade Reports Commission Reports Interviews Approval of referral agreements
How Documented:	Compensation documentation, agreements

Commission/Fee Sharing: In most circumstances, FINRA regulations prohibit the Company and its Registered Representatives from paying any compensation, including commissions, referral or finder fees, discounts or other similar payments to any person or entity not registered as a Broker-Dealer. FINRA Rule 2040, permits such payments to be made to unregistered persons or entities provided such payments, or the activities related thereto would not require the person or the entity to be registered as a Broker-Dealer or as a representative of a Broker-Dealer.

The Company may also direct transaction-related referral compensation to non-registered foreign persons under certain circumstances set forth in FINRA Rule 2040.

All payments to persons or entities outside of the Company must be pre-approved by the Designated Principal, following a review by the CCO of the circumstances relating to the transaction, the nature of the payment and any other requirements set forth in FINRA Rule 2040 to ensure such payment would be permitted.

Registered Representatives are not permitted to make payments related to securities transactions or on behalf of the Company directly. If such activities are detected, the Representative will be subject to severe disciplinary action by the Company as well as possible fines and penalties imposed by regulatory authorities.

Referrals: Referral arrangements between the Company and other parties, such as IA firms, require advance approval from Compliance.

The following restrictions are in place:

- Associated Persons are expected to make referrals involving investments or investment advisory services only to persons or companies included in a Company-sponsored program or on a list of Company-approved providers.
- Associated Persons are prohibited from receiving compensation for referrals except through Company-sponsored programs.
- Any proposed compensation, whether for referring or receiving referrals, must be approved in advance by Compliance.
- Referrals involving compensation may require disclosure to the customer of potential conflicts of interest.
- Non-cash compensation is subject to the procedures in this Manual.

As for referrals to hedge funds or other outside investment opportunities, RRs are expected to limit their investment recommendations to approved products or services offered by the Company. Referrals to outside investments not approved by the Company are prohibited.

3.9 IMPROPER USE, PROHIBITED GUARANTEES AND SHARING IN ACCOUNTS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	In daily course of business
How Conducted:	Trade Reports Transaction documentation Correspondence Written authorizations

How Documented:	Error/correction files Investigation file Customer, personnel files
WSP Checklist:	FINRA Rule 2150, Notice 03-21, Notice 09-60 MSRB G-25(b), SEC 15c3-3

Customer Funds and Securities: FINRA Rule 2150 requires that neither Level Four Financial, LLC nor any associated person shall make improper use of a customer's securities or funds. FINRA Rule 2150 also requires the Company and any associated person to adhere to the possession and control provisions of SEA Rule 15c3-3. Neither Registered Representatives nor the Company must lend securities carried for the account of a customer; all customers' fully paid or excess margin securities must be properly segregated. This does not, of course, prevent the Company from extending margin credit under proper circumstances.

The Company will not be holding customer funds and securities and therefore qualifies for exemptive provisions of the Rule. Representatives are prohibited from acting as a personal custodian of securities, stock powers, money, or other property belonging to a client.

Guarantees: FINRA Rule 2150 also prohibits the Company and its associated persons from guaranteeing a customer against loss in connection with any securities transaction or in any securities account of such customer. Guarantees extended to all holders of a particular security by an issuer as part of that security may be exempt from this prohibition; however, it is the Designated Principal's responsibility to determine if this exception applies to any offerings by the Company. Absent such specific exception, all RRs are *forbidden* from guaranteeing customers against loss.

This prohibition does not preclude the Company from correcting bona fide errors or, in certain circumstances on an after-the-fact basis, reimbursing a customer for transaction losses. The Company, not individual associated persons, may take such action, and must do so in accordance with its error correction or reimbursement policies. All such actions must be documented and reported as required—see error procedures herein. The Company will investigate perceived guarantees against or reimbursement of losses by associated persons and will take disciplinary action for violations.

Sharing in Accounts: The Company absolutely prohibits a Registered Representative from: maintaining a joint account with a customer (unless approved as described below); borrowing securities from customers; or acting as personal custodian of securities, stock powers or money. Important: this procedure applies to customer accounts of *other* FINRA member Broker-Dealers, too—not just the Company's customer accounts.

Representatives are prohibited from knowingly being named as a beneficiary of a non-family related account an associated person may enter into an arrangement whereby s/he shares in the profits and losses of a customer account (carried by the Company or another Broker-Dealer), If s/he:

- receives prior written authorization from the customer.
- receives prior written authorization from the Company (the Designated Principal); and
- is a joint owner on accounts of immediate family members and shares in the account's profits or losses in direct proportion to the financial contributions made to such account.

All written authorizations will be maintained in the respective customer and associated person personnel files for at least six years after the account is closed. Associated persons are expected to comply with all other related procedures, such as those concerning outside business activities, outside brokerage accounts and private securities transactions, where applicable.

The Company or an associated person, if acting as investment advisor, may receive fees based on a share of profits or gains in the accounts: see the Section entitled "Charges for Services" for a description of the related requirements and procedures.

3.10 FOREIGN CORRUPT PRACTICES ACT (FCPA)

Name of Supervisor ("designated Principal"):	FinOp Designated Principal described throughout this Manual and named in Appendix A CCO
Frequency of Review:	On-going, in the ordinary course of business, including account set-up and transactional activity
How Conducted:	New account/client approval process (KYC); correspondence reviews; funds flow reviews; reviews of gifts and gratuities records and third-party vendor contracts
How Documented:	Account records, third party vendor contracts, transaction records, financial books and records, gift records, investigation records, if any. Training records.
WSP Checklist:	Notice 11-12

The Company is required to comply with all applicable obligations under the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA"). To not do so is a federal offense and a violation of FINRA Rule 2010 (Standards of Commercial Honor and Principals of Trade). Associated persons are required to comply with the policy, below, on FCPA compliance, and all related procedures included in this Manual. All supervisors of the Company are required to be attentive to this requirement when participating in, and reviewing, the activities and operations of the Company. Any and all perceived breaches of the policy or related procedures must be brought to the attention of the CCO, who will arrange for an investigation and reporting to authorities, if necessary

The Designated Principal will ensure that associated persons are trained in this area; training may be included in the Company's Firm Element training materials and/or in its Annual Compliance Meeting.

It is the Company's policy that it and all of its associated persons shall fully comply with all applicable provisions of the U.S. Foreign Corrupt Practices Act (the "FCPA"). While these procedures are designed for use by associated persons, this FCPA Policy also pertains to all of the Company's officers, directors, employees, agents and stockholders who act on its behalf.

In general, the FCPA makes it unlawful to bribe foreign officials to obtain or retain business in a foreign country. Neither the Company nor any anyone on its behalf, may corruptly pay, offer or authorize to pay or give anything of value to any foreign official (as defined), foreign political party or party official, any candidate for foreign political office or any 'middle man' to such recipients. A payment or offer is corrupt if it is made intentionally and voluntarily with the intention of causing conduct that is prohibited by the FCPA. The FCPA prohibits the offer or promise of or payment of anything of value to any prohibited recipient for the purpose of influencing any act or decision (including a decision not to act) of an official in his or her official capacity, inducing the official to do any act in violation of his or her lawful duty, or to secure any improper advantage in order to assist the payor in obtaining or retaining business for or with any person, or in directing business to any person.

A foreign official is defined as any officer or employee of a foreign government public international organization or any department or agency thereof or any person acting in an official capacity for such government or organization. Foreign government officials include all levels of federal, state, provincial, county, municipal and similar officials of any government outside the United States and also include all levels of employees of any commercial enterprise owned in whole or in part by a government other than the United States (at state-owned or controlled entities and instrumentalities). Public international organizations include organizations such as the International Monetary Fund, the European Union, the World Bank and other such organizations.

Various sections of this Manual refer to specific aspects of compliance with this Policy, including the sections on gifts and gratuities, improper conduct, Know Your Customer, AML, private offerings, financial reporting and outsourcing. It is expected that in conducting business on behalf of the Company, all persons will comply with this policy, all respective procedures, and the FCPA itself. Perceived violations will be investigated, and if deemed necessary, reported to federal authorities.

3.11 NON-CASH COMPENSATION, SALES INCENTIVES, GIFTS AND GRATUITIES

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	In daily course of business.
How Conducted:	Correspondence reviews, interviews with RR's and clients. Review of records of non-cash compensation; Review of invitations to training and or educational events.
How Documented:	Notation to employee file or compensation file. Gifts and Gratuities Log, RCI Formerly LFF-159 Seminar/Conference Reimbursement Form Submission and approval into firm's advertising platform Quest CE
WSP Checklist:	FINRA Rules 5110, 3220, 2341, 2320, 2310, 0150 MSRB G-20; Notices 98-75, 99-55, 01-63, 03-53, 06-69, 08-57, 09-49, 09-50, 11-12

Non-cash compensation, sales incentives, gifts and gratuity items (including travel bonuses, prizes, and awards offered by any sponsor or program) **cannot be paid directly** to any associated person of Level Four Financial, LLC. The Company, itself, however, is permitted to provide non-cash compensation to its Representatives provided no sponsor, affiliate of a sponsor, or program, including an affiliate, directly or indirectly participates or contributes to providing such non-cash compensation.

All compensation to be received by an associated person that is related to his or her securities activities or association with the Company must be paid directly to Level Four Financial, LLC. Level Four Financial, LLC shall control distribution of compensation to the associated person and will record the receipt and distribution in its books and records. Seminar sponsorship cash reimbursements or non-cash vendor training/educational trips must be pre-approved by Compliance by submitting into the firm's Advertising review platform, QuestCE. See Sections Entertainment Expenses and Training and Education for more information on this requirement.

Cash compensation must also be reflected in the prospectus or other applicable offering documents. These rules apply to officers and directors and principals of the Company as well as Registered Representatives. The Designated Principal will review all prospectuses and offering documents for proper disclosure and will monitor all compensation arrangements in order to assure compliance with the rules described herein.

3.11.1 FINRA RULES ON NON-CASH COMPENSATION

Non-cash compensation rules are included in FINRA Rules 5110 (Corporate Financing Rule—Underwriting Terms and Arrangements) and 2310 (Direct Participation Program Rule); FINRA Rule 2320 (Variable Contract Rule) and Rule 2341 (Investment Company Rule). Together, these rules apply to sales of variable annuities, mutual funds, DPP securities, public offerings of debt and equity securities, and real estate investment trust (REIT) programs. Through application of these rules, as well as FINRA Rule 3220, FINRA and SEC attempt to eliminate the possibility of conflicts of interest, compromised suitability and best interest determinations, and other inappropriate sales practices.

Non-Cash Compensation, Defined: This term is identical in applicability in the Rules referenced above and encompasses any form of compensation received by a member in connection with the sale and distribution of

securities that is not cash compensation, including, but not limited to, merchandise, gifts and prizes, travel expenses, meals, lodging and securities. Certain employee benefits such as company stock options, bonus awards and other compensation arrangements are not covered.

Receipt of Compensation From Outside the Company: The Rules prohibit any person associated with the Company from accepting any compensation from any person or entity other than the Company, unless approved in accordance with the procedures described in Outside Business Activities and Private Securities Transactions or as pre-approved by Compliance within the QuestCE Advertising review platform. No compensation may be received in the form of securities of any kind.

3.11.2 PROSPECTUS DISCLOSURE OF CASH COMPENSATION

Level Four Financial, LLC shall not accept cash compensation from offerors unless such compensation is disclosed in a prospectus. In the case where special cash compensation arrangements are made available by an offeror to a member, which arrangements are not made available on the same terms to all members that distribute the securities, the disclosure must include the name of the recipient member and the details of the special arrangements. There is an exception from disclosure for compensation arrangements between: (1) principal underwriters of the same security; and (2) the principal underwriter of a security and the sponsor of a unit investment trust which utilizes such security as its underlying investment. By their terms, these provisions describe arrangements that would not trigger the proposed recordkeeping requirements. This disclosure may be placed in the Statement of Additional Information (SAI) incorporated by reference in the prospectus and made available to customers on request.

3.11.3 GIFTS AND GRATUITIES

FINRA Rule 3220 permits associated persons to give or receive gifts that do not exceed an aggregate annual amount of $300 per person per year. In addition, personal gifts such as wedding, birthday, anniversary or gifts related to other special occasions and de minimis or promotional items with a nominal value are exempted from the Rule. Items that are valued at or near $300, even if promotional in nature, would not be considered nominal and would need to be included in the aggregate annual value of gifts.

In determining whether a gift is business or personal related, the Designated Principal should consider the pre-existing nature of the relationship between the presenter and recipient and whether the associated person or the Company has paid for the gift. Registered representatives must not make a determination as to whether a gift is personal or business.

The value of gifts is the higher of the cost or fair market value, exclusive of taxes or delivery charges. In determining the value of tickets, the higher of the cost or face value must be used. The value of a gift presented to multiple recipients must be pro-rated among the recipients and a record must be kept as to this pro-ration. For example, a gift basket valued at $650 delivered to an office of 3 individuals would be allowed since the per person pro-rata value is less than $300.

All gifts to be given or received must be brought to the attention of the Designated Principal. The Designated Principal shall determine:

- the value to be assigned to the gift;
- whether the gift is considered to be personal in nature or business related; and
- the aggregate value of gifts received by or given to the applicable party during the year.

Evidence of the Designated Principal's review and approval shall be recorded on a log, which will contain the following and will be maintained in the Company's Gifts and Gratuities file:

- Name of recipient
- Name of presenter
- Date of the gift
- Value of the gift
- If the gift is business related or personal
- Aggregate value of gift to the recipient

Gifts or Payments to Public Officials Some states have laws governing the receipt of gifts by public officials. Therefore, Registered Representatives are prohibited from providing gifts to public officials without prior approval from the Designated Principal. If a Registered Representative has questions as to who is considered a public official, they should consult the Designated Principal for additional information. The MSRB requires firms that offer Municipal Securities to report contributions and payments to certain public/government officials,

Labor Unions Gifts or entertainment given to labor unions, or their affiliated individuals may require reporting to the Department of Labor on Form LM-10. Associated persons must inform the CCO of any such circumstances. This requirement applies to any payment or loan, direct or indirect, of money or other thing of value (including reimbursed expenses), or any promise thereof. The CCO will determine and comply with reporting requirements when necessary.

Foreign Recipients When contemplating giving a gift to a foreign individual or entity, associated persons must review the Company's FCPA policy, above, and must discuss their intentions with their designed supervisor or the CCO. The CCO must approve all such offerings in advance, following a review of the purpose of the gift and the identity of the intended recipient, for the sake of ruling out an FCPA violation. Certain payments may be made to foreign officials, etc., but only if permitted by the Company and in accordance with the exceptions outlined in the FCPA—if applicable, see the "FCPA Payment-Related Records and Reporting" section below.

3.11.4 ENTERTAINMENT EXPENSES

- Expenses incurred in conjunction with business-related meetings and events as well as activities at which business may be conducted or where an associated person of the Company is present is generally considered entertainment. Interpretive letters issued by FINRA indicate that FINRA Rule 3220 does not limit ordinary and usual business entertainment provided by a member or its associated persons to the member's clients and their guests. However, where the member or associated person is not personally hosting the entertainment, the provision of the Rule would be applied and the cost would be considered a gift and subject to the recordkeeping requirements and limitations thereof. Associated persons should consult the Designated Principal if they have any questions as to whether the expense is entertainment or a gift. Per Level Four policy, business entertainment that satisfies the requirements described above should cost no more than $400 per attendee. This includes, without limitation, business lunches and dinners, sporting and cultural events. Supervised persons may not accept more than $1,200 per year from any giver. All entertainment, both given and received, must be disclosed in RCI.

Sponsorship of a client/prospect related meeting or event by a third party requires Compliance pre-approval via the firm's Advertising review compliance platform.

3.11.5 THIRD PARTY TRAINING AND EDUCATION EVENTS

It is important that associated persons receive education opportunities, updates on any portfolio changes or structural changes to current products and explanations of new products. Should associated persons of the Company be invited to attend training or education meetings held by an offeror (including issuer, sponsor, their advisor, underwriter or any affiliate of these entities), such invitations should be brought to the attention of the person's supervisor or Designated Principal for review and approval via QuestCE the firm's Advertising compliance review platform prior to any such trips being accepted or scheduled.

Any related reimbursement or payment of expenses by the sponsor or issuer must be made directly to the Company, unless other arrangements are approved by the Designated Principal. If approved, expenses or reimbursement paid directly to, or on behalf of, the associated person by the sponsor or issuer must be reported to the Company by the payer and recorded in the Company's books and records.

Records relating to the review and approval of training or education meetings shall be maintained in the associated person's file or in a separate compensation file and must include the following:

- The location of the meeting. FINRA has stated that the location must be appropriate to its purpose: For example, appropriate purpose is demonstrated where the location is the office of the offeror or the company, or a facility located in the vicinity of such office. If the meeting will accommodate attendees from a number of offices in a region of the country, the meeting location may be in a regional location.
- The type and amount of expenses to be paid or reimbursed. FINRA has made it clear that an offeror is not permitted to pay for certain expenses in connection with a training and education meeting, including, for example, golf outings, cruises, tours and other entertainment.
- The purpose of the meeting and criteria for the invitation. FINRA has made it clear that attendance should not be based on the achievement of a sales target or other incentives. Attendance may, however, be permitted to recognize past performance or encourage future performance. The Designated Principal with supervisory authority over the associated person shall personally approve such attendance in advance and the record of such approval shall be maintained with the associated person's records at the Company. The payment or reimbursement by an offeror must not be applied to the expenses of guests of the associated person.
- Any restrictions or conditions the Company has placed on the associated persons relating to his or her attendance at the meeting.
- The date of the meeting.

3.11.6 SECURITIES AS COMPENSATION IN OFFERINGS

The Company does not receive compensation in the form of stock, options, warrants, or other securities from its clients.

3.11.7 SOLICITATION OF CHARITABLE CONTRIBUTIONS BY FIDUCIARIES

The solicitation of charitable contributions by employees or agents of a customer raises the potential for conflicts of interest ("quid pro quo" or "pay to play") that must be addressed by the Company. These concerns are present when an employee of a customer who is acting in a fiduciary capacity (e.g., employees of an investment company, pension fund, municipality, or investment manager) solicits substantial charitable contributions from Level Four Financial or its associated personnel with whom the fiduciary conducts or intends to conduct business.

To address these potential conflicts, the Company prohibits associated persons from making charitable contributions solicited on behalf of clients/prospects acting in a fiduciary capacity.

These procedures do not apply to the customary charitable giving by the Company or associated persons or solicitations received directly from charitable organizations, nor do they address policies regarding charitable giving by persons in their individual capacities. Refer to Regulatory Notices 06-21, 16-40, 17-37 for additional guidance.

3.12 ETHICS: IMPROPER CONDUCT

All personnel of the Company, including officers, directors, employees and independent contractors must apply sound ethical judgment in their actions and working relationships with current or potential customers, consumers, other Company employees, competitors, suppliers, government representatives, the media, and anyone else with whom the Company has contact. In these relationships, personnel must observe the highest standards of ethical conduct. Personnel are encouraged to report potential ethics violations to the CCO and will be afforded full confidentiality in doing so; in addition, retaliation for such reporting is strictly prohibited.

Personnel are prohibited from knowingly violating any of the policies and procedures in this Manual. The Company hereby reiterates certain important policies: the following practices are regarded by Level Four Financial, LLC as improper and will be met with appropriate disciplinary action:

- Effecting any transaction in, or inducing the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance (ref: FINRA 2020; SEA 15c1-2);
- Accepting orders or checks from a third party for a customer's account or opening an account from a third party;
- Preparing written reports or recommendations on a security for general dissemination without prior supervisory review and approval;
- Opening a securities or commodities account at another firm without prior notification and approval by the Company;
- Participating in public appearances, including but not limited to seminars, radio programs or interviews, without prior supervisory approval; prior approval is not required for non-scripted, extemporaneous remarks made at a public appearance.
- Reproducing and giving to clients or others material intended for internal or broker/dealer use only;
- Giving specific tax or legal advice to customers, unless qualified and approved by the Company to do so;
- Providing inside information to clients, friends, family or others or personally acting on inside information;
- Establishing fictitious accounts;
- Executing transactions on discretion in brokerage accounts;
- When conducting firm or customer trading, failing to adhere to just and equitable Principals of trade, for instance, by violating prohibitions on: market manipulation, front running, trading ahead of research reports, market or limit orders, self-preferencing, churning, trade shredding, adjusted trading, parking (whether for market manipulation, net capital purposes or otherwise), inter-positioning without ensuring best execution, marking the opening or close, coordination of prices/quotations, directing or requesting other firms to alter prices/quotations, intimidation or coercion, pre-time stamping orders in connection with block positioning, defying known trading restrictions in issuer repurchases of common stock, 'overtrading' or circulation of rumors;
- Giving payments that involve publications that influence the market price of a security (except in the case of paid advertising and research reports, as authorized by the Company);
- Unauthorized use or borrowings of customer funds or securities;
- Engaging in outside business activities or private securities transactions without disclosure to and pre-approval by the Company;
- Recommending the purchase of securities of a character or amount which are inconsistent with the customer's stated objectives or financial ability;

- Splitting with or rebating, directly or indirectly, any commission or fee with a person not licensed with the Company, unless approved by the Company;
- Sharing directly or indirectly in the profits or losses of any account without customer authorization and Company approval;
- Presenting the merits of any proposed investment in an exaggerated, hyperbolic fashion with no balanced discussion of risk;
- Concealing material adverse information about a proposed investment;
- Entering into a relationship with a financial institution (such as a wholesaler for a fund or insurance Company) whereby advertising, trips and other benefits are paid for without full discussion and clearance by the Company;
- Providing excessive gifts or gratuities to a customer;
- Recommending investments funded by liquefied home equity;
- Guaranteeing a customer, a profit or a return on an investment;
- In the context of new issue allocations and distributions: "spinning," "flipping" or engaging in quid pro quo allocations; distributing shares to restricted persons when prohibited; accepting market orders prior to commencement of trading in the secondary market; or failing to dispose of returned new issue shares in accordance with the requirements of the Agreement among Underwriters (ref: FINRA 5130 and 5131);
- Failing to comply with the Company's FCPA policy and procedures or the FCPA itself, including bribing or attempting to bribe, foreign officials to obtain or retain business in a foreign country.

3.12.1 CUSTOMER RELATIONS

The Company and its associated persons are required to comply with all applicable requirements under FINRA Rule 2010, and in doing so, shall observe high standards of commercial honor and just and equitable Principals of trade. Supervision of these Principals shall be the responsibility of the Designated Principals named in this Manual and shall be in accordance with FINRA Rule 3110.

In addition, effective June 30, 2020 the Securities and Exchange Commission ("Commission") implemented Regulation Best Interest, which established a new standard of conduct under the Securities Exchange Act of 1934 ("Exchange Act") for Broker-Dealers and their associated person when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer.

When making such a recommendation to a retail customer, the firm must act in the best interest of the retail customer at the time the recommendation is made, without placing its financial or other interest ahead of the retail customer's interests.

3.12.2 KNOW YOUR CUSTOMER"

Name of Supervisor ("designated Principal"):	AML Compliance Officer Operations and Designated Principal as described throughout this Manual and named in Appendix A
Frequency of Review:	Daily/on-going
How Conducted:	Oversight of business practices; correspondence reviews; office inspections; account reviews.
How Documented:	New account approvals; correspondence; approval of business activity.
WSP Checklist:	FINRA Rule 2090, Notices 11-02, 11-12

The Company, when opening and maintaining customer accounts, must comply with FINRA's Know Your Customer Rule 2090. Associated persons must use reasonable diligence in order to know the essential facts concerning every customer. Essential facts are those required to:

- effectively service the customer's account,
- follow any special handling instructions for the account,
- understand the authority of each person acting on behalf of the customer, and
- comply with applicable laws, regulations, and rules.

Using reasonable diligence means, in essence, making a concerted effort and not ignoring missing or contradictory information. Specific procedures for learning the essential facts cannot be fully summarized here; rather, they are included throughout this Manual in context. By making a good faith effort to follow all Company procedures, as well as completing, gathering and reviewing all required documentation when opening accounts (or accepting investors) and servicing customers throughout the customer-broker relationship, associated persons will have met this standard (which applies whether or not recommendations are made). Following the procedures on suitability are especially important to Know Your Customer compliance: see below.

Evidence of compliance with this rule will exist in the totality of customer account and activity records; likewise for evidence of supervision. The surest indication of failure to follow this rule is a pattern of sales or other transactions obviously designed to reward the RR rather than meet the customer's needs. Supervising principals should be prepared to investigate any such unacceptable activity, which, if proved, will be met with disciplinary action. Continuing patterns of self-benefiting activity will be grounds for termination.

When doing business with overseas customers, it is important to adhere to the Company's AML procedures and FCPA policy relating to politically exposed persons and foreign officials, among others. "Knowing your customer" also includes determining whether or not they fall into these categories that require further due diligence and possible additional activity monitoring. Please refer to respective procedures herein and in the AML written program for details.

3.12.3 ARTIFICIAL INTELLIGENCE USE (USE OF AI)

The purpose of this procedure is to establish reasonable supervisory controls governing the use of Artificial Intelligence ("AI") tools by the Firm and its associated persons to ensure compliance with Regulation Best Interest ("Reg BI"), FINRA rules, antifraud provisions of the federal securities laws, and the Firm's confidentiality, supervision, and conflicts-of-interest obligations.

The use of AI does not diminish the responsibility of associated persons or supervisors to exercise appropriate judgment, supervision, and oversight.

3.12.4 SCOPE

This procedure applies to all registered representatives, principals, employees, and contractors of the Firm and covers any AI-enabled tools, platforms, or applications (including generative AI and large language models) used in connection with Firm business.

3.12.5 PERMITTED USES OF AI

AI tools may be used only as a support tool and not as a substitute for professional judgment or Firm supervision, and only for non-discretionary purposes such as:

- Drafting internal documents or outlines (subject to supervisory review)
- Administrative assistance (e.g., summarizing publicly available information)
- Research support using non-confidential, publicly available data
- Compliance-approved operational efficiencies

All AI-generated content used for Firm business must be reviewed by the associated person for accuracy, completeness, and compliance prior to use or distribution.

3.12.6 PROHIBITED USES OF AI

Associated persons are strictly prohibited from using AI tools to:

- Input, upload, or process confidential, non-public, or personally identifiable client information
- Generate or deliver personalized investment recommendations or account-specific advice without appropriate human review and Firm approval
- Input, upload, or process Firm proprietary or confidential information, including but not limited to client agreements, account documentation, internal policies and procedures, supervisory materials, Firm branding, logos, or other non-public Firm intellectual property.
- Create, modify, or distribute client-facing communications, advertisements, or sales materials unless reviewed and approved in accordance with the Firm's communications and advertising procedures
- Make discretionary investment decisions or execute transactions
- Circumvent Firm supervision, recordkeeping, or surveillance systems
- Use unapproved AI platforms or tools for Firm business

3.12.7 REGULATION BEST INTEREST AND CONFLICTS OF INTEREST

AI use by associated persons is subject to the Firm's obligations under Regulation Best Interest, including the Care Obligation, Disclosure Obligation, Conflict of Interest Obligation, and Compliance Obligation.

In particular:

- AI tools may not be used in a manner that introduces, obscures, or amplifies conflicts of interest, including conflicts related to compensation, product selection, or revenue-sharing arrangements.
- Associated persons remain responsible for identifying and escalating any actual, potential, or perceived conflicts of interest arising from the use of AI tools, including reliance on AI-generated outputs.
- AI-generated information may not be used to recommend a product or strategy unless the associated person independently determines that the recommendation is in the retail customer's best interest.
- Conflicts associated with AI use must be disclosed, mitigated, or eliminated in accordance with the Firm's Reg BI Conflicts of Interest procedures.

The Firm prohibits the use of AI in any manner that would place the interests of the Firm or the associated person ahead of the interests of a retail customer.

3.12.8 DATA PRIVACY AND INFORMATION SECURITY

AI tools must be used in compliance with the Firm's confidentiality, cybersecurity, and data protection policies. No client data, including personally identifiable information (PII) or confidential non-public information may be entered into any AI system. Additional guidance regarding the ethical, secure, and responsible use of Artificial Intelligence is set forth in the CRI Artificial Intelligence Policy, which is

incorporated by reference as Appendix G to these Written Supervisory Procedures. In the event of a conflict, the Firm's WSPs and applicable securities laws and regulations shall control.

Supervision and Oversight

- Department managers and supervisors are responsible for overseeing AI use by associated persons within their area of responsibility.
- The Firm may monitor AI use through supervisory reviews, audits, or other reasonable controls.
- Any known or suspected misuse of AI, including conflicts concerns, should be promptly reported to Compliance.

Violations

Failure to comply with this procedure may result in disciplinary action, up to and including termination, and may be reported to regulators where required.

4 REGULATION BEST INTEREST ("REG BI")

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily (activity reviews and new account approvals)
How Conducted:	Review of new account forms, order records, correspondence, and customer statements/transactional activity for consistency of investment objectives with investment profile
How Documented:	Review of transaction blotters; in client files; memos to compliance files. Disclosure Documents & Form CRS JotForm; Account Opening Documentation; LF189 Rollover/Transfer Due Diligence, LF188 Annuity Purchase Disclosure, LF126 529 Due Diligence
WSP Checklist:	Exchange Act Rule 15*l*-1 ("Regulation Best Interest"); Exchange Act Rule 17a-14 ("Form CRS"); Exchange Act Rules 17a-3 and 17a-4 ("Record Keeping")

Regulation Best Interest applies to recommendations of any securities transaction or investment strategy involving securities (including account recommendations) to a retail investor, regardless of whether the Broker-Dealer receives compensation. Retail investor is defined as any natural person, without regard to accredited status or net worth, or the legal representatives of such natural person, who seeks to receive or receives services primarily for personal, family or household purposes.

This general "Best Interest" obligation is satisfied only if the firm complies with four specified component obligations:

- Disclosure Obligation: provide certain required disclosure before or at the time of the recommendation, about the recommendation and the relationship between the firm and its retail customer;
- Care Obligation: exercise reasonable diligence, care, and skill in making the recommendation;
- Conflict of Interest Obligation: establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest; and
- Compliance Obligation: establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest.

The determination of whether a registered representative has made a recommendation that triggers application of Regulation Best Interest turns on the facts and circumstances of a particular situation, and therefore, whether

a recommendation has been made is not susceptible to a bright line definition. Factors considered in determining whether a recommendation has taken place include whether the communication "reasonably could be viewed as a 'call to action'" and "reasonably would influence an investor to trade a particular security or group of securities." The more individually tailored the communication to a specific customer or targeted group of customers about a security or group of securities, the greater the likelihood that the communication may be viewed as a "recommendation."

4.1 THE DISCLOSURE OBLIGATION AND FORM CRS

The firm's obligation under Regulation Best Interest to provide full and fair disclosure should give sufficient information to enable a retail investor to make an informed decision with regard to the recommendation. The firm must, prior to or at the time of the recommendation, provide the retail customer full and fair disclosure of:

- all material facts relating to the scope and terms of the relationship with the retail customer; and
- all material facts relating to conflicts of interest that are associated with the recommendation.

The Company will provide firm specific material disclosures in Form CRS and a supplemental disclosure "Important Investor Information". Material facts relating to the scope and terms of the relationship with the retail customer include:

- that the broker, dealer, or such natural person is acting as a broker, dealer, or an associated person of a Broker-Dealer with respect to the recommendation;
- material fees and costs that apply to the retail customer's transactions, holdings, and accounts; and
- the type and scope of the services to be provided to the retail customer, including any material limitations on the securities or investment strategies that may be recommended to the retail customer.

Form CRS (Customer Relationship Summary)
Form CRS is designed to help retail investors understand the relationships and services offered by the Company.

The topics to be covered and certain conversation starters and prescribed language have been set forth in the model Form CRS. The conversation starters are designed to promote dialogue between retail investors and Registered Representatives. The Company will provide custom narratives addressing the topics and information required to be included.

4.1.1 DELIVERY OF FORM CRS

The Company must document delivery of the most recent Form CRS to a retail investor, including existing customer, before or at the time of a recommendation to:

- Open a new account that is different from the retail investor's other accounts with the Company;
- Rollover assets from a retirement account to a new or existing account or investment;
- A direct investment that does not require the opening of a new account and would not be held in an existing account.

Registered representatives must utilize the firm's Form CRS & Disclosure JotForm in order to evidence delivery of Form CRS. The link to the JotForm is "https://form.jotform.com/levelfour/crs-disclosures" and is available on the firm's intranet at "https://harborfs1.com". Registered representatives with questions related to the delivery of the Form CRS should consult the requirements outlined in the Manual or consult with their Designated Supervisor/Branch Manager.

Utilizing the Form CRS & Disclosure JotForm table, the Designated Supervisor/Branch Manager shall verify delivery of Form CRS prior to approving new accounts in order to ensure delivery of the Form CRS as required by the SEC. Failure to deliver the Form CRS as required could result in disciplinary action against the Company and/or the Representative.

4.1.2 FORM CRS UPDATES

The Company must also deliver the Form CRS to all existing customers when material updates to the form are made. Updates must be made within 30 days of changes related to information that has become materially inaccurate and the updated Form will be delivered to existing customers within 60 days of the update. The updated Form CRS can be delivered through electronic means or another disclosure method, if the CCO determines such alternate delivery would be appropriate given the change.

The Company maintains a website and the most recent version of the Form CRS and important supplements on the website. The CCO or designee shall ensure that the Company has created and keeps current the Form CRS.

4.1.3 USE OF "ADVISOR" OR "ADVISER" TITLE

Where the Company engages in business with retail clients, the Commission presumes that the use of the terms "adviser" and "advisor" in a name or title by (i) a Broker-Dealer that is not also registered as an investment adviser or (ii) an associated person that is not also a supervised person of an investment adviser to be a violation of the capacity disclosure requirement under Regulation Best Interest.

Therefore, the Designated Principal overseeing communication will review all titling to ensure that such terms are not in use where prohibited. Where such instances are found, the Representative will be required to use an alternate title.

4.1.4 VOLUNTARY ACCOUNT REVIEW

Registered Representatives may voluntarily, and without any agreement with the retail client, review the holdings in the retail client's account for the purposes of determining whether to provide a recommendation to the customer. This voluntary review is not considered to be "account monitoring," nor would it in itself create an implied agreement with the retail customer to monitor the customer's account. Any explicit recommendation made to the firm's retail customer as a result of any such voluntary review would be subject to Regulation Best Interest.

The Designated Principal reviews communications to ensure on-going review agreements are not in use. For example, agreements to monitor a retail client's account on a quarterly basis is prohibited. Where such instances are implied, the Designated Principal will be required to notify the client that the Company does not agree to perform account monitoring services.

4.2 CARE OBLIGATION

Under the Care Obligation, the registered rep must exercise reasonable diligence, care, and skill when making a recommendation to a retail customer as follows:

1) *Understand potential risks, rewards, and costs associated with recommendation, and have a reasonable basis to believe that the recommendation could be in the best interest of at least some retail customers.*

Although factors will vary depending on, among other things, the complexity of and risks associated with the recommended security or investment strategy, registered reps generally should consider important factors such as:

- the security's or investment strategy's
  - investment objectives;
  - characteristics (including any special or unusual features);
  - liquidity;
  - volatility; and
  - likely performance in a variety of market and economic conditions;
- the expected return of the security or investment strategy; and
- any financial incentives to recommend the security or investment strategy.

All representatives are required by the Company to complete "Best Interest" training and the Designated Principal conducts heightened reviews of recommended transactions on a risk-based basis.

With respect to account type recommendations, the representative must acknowledge that they have considered (among other things):

- Relevant features, services and cost of the account type
- Client attributes,
  - Investment objectives;
  - Financial situation;
  - Level of financial sophistication;
  - Investment experience;
  - Financial goals;
  - Preferences and expectations;

The Designated Principal reviews new account documentation and information provided by the Rep on the Form CRS & Disclosure Jot Form in light of the retail customer's investment profile. The Designated Principal's approval is subject to a determination that the account recommendation meets a reasonable basis to believe it is in that particular client's best interest.

2) *Have a reasonable basis to believe the recommendation is in the best interest of a particular retail customer based on that retail customer's investment profile and the potential risks, rewards, and costs associated with the recommendation and does not place the interest of the Broker-Dealer ahead of the interest of the retail customer;*

The representative will collect client profile information at the time of a recommendation or account inception, or before. Client disclosures further urge clients to contact their representative should their information change and that this information is used as the basis for recommending investments and account types.

The Designated Principal, during the review of transactions and client information, shall ensure that appropriate disclosures are provided when a recommendation is made. The Designated Principal will also review recommended transactions and strategies to ensure they are in the best interest of the investor.

3) *Have a reasonable basis to believe that a series of recommended transactions, even if in the retail customer's best interest when viewed in isolation, is not excessive and is in the retail customer's best interest when taken together in light of the retail customer's investment profile*.

When recommending a series of transactions, the registered rep must have a reasonable basis to believe that the transactions taken together are not excessive, even if each is in the client's best interest when viewed in isolation. The requirement applies irrespective of whether the registered rep exercises actual or de facto control over a client's account.

What would constitute a "series" of recommended transactions would depend on the facts and circumstances and would need to be evaluated with respect to a particular retail client. The Designated Principal will periodically review a random sample of a series of recommended transactions in retail client accounts to ensure that such transactions benefit the client and not the firm.

4.2.1 CONSIDERATIONS SPECIFIC TO ERISA ROLLOVERS

Recommendations to rollover ERISA accounts to an IRA account are prohibited. Refer to Section IRA ROLLOVERS.

4.2.2 CONSIDERATIONS RELATED TO REASONABLY AVAILABLE ALTERNATIVES

The representative should consider reasonably available alternatives, if any, offered by the Company in determining whether there is a reasonable basis for making the recommendation.

4.2.3 CONSIDERATIONS RELATIVE TO COST OF RECOMMENDATIONS

While the representative must understand and consider costs when making a recommendation, it is only one important factor among many factors. Thus, the firm would not satisfy the Care Obligation by simply recommending the least expensive or least remunerative security without any further analysis of the other factors and the retail customer's investment profile.

For example, depending on the facts and circumstances, the representative may be able to recommend a more expensive security or investment strategy if there are other factors about the product or strategy that reasonably allow the firm to believe it is in the best interest of the firm's retail customer, based on that retail customer's investment profile.

4.2.4 CONSIDERATIONS SPECIFIC TO COMPLEX PRODUCTS OR STRATEGIES

When recommending securities or investment strategies that are complex, such as variable annuities, Representatives should take particular care to make sure you understand the terms, features, and risks – as with the potential risks, rewards, and costs of any security or investment strategy – in order to establish a reasonable basis to recommend the product to retail customers.

4.2.5 RECOMMENDATIONS TO SENIORS

A senior is defined as any natural person who is age 65 or older, retired, or transitioning to retirement, and persons that are joint owners in accounts with at least one individual meeting this definition. Additional factors should be taken into consideration when conducting business with "senior" investors. Factors that should be considered in addition to the person's age include, but are not limited to:

- Employment plans – now and in the future
- Other sources of income – investments, savings, pensions, etc.;
- Ongoing expenses – mortgage, living expenses;

- When will they need the money, they want to invest;
- Types of current investments or savings plans;
- Healthcare needs & insurance – now and in the future; and
- Income and investment needs – their goals.

In dealing with senior investors, Representative must provide clear, concise information about the products and services being offered and should provide the investor with detailed information in writing to support any such discussions. In some cases, it may be prudent to have a caretaker or relative present to ensure there is no misunderstanding regarding the product or the information being provided. If not authorized on client account documentation, the LFF008 Required Contact Authorization Form allows a client to authorize LFF to contact a third party regarding their account. Conversely, age may not be a limiting factor: RRs should pair age with financial sophistication and financial status when weighing its relevance.

RR's who focus on business with the elderly may be required to participate in dedicated continuing education training on these and other subjects, in order to assure familiarity with the special issues relating to them:

- Retirement planning,
- Ethics in working with senior investors, and/or
- The proper use of senior designations in retail communications (advertising, sales literature, etc.) and correspondence (see the Communications with the Public section, below).

4.3 CONFLICT OF INTEREST OBLIGATION

Under the Conflict-of-Interest obligation, the Company must evaluate and provide disclosure to retail investors regarding potential conflicts of interest, whether or not recommendations subject to Regulation BI are being made.

Special considerations for conflicts of interest are as follows:

- If an employee or associated person becomes aware of a real, perceived, or potential conflict of interest that they believe may not have been disclosed or addressed appropriately, they are required to report such information to the CCO.
- Periodically, at least annually, Representatives are required to report any known conflicts of interest relating to recommendations and incentives or opportunities to place their interest ahead of those of retail clients.
- Compliance will review representative responses as well as changes in Company relationships or compensation agreements to determine if new conflicts of interest may exist that require disclosure, ensuring that all disclosure documents are updated.
- HR Committee approval is required for representative payroll rate compensation adjustments as documented on Form HF021.
- Several existing Company policies require heightened principal reviews to monitor conflicts of interest, such as:
    - Gifts and entertainment policy ensures that gifts are nominal and subject to principal review;
    - Rollovers or transfers policy requires principal review documented on LF189 Rollover/Transfer Due Diligence (such as rollover from an ERISA account to an IRA- see section IRA Rollovers). For recommendations to move assets from a traditional, commission-based account to a fee-based account or vice versa, the Company must ensure that the transfer is in the customer's best interest by evaluating benefits to the customers as well as the fees and charges to be imposed on the customer as a result of the change.
    - Higher compensation/ or share class product policies require principal reviews of annuities (LF188), mutual funds (Jot Form) and 529s (LF126).

The Company does not offer proprietary products, nor does it permit sales contests, quotas, bonuses, or non-cash compensation based on sales of specific securities. More complex products/strategies such as non-traded REITS, leveraged ETFs, and uncovered calls are prohibited.

4.3.1 UNDERSTAND & MITIGATE OR ELIMINATE YOUR POSSIBLE CONFLICTS

In addition to the general conflict identification and escalation procedures described above, the Company has identified certain reasonably foreseeable conflicts of interest that may arise in connection with recommendations made to retail clients. These conflicts may result from compensation structures, account types, product features, third-party relationships, or representative business practices that create incentives—financial or otherwise—for a representative to place their interests ahead of those of the retail client.

Level Four maintains policies, disclosures, supervision, and controls designed to identify, disclose, mitigate, or eliminate these conflicts, as required under Regulation Best Interest. The following is a non-exhaustive list of common conflicts of interest that representatives and advisory persons may encounter in the course of their business activities, and which are subject to ongoing supervision and review.

A **conflict of interest** occurs when a financial professional's personal interests interfere with their ability to put the client's interests first. Under Reg BI, RR are required to identify, disclose, and mitigate or eliminate any conflicts of interest that could influence their advice or recommendations.

Dual Registrants (Broker-Dealer and Investment Advisor)

- If you're both an IAR and RR, conflicts can arise between the commission-based broker-dealer model and the fee-based RIA model, potentially confusing clients about which standard applies. Mitigate the conflict by clearly outlining and documenting recommendations, ensuring the client understands their options and the rationale behind commission versus fee-based transactions.

Product or Strategy Recommendations

- Conflicts arise when a RR recommends strategies or products with higher fees or profits, such as funds with high management fees or complex products that may not be in the client's best interest. Mitigate the conflict by staying within the client's stated risk tolerance and investment objectives. Advisory clients should always receive the lowest cost mutual fund share class

Suitability vs. Best Interest

- Even if an investment is suitable, it may not be in the client's best interest if the RR prioritizes their own financial interests over the client's needs and goals.

Risk Tolerance vs. Product Complexity

- An RR may recommend more complex or riskier products that might not match the client's stated risk tolerance. This could stem from the RR desire to promote higher-fee products.

Other Financial Products

- RR may face conflicts when recommending products like annuities, prioritizing extra compensation over the client's best interest. **What else was considered??**

  - Ensure that you have a thorough understanding of your clients' financial situation, goals, risk tolerance, time horizon when making recommendations and document your rationale.
  - Take the time to document the client's financial goals, risk preferences, income needs, and liquidity requirements in a way that reflects their best interests, not just suitability.
  - Clearly explain the costs and fees of any recommended products, including commissions, expense ratios, and hidden fees. If a higher-cost product is recommended, provide a clear, client-centric justification that it is in their best interest (e.g., better performance, specific risk management, tax efficiency).

4.4 COMPLIANCE OBLIGATION

To assess compliance with this obligation, supervisors may review documents such as: (i) information collected from retail customers to develop their investment profiles; (ii) the RR's process for having a reasonable basis to believe that a recommendation is in the customers' best interest; and (iii) how the RR documents recommendations related to significant investment decisions or more complex, risky or expensive investments and how it has a reasonable basis to believe they are in the retail customers' best interest.

4.4.1 RECORDKEEPING

Reg BI books and records requirements build upon existing recordkeeping obligations. Amended SEA Rule 17a-4 requires the Company to maintain and preserve, in an easily accessible place, the following records until at least six years:

a. Form CRS: (i) all records of the dates that each relationship summary was provided to each retail investor, including any relationship summary that was provided before such retail investor opens an account, as well as (ii) a copy of each relationship summary.
b. For each retail customer to whom a recommendation of any securities transaction or investment strategy involving securities is or will be provided, customer information should be updated in accordance with the Company's practices: where there are new recordkeeping requirements, associated persons must update customer records to meet those requirements during their routine updating process. In addition to standard form and data retention, the Company requires RRs to use a centralized CRM system to document supplemental records regarding Reg BI recommendations.

4.4.2 ONGOING COMPLIANCE REVIEW

The Firm continually reviews and enhances ongoing reviews of our written policies and procedures, including training plans and compliance communications regarding Reg BI.

Some of the areas that may be considered include:

- A periodic conflict-of-interest matrix identification process, tailored to the firm's business model.
- Additional training with conflicts as a sole subject matter to enhance representatives' ability to understand and identify their personal conflicts of interest in addition to those disclosed in Form CRS for the Firm.
- Implementation of a periodic review process to ensure ongoing identification and management of conflicts is occurring at the representative level.

4.5 SUITABILITY RULE

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily (activity reviews and new account approvals)
How Conducted:	Review of new account forms, order records, correspondence, and customer statements/transactional activity for consistency of investment objectives with investment profile
How Documented:	Initials on transaction blotters; in client files; memos to compliance files.
WSP Checklist:	FINRA Rules 2111, 3110; Notices 01-23, 04-89, 11-02, 12-25, 12-55, 13-31, 13-45, 14-10
Comments:	

Effective June 30, 2020, Rule 2111 does not apply to recommendations that are subject to Reg BI. Reg BI addresses the same conduct that is addressed by FINRA's Suitability Rule 2111 but employs a best-interest rather than a suitability standard for retail clients only.

Fair Dealing: The Company and its associated persons, in their relationships with customers and others, have the fundamental responsibility for fair dealing. Sales efforts must therefore be undertaken only on a basis that can be judged as being within the ethical standards o' FINRA's rules, with particular emphasis on the requirement to deal fairly with the public. The Company is committed to complying with, when applicable, FINRA's Suitability Rule 2111 as a means of ensuring fair dealing and promoting ethical sales practices and high standards of professional conduct.

Suitability of Recommendations: In compliance with FINRA Rule 2111, the Company and its associated persons must "have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the Company or associated person to ascertain the customer's investment profile."
In complying with suitability obligations under the Rule, the following important concepts must be understood:

- Even if the term "recommends" or "recommendation" is not used in communications with the customer, a person may be deemed to have made a recommendation based on the applicable facts and circumstances.
- RRs are recommending a security or a strategy if the *content, context and manner of presentation* of a communication to the customer can be reasonably viewed as a suggestion that the customer take action.
- The more individually tailored the communication is to a particular customer or customers about a specific security or investment strategy, the more likely the communication will be viewed as a recommendation.
- A series of actions, for instance, e-mails, notes on telephone conversations, and publications provided that all speak to the same investment or strategy, may constitute a recommendation when considered all together.
- For recommendations to *existing* customers, the rule applies whether or not a transaction is consummated. It is the recommendation itself, that triggers obligations under the rule, not the ultimate action taken by the customer.
- For recommendations to *potential* customers, the suitability obligations apply only if a transaction occurs (that is, when the potential customer becomes an actual customer of the Company). If a potential customer acts on the recommendation away from the Company—that is, through another BD—the suitability rule does not apply to the original recommendation made by the Company or its RR.
- Variable annuity and life sales would generally be considered recommended; unless such products are offered on an online platform where customers can purchase one without talking to an RR.
- For recommendations to move assets from a traditional, commission-based account to a fee-based account or vice versa, the Company must ensure that the transfer is suitable for the customer by evaluating benefits to the customers as well as the fees and charges to be imposed on the customer as a result of the change.

Considerations Specific to Complex Products or Strategies:
Further, the Company and its associated persons should understand that 'strategy' is included in the suitability rule and Best Interest rule and consider the following:

- If a person recommends an investment strategy—for instance, using margin equity to purchase securities or employing a swap strategy—the suitability requirements apply and for retail clients only, the Best Interest rule also applies. Also, if a Representative recommends selling a security to invest in a non-security (or vice versa), it is considered a recommendation and must be deemed suitable and/or in their best interest.
- A discussion with a customer about what he/she wants to do with invested funds should be documented, as it will likely be considered a "strategy." By recording the plan of action in notes or on internal forms, as well as all required investment profile factors that support the strategy, the RR will be in a position to defend investment recommendations.
- Non-specific recommendations like those recommending diversification, broad investment areas (like "equity" or "debt"), or the opening of an investment advisory account would not trigger the suitability rule or Best Interest rule; however, a discussion of how to diversify, which types of securities (like "high dividend companies") or sectors to buy, or what the IA account should invest in may well be deemed so.
- When the Company and its associated personnel make use of certain publications or educational material, those materials will not be considered recommendations of strategies if they *do not* include a recommendation of a particular security or securities—whether on a stand-alone basis or in combination with other communications. These types of communications are in this category:
    - General financial and investment information, including (i) basic investment concepts, such as risk and return, diversification, dollar cost averaging, compounded return, and tax deferred investment, (ii) historic differences in the return of asset classes (e.g., equities, bonds, or cash) based on standard market indices, (iii) effects of inflation, (iv) estimates of future retirement income needs, and (v) assessment of a customer's investment profile;
    - Descriptive information about an employer-sponsored retirement or benefit plan, participation in the plan, the benefits of plan participation, and the investment options available under the plan;
    - Asset allocation models that are (i) based on generally accepted investment theory, (ii) accompanied by disclosures of all material facts and assumptions that may affect a reasonable investor's assessment of the asset allocation model or any report generated by such model, and (iii) in compliance with FINRA Rule 2214 (Requirements for the Use of Investment Analysis Tools) if the asset allocation model is an "investment analysis tool" covered by that rule; and
    - Interactive investment materials that incorporate the above.

Associated persons must be aware of the full scope of communications provided to a customer in order to discern whether the suitability rule or Best Interest rule applies.

- RRs with outside business activities such as investment advisory or financial planning services, must follow all applicable procedures in this Manual. It is generally expected that recommendations of investment strategies, including those with both a security and a non-security component, that are made as part of an outside business activity will be subject to the rules, standards and procedures governing those activities (for instance, as outlined in the IA WSP manual); however, when recommendations are made by RRs acting on behalf of the Company, that activity will be supervised as described in this Section. Regardless of the enterprise from which RRs make investment strategy recommendations, all Designated Principals, when reviewing RR activity, must be prepared to investigate red flags, such as those indicating strategies that don't meet the applicable suitability or best interest care obligations.

The Company and its associated persons may not attempt to avoid responsibility for a recommendation by using disclaimers, such stating that it is not a recommendation. It is incumbent on the RR serving the customer to

determine suitability or Best Interest and to keep in mind that based on the circumstances, a transaction or strategy may be deemed unsuitable or not in the customer's best interest even if the customer agreed to it in writing (for instance, in an e-mail exchange).

Financial Ability: Importantly, neither the Company nor its associated persons may recommend a transaction or investment strategy involving a security or securities or the continuing purchase of a security or securities or use of an investment strategy involving a security or securities unless there is a reasonable basis to believe that the customer has the financial ability to meet such a commitment. RRs may not ignore facts that might indicate a lack of financial ability.

The Company expects its RRs to understand the requirements of the suitability rule and these procedures in order to determine when a suitability analysis is required. When required, documentation should exist to support the recommendation (that is, records of the suitability analysis are in place); when not required, evidence should exist that justifies the lack of suitability analysis. Designated Principals, in their supervisory reviews of new account opening and transactional activity, will attempt to confirm that this standard has been met.

Suitability Obligations: When the suitability rule is triggered, the RR on the customer account must have a firm understanding of both the product and the customer. The Company and its associated persons have the following suitability obligations:

Reasonable Basis Suitability requires associated persons to have a reasonable basis to believe, based on reasonable diligence, that the recommendation is suitable for at least some investors. What constitutes reasonable diligence will vary depending on, among other things, the complexity of and risks associated with the security or investment strategy and the Company's or associated person's familiarity with the security or investment strategy. In summary, RRs *have to* understand the characteristics of the products they are recommending, including potential risks and rewards. The Company's product approval process must be thoroughly completed, and, importantly, associated persons must be trained to understand the complexities of each product s/he recommends.

Customer-Specific Suitability requires that the recommendation makes sense for the respective customer at the time it is made, given his/her investment profile. RRs have to try to obtain and analyze all suitability factors—or document why they're not obtaining some factors (see below). Although suitability is a recommendation-by-recommendation analysis, the rule requires consideration of the customer's portfolio and thus the suitability analysis should be performed within the context of the customer's other investments, when made available.

Quantitative Suitability requires that a RR has to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together. Factors such as turnover rate, cost-equity ratio and use of in-and out trading in a customer's account are clues to unsuitable recommendations/trades. Effective June 30, 2020, Rule 2111 no longer includes control (including de facto control) as a factor in quantitative suitability.

The topic of suitability in the context of institutional customers is included in the subsection below. In summary, the rule exempts the Company from the customer-specific suitability obligation for institutional investors if certain conditions are met.

Investment Profile: Prior to making a recommendation as described in this section, the Company or its associated persons must have a reasonable basis to believe the recommendation is suitable. In order to do that, the customer's investment profile must be understood.

RRs should attempt to gather and understand the following component factors of a customer's investment profile:

- age,

- other investments
- financial situation and needs,
- tax status,
- investment objectives,
- investment experience,
- investment time horizon,
- liquidity needs when an investment is illiquid,
- risk tolerance, and
- any other information the customer may disclose to the Company or associated person in connection with such recommendation.

The Company expects its RRs to analyze these factors for each customer based on the circumstances. As such, different emphasis may be put on different factors and in some cases the investment profile of a customer may conflict with a very reasonable recommendation, given the markets and the security at hand. In situations like this, the key is to make sure the recommendation is reasonable at the time: if it is outside the scope of what the account documentation shows for objectives, risk tolerance, etc., RRs should document their reasons for believing it is reasonable. It is generally expected that recommendations made that appear to conflict with documented investment profiles will be explained in the RR's account notes or other documentation. Likewise, RRs should be prepared to identify vulnerable customers, such as those who have a limited ability to sustain a loss. Designated Principals, when reviewing business activities, will rely on such records when determining whether the suitability rule was met.

Note that sometimes certain factors will not be deemed relevant to the customer or the business at hand, such as 'age' for customers that are entities. In such instances, the RR on the account *must* document his or her decision to not gather/consider such factors that are not readily apparent (for instance, by circling the factor on a new account/transaction form and noting "n/a" next to it, or by explaining the factor's lack of relevance).

Investment experience, when considered, should be that of the person controlling the account, such as a guardian, trustee or custodian.

When customers refuse to provide profile information RRs may make recommendations based on the information they have; however, they may not make assumptions about missing information. If an RR does not have sufficient understanding of the customer's profile due to missing information, s/he should not make recommendations. When customers present conflicting information, an attempt should be made to understand the reasons or assist the customer in understanding apparent contradictions in order to correct the record. RRs should be aware that customers may have a different investment objective, risk tolerance or time horizon for different accounts, based on the underlying purpose for establishing the account. The 'other investments' factor should be considered only to the extent they are known and the customer wants the RR to base his recommendations on the 'big picture.' Sometimes the customer would prefer that RRs limit their recommendations to those that make sense *only* in light of their stated investment factors on any given account.

Because investment profiles change with time and circumstances, RRs should make an effort to verify the on-going 'essential facts' about their customers (as described in the know your customer rule) in order to avoid mishandling the account. When changes are made known to or discovered by the RR, account records should reflect those changes and suitability analyses must be likewise adjusted. The Company does not impose a time frame for this type of review and revision: rather, it expects its RRs to understand and honor the importance of continual familiarity with their clientele. The Company must, as a minimum, ensure that account information is updated per SEA Rule 17a-3, described elsewhere in this Manual.

Documentation:

While certain components of suitability compliance will always be documented (e.g., all applicable investment profile factors on the new account form), others may not. For instance, for a customer with a stable and well-known investment profile and a history of traditional, familiar securities investments, an RR may not document the basis for every recommendation made. In this example, suitability will be self-evident and easily justified should an inquiry be made. In other instances, though, documentation of the suitability analysis should be documented—such as when a recommendation contradicts any factors in the investment profile, as described above, or in the case of complex products with multiple, complicated investment features (such as reverse convertibles, floating rate loan funds, STRIPS, private placements with insufficient, conflicting or confusing information, certain debentures, low-priced securities, companies with no revenues or profits, the use of margin, start-up companies, foreign currency debt, options, hedge funds, commodity futures-linked securities, CMO's, high yield debt, among others). *As a general rule, the Company requires documentation to support the recommendation if the basis for suitability is not evident from the recommendation itself. That is, if suitability is not obvious to the informed investment professional, documentary evidence should be in place for the recommendation.*

4.5.1 INSTITUTIONAL SUITABILITY

A limited exemption from the suitability rule exists if the account is an institutional account, as defined in FINRA RuI4512(c) as follows:

- a bank, savings and loan association, insurance company, or registered investment company;
- an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or
- any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least $50 million (*note here that an institutional investor may be an individual*).

(Broker-dealers are not "customers" under Rule 0160 and therefore are also not institutional accounts; business done with other BD's is exempt from these suitability procedures.)

When making recommendations to institutional accounts, the Company and its associated persons are required to comply with the reasonable basis (know your products/strategies) and quantitative obligations described above. The quantitative obligations only apply to that portion of an institutional customer's portfolio that the Company controls.

As for the customer-specific obligation, it only applies to institutional customers if the RR or Company is making a recommendation in a product the customer has *no* experience with or understanding of. However, for knowledgeable institutions, the RR may omit the customer-specific suitability obligation, if:

- the broker has a reasonable basis to believe the customer is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies, AND
- The investor affirmatively acknowledges that it is exercising independent judgment. It may indicate this on a trade-by-trade basis, on an asset-by-asset-class basis, or in terms of all potential transactions for its account.

(In instances where the institutional investor has delegated authority to an agent, such as a bank trust department or IA firm, the agent must meet these conditions.)

The RR on the account should notate on the New Account Form or in other account records that these conditions have been met. Supervisory review of account activities should include a spot check of compliance with the

conditions of this exemption. As with all suitability reviews, indications of mishandling of institutional accounts must be investigated with a view to remedial action and internal reporting, if either is deemed necessary.

4.5.2 SUITABILITY AND BEST INTEREST REVIEWS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily
How Conducted:	Review of transaction documentation including disclosure documents and related correspondence, as applicable
How Documented:	Initials on blotters and if necessary, notes added to client files and memos to compliance files. Verify if LF139 Active Trade Letter is on file, if needed;
WSP Checklist:	FINRA Rule 2090, 2111, 3110; Notices 01-23, 11-02, 13-31, 14-10; MI RG-19 (c); Exchange Act Rule 15*l*-1 ("Regulation Best Interest"); Exchange Act Rule 17a-14 ("Form CRS"); Exchange Act Rules 17a-3 and 17a-4 ("Record Keeping")

In the course of daily and other periodic reviews and as described throughout this Manual, each respective designated Principal will review activity in customer accounts for compliance with the suitability rule, the know your customer rule and Best Interest rule. Implicit in the dealings of a Representative with Company customers is the fundamental responsibilities for fair dealing and best interest:

Designated Principals assigned to supervise RRs and customer transaction or new account activity do not have to review all recommendations for compliance with the suitability rule, nor all retail client recommendations with the Best Interest rule. In the absence of analysis and review of every recommendation made, supervisors are expected to be in touch with their RRs, their activity and their customer base to discern suitability or Best Interest.

In addition to daily oversight of transactions and new account protocols, the following review procedures may be used to test for adherence to suitability and/or Best Interest requirements:

- Spot check new account forms or other investor information forms/notes to assess completeness of investor profile factors; ensure that older accounts have been updated to include new factors and that any absence of required information is explained in the records;
- Spot check institutional client account information for records of either complete investor profile information or affirmative acknowledgments;
- Spot check transactions: Review transaction records (blotters, clearing firm reports, or other) and compare random transactions to investor profile information in customer account records;
- Spot check investment strategies: Review transaction records (blotters, clearing firm reports, or other) and compare a series of transactions or multiple transactions over time to investor profile and strategy information in customer account records;
- Review account holdings for concentrations; compare to strategy and investor profile information;
- Review transactional activity across all accounts of any given RR;
- Review transaction activity in certain securities or types of securities that have a more limited universe of potential investors; that is, test adherence to internal suitability or best interest limitations for higher risk or complex investments or unusual patterns of CDSC charges;
- Review turnover or exception reports to monitor accounts with high turnovers or "in-and-out" trading: compare activity with documented investor profile information: test for unusual patterns of large loss accounts. Verify LF139 Active Letter, or similar approved LFF document is on file when needed.

During their reviews, Principals must attempt to recognize non-compliance with procedures, including red flags such as:

- transactions that appear to deviate from the Company's internal suitability or best interest guidelines for a particular security;
- a long-term investment held by an investor with a short-term horizon;
- a speculative investment or strategy held in the account of an investor with a conservative investment objective; and
- the same security held in the account or strategy implemented for multiple investors of a particular RR despite customer profiles that differ.

In general, Designated Principals are expected to take note of any anomalies or inconsistencies when reviewing account activity and must follow-up on any such perceptions. Follow-up actions may include discussions with the RR, review of the documented suitability and/or Best Interest analyses, review of the transactions and market conditions, and, if necessary, discussions with the customer. Remedial action, if taken, will be documented. Should patterns of mishandling of customer accounts be detected, the CCO must be notified and a course of action determined, including reporting of internal conclusions, if warranted (see procedures herein).

4.6 FIDUCIARY DUTY

A number of states have adopted rules related to the fiduciary duty of representatives and Broker-Dealers when making recommendations or providing advice to, or when exercising discretion over an account of, excluding solely time or price discretion, any retail investor who is a resident of that state. Normal fiduciary standard of conduct means that a Representative has a duty to protect the interest of his/her customers, much the same way as he or she would watch over his or her own investments. A Representative with a "fiduciary duty," for example, could be held liable for not causing the client to sell out of an investment that was rapidly declining in value, even though he or she had no formal advisory or management contract with the client.

Broker dealers and representatives must disclose all risks, costs and conflicts of interest that arise from a recommendation. However, the disclosure of potential conflicts alone does not meet or demonstrate the duty of care required in these rules.

If Registered Representatives are in doubt as to whether a fiduciary duty exists, they should consult their designated Principal or their Supervisors as to their responsibilities.

Representatives are not permitted to act in their individual capacity as an agent for a client, individual, or entity other than LFF unless approved in writing by Compliance. For example, as noted in FINRA Rule 3241 a RR should decline and may not act as a trustee, co-trustee, guardian, power of attorney, executor, or administrator for a client, individual or entity unless one of the following conditions is satisfied:

- The individual is an immediate family member.
- upon learning of such status, the registered person provides written notice describing the proposed status to the member with which the registered person is associated.

A registered person shall decline being named as an executor or trustee or holding power of attorney or similar position for or on behalf of a customer upon learning of such status unless one of the following conditions is satisfied:

- The customer is a member of the registered persons immediate family (parents, grandparents, mother in law, father in law, spouse or domestic partner, brother or sister, brother or sister in law, son in law or daughter in law, children, grandchildren, cousin, aunt or uncle, niece or nephew or any other person that resides in the same household and that the registered person financial supports); or

- Upon learning of such status, the registered person provides written notice describing the position and the persons proposed role to the Firm, and receives written approval from the Firm PRIOR to acting in such capacity or receiving ANY fees, assets or other benefit in relation to acting in such capacity; and
- The registered person does not derive financial gain from acting in such capacity other than from fees or other charges that are reasonable and customary for acting in such capacity; and
- If the Firm disapproves of the position or places conditions or limitations on it, the registered person shall not act in such capacity or shall comply with such or limitations.

Under all circumstances, immediate notification is to be provided to Compliance, or an exception is granted by Compliance.

Upon receiving written notification as described in Rule 3241(a), the Company will:

- Perform a reasonable assessment of the risks created by the registered person assuming such status or capacity, including, but not limited to, an evaluation of whether it will interfere with or other compromise the registered persons to the customer/client; and

- Upon completion of the assessment, advise the registered representative in writing whether the Firm approves the activity, approves with limitations, or d.

Is approved.

- If the activity is approved with conditions or limitations, the Firm will reasonably supervise the registered representative's compliance with the conditions and/or limitations placed.

4.7 DOCUMENTATION AND FOLLOW-UP

Retaining documentation in the client file is very important to protect both the customer, Company and Registered Representative from misunderstandings that could arise. Keeping records of conversations and discussions about investments and strategies can also assist the Designated Principal during his/her review of transactions. The Designated Principal as part of his/her oversight of Representative's activities will attempt to ensure that Representatives are diligent in documenting client files.

4.8 ADDRESS CHANGES AND MAIL HOLDS

Name of Supervisor ("designated Principal"):	AML Compliance Officer and Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Weekly activity periodic alert reviews; periodic account reviews (per Section 3).
How Conducted:	Review files for evidence of address changes; ensure notification sent to customers. Review status of mail holds; confirm presence of written requests.
How Documented:	Review reports; memos to compliance files.
WSP Checklist:	FINRA Rule 3110, SEA Rule 17a-3 and -4, FinCEN ruling FIN-2009-R003

Customer address changes should always be brought to the attention of the Designated Principal. Ordinarily, it is unacceptable for a customer to change an address to a P.O. Box or other location not indicative of the customer's true street address and Registered Representatives entering customer address changes of this nature in the record without prior clearance will be subject to further inquiry and asked for a full explanation. In accordance with FinCEN guidance, P.O. Boxes used by participants in Address Confidentiality Programs (ACP) are acceptable provided that the Company also obtains the street address for the state agency or organization

through which the program is administered. This street address shall serve as the physical location of the individual in the ACP.

Should a Registered Representative receive notice of a customer's address change, the RR would notify the clearing firm of the change, and the clearing firm would follow their normal procedures on address changes. See the section below entitled, "Furnishing Account Record Information" for details on this and related SEC Books and Records requirements.

The Company may request the clearing firm **hold customer mail** temporarily if it receives written instructions from a customer who will be traveling or on vacation and away from his/her usual address. The clearing firm may hold mail for up to two months (three months if the customer is abroad). RR's receiving requests for mail holds should advise customers that the request must be in writing; once the written request is received, the RR must forward it to the clearing firm for implementation.

In the event mail is returned after delivery attempt (for instance, as "undeliverable"), the RR on the account or appointed operations staff must attempt to call the customer to investigate and should follow address change procedures if required. Should the address be only temporarily inaccessible, the Company may hold the mail (see procedures above) until the address is functioning again. If no permanent residential or business address can be obtained, the account will be restricted, per the clearing firm arrangement. Designated supervisors should be made aware of these circumstances.

4.9 DEATH

Death of a customer automatically freezes all activity in the customer's individual accounts and joint accounts without rights of survivorship until such time as letters of testamentary designating an executor or evidence of the appointment of an estate administrator and authorization by an executor or administrator are presented. Death of a customer should be immediately brought to the attention of the Designated Principal.

4.10 TELEMARKETING

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily supervision of sales activity; Periodic review of Do Not Call List and verification of compliance with national do not call restrictions
How Conducted:	Personal attention to sales efforts Comparison of telephone records to Do Not Call List Interviews, if necessary
How Documented:	Investigation Records Do not call list. National do not call registry
WSP Checklist:	FINRA Rule 2010 and 3230; MSRB G-39; Notices 12-17, 05-07, 04-15, 95-54; MSRB Notice 2013-12
Comments:	http://www.ftc.gov/bcp/conline/pubs/alerts/dncbizalrt.htm and www.telemarketing.donotcall.gov

The Company permits telephone solicitations (telemarketing) by its associated persons and requires personnel to adhere to the procedures herein. In addition to complying with FINRA Rule 3230 and MSRB Rule G-39, the Company must also comply with all applicable federal requirements under FTC regulations, and with FINRA Rule 2010, which establishes that it is contrary to high standards of commercial honor and just and equitable Principals of trade for members and their associated persons to engage in communications with customers that constitute threats, intimidation, the use of profane or obscene language or calling the person repeatedly on the telephone to annoy, abuse or harass the called party.

All references in these procedures to telephone numbers include wireless as well as residential phone numbers. "Person," when used to indicate the call recipient, includes any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

Do Not Call List: The Company must maintain a Do Not Call List. This list consists of names of persons who do not wish to receive telephone calls from the Company; the list should include each person's telephone number(s) if provided. Company personnel are prohibited from making telephone solicitations to anyone listed on the Do Not Call List, even if an existing business relationship exists (see below). The Company must begin to honor Do Not Call requests no later than 30 days after the request date. MSRB Rule G-39 requires that this list be maintained permanently.

National Do Not Call Registry: When making telemarketing calls, associated persons must consult and abide by the current national do not call registry (a version no more than 31 days old at the time of calling). Appointed personnel of the Company must keep records to document the process taken to prevent telemarketing to registry participants—for instance, records of it accessing the registry via the registry administrator and making it available to personnel.

Call Restrictions: Associated persons may not make any outbound call to:

- Any residence of a person before the hour of 8 a.m. or after 9 p.m. (local time at the called party's location), unless
- The Company has an established business relationship with the person, as defined below,
- The Company has received' that person's prior express invitation or permission, or
- The person called is a broker, dealer or municipal securities dealer;
- Any person on the Company's Do Not Call List (*including* those who have an existing business relationship with the Company); or
- Any person who has registered his or her telephone number on the FTC's national do-not-call registry, unless:
- The Company has an established business relationship with the recipient of the call and that party has not requested to be on the Do Not Call List;
- The Company has obtained the person's prior express invitation or permission. Such permission must be evidenced by a signed, written agreement between the person and Company which states that the person agrees to be contacted by the Company and includes the telephone number to which the calls may be placed; or
- The associated person making the call has a personal relationship with the recipient of the call.

For the sake of considering the restrictions above, an established business relationship exists between the Company and a person if:

- The person has made a financial transaction or has a security position, a money balance, or account activity with the Company or its clearing firm within the previous 18 months immediately preceding the date of the telemarketing call;
- The Company is the Broker-Dealer of record for an account of the person within the previous 18 months immediately preceding the date of the telemarketing call; or
- The person has contacted the Company to inquire about a product or service it offers within the previous three months immediately preceding the date of the telemarketing call.

Identification of Telemarketer: When making outbound telemarketing calls, the caller must disclose to the called person the following information:

- the name of the individual caller
- the name of the Company
- the telephone number (not a 900 number) or address at which the Company may be contacted.
- that the purpose of the call is to solicit the purchase of securities or related service.

Caller ID: The Company must transmit caller identification information—the phone number from which the call is made and the Company's name, if possible—to caller ID services. The telephone number provided must permit any person to make a Do Not Call request during normal business hours. The Company and its associated persons are explicitly prohibited from blocking caller ID when making calls.

Abandoned Calls: An outbound call is "abandoned" if a person answers it and the call is not connected to the Company's caller within two seconds of the caller's completed greeting. Such abandoned calls are prohibited. However, exceptions exist if technology is used to limit the number of abandoned calls, the telephone is allowed to ring for a certain amount of time, and a recorded message is used two seconds after the completed greeting in lieu of the caller's live voice. The details of these exceptions are found in FINRA Rule 3230(j) and MSRB Rule G-39(j).

Prerecorded Messages: Prerecorded messages used in telemarketing are prohibited unless the call recipient has expressly agreed to it in writing. If used, these messages must provide specified opt-out mechanisms so that a person can opt out of future calls. See FINRA Rule 3230(k) and MSRB Rule G-39(k) for complete requirements applicable to prerecorded messages and written agreements.

Call Lists: Neither the Company nor its associated persons can purchase nor sell unencrypted consumer account numbers for use in telemarketing. "Unencrypted" means not only complete, visible account numbers, whether provided in lists or singly, but also encrypted information with a key to its decryption.

Outsourced Telemarketing: If using an outside party to perform telemarketing on its behalf, the Company remains responsible for adherence to these procedures and the Rule.

The Company absolutely prohibits the use of unregistered telemarketers, whether full or part time personnel or independent third-party contractors or services. Proper registration of telemarketers is required, as is prior review and approval by the designated Principal.

Submission of Billing Information and Credit Card Laundering: FINRA Rule 3230(i) includes specific requirements for payment of telemarketing transactions. If this is applicable to the Company's business, compliance staff should review the Rule language and ensure compliance. The practice of credit card laundering is prohibited and if discovered will lead to termination and referral to law enforcement. See FINRA Rule 3230(l) and MSRB Rule G-39(l).

Disciplinary History: Registered Representatives who engage in telemarketing should be prepared to discuss their disciplinary history. FINRA public disclosure program now makes available to anyone who calls FINRA "hot line" (800-289-9999) the full history of any judgments, federal or state securities actions, convictions and arbitrations available to any person who calls. In the light of this fact, it is appropriate for a Registered Representative to be open with any potential customer about his or her disciplinary history.

Training: All personnel engaged in any aspect of telemarketing must be trained with regard to these procedures and in the existence and use of the Do Not Call List and the national do not call registry. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in

the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

Supervision: The Designated Principal is responsible for reviewing adherence to these procedures. Supervisors, branch office managers and other compliance staff should be attentive to the telemarketing activities of their staff and must investigate perceived deficiencies. As with all instances of non-compliance, records evidencing resolution should be maintained and issues should be escalated when warranted.

4.11 LOANS TO OR FROM CUSTOMERS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	In daily course of business; when requested.
How Conducted:	Review of customer account records and correspondence; Consideration of requests for approval of lending arrangements.
How Documented:	Notes on reviews; written requests and approvals.
WSP Checklist:	FINRA Rule 3240, MSRB G-25(a); Regulatory Notice 24-12
Comments:	

Rule 3240 generally prohibits registered persons from borrowing money from or lending money to their customers. The rule's general prohibiting and requirements also apply to borrowing or lending arrangements that pre-exist a new broker-customer relationship. For the purposes of this rule, FINRA defines customers as "any customer that has, or in the previous six months had, a securities account assigned to the registered person at any member".

The Company permits its registered persons to lend money to, or borrow money from, its customers, only under the following conditions, provided that the applicable notification and approval procedures are met:

- The customer is a member of such person's immediate family (notification and **pre-approval is/are required)**.
  - "Immediate family" includes parents, grandparents, mother-in-law or father-in-law, spouse, domestic partner, brother or sister, brother-in-law or sister-in-law, son-in law or daughter-in-law, children, step-children, grandchildren, cousin, aunt or uncle, or niece or nephew, and any other person who resides in the same household and is supported by the registered person, directly or indirectly, to a material extent.
  - The Company **prohibits** loans to or from customers who might have a "close personal and/or business relationship" with the registered associated.
- The customer is a financial institution regularly engaged in the business of providing credit, financing, or loans, or other entity or person that regularly arranges or extends credit in the ordinary course of business, *and* is acting in the course of such business—notification and pre-approval are required;

Notification and Approval: For the categories of lending arrangements requiring notification and pre-approval, as noted above, the following procedures apply: Any registered person wishing to enter into such a lending arrangement must submit a written request for approval to the Chief Compliance Officer. The CCO will conduct a reasonable assessment of the risks created by the borrowing or lending arrangement which will include, but will not be limited to, a review of inherent conflicts of interests between the Company, the Registered Associate and the client as a result of the arrangement. Permission, if granted by the CCO, must also be in writing. This pre-approval requirement applies to any modifications to such lending arrangements, including extensions of

maturity. The Designated Principal should make sure that all written approval records are maintained for at least three years after the date that the arrangement is terminated or three years after the registered person is terminated from the Company.

Periodic reviews of customer accounts should include a review of any unapproved lending arrangements or those that appear to involve abuses. Perceived abuses will be investigated, recorded and may be met with disciplinary action, up to and including termination, if warranted.

4.12 ORDERS

Customer orders should be transmitted promptly and necessary steps should be taken, ensuring that orders are handled promptly. In no event should the placement of a client's order be withheld.

Collect on Delivery/Payment on Delivery (COD/POD) Orders: When accepting an order from a customer, including foreign customers and/or Broker-Dealers trading with or through the Company, for eligible transactions of such customers that settle in the United States, pursuant to an arrangement whereby payment for securities purchased or delivery of securities sold is to be made to or by an agent of the customer, the requirements under FINRA Rule 11860 must be met. Gathering information on the agent and delivery instructions, noting the order as POD or COD, delivering a confirmation, using a clearing agency for book-entry settlement, and using either a clearing agency or a qualified vendor for the electronic confirmation and affirmation of all depository eligible transactions are required. Trading and operations personnel should reference the rule for specifics.

5 PRIVACY OF CUSTOMER INFORMATION

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	In daily course of business
How Conducted:	Privacy notice process Review RR activity/correspondence Customer file reviews Enforce information security procedures; train personnel in information protection
How Documented:	Privacy notices, opt out records. Account information Records of monitoring and testing, if required, of internal systems; ensure and document third party monitoring/testing of systems, if applicable. LFG Incident Response Policy
WSP Checklist:	SEC Regulation S-P (As amended in 2024/effective 12/3/2025), SEC Regulation S-ID, Notices 00-66, 05-49; Graham-Leach Bliley Act, as amended
Comments:	Also reference Business Continuity Plan for technical details on document back-up and the Firm's Cybersecurity and ID Theft Prevention Program, if applicable.

The Company has adopted procedures in a separate Appendix to comply with Reg. S-P. (See Appendix F: Incident Response Policy) for additional information regarding the firm's policy. The purpose of this policy is to establish a formal framework for detecting, responding to, and recovering from cybersecurity incidents involving unauthorized access to or use of customer information, in compliance with SEC Regulation S-P amendments effective December 3, 2025. In an instance where you have a question regarding the procedures outlined below, reach out to LFF Compliance or Technology leadership for information and guidance.

The Designated Principal shall ensure compliance with these procedures, and shall use the following text, in addition to other materials, such as technical manuals and office procedures instructions, in order to comprehensively train employees with regard to their obligations under the regulation.

5.1 WHO IS PROTECTED?

The program "applies to nonpublic personal information about individuals who obtain financial products or services primarily for personal, family, or household purposes." As referenced in the Regulation-SP documentation, "publicly available" data not under definition of an incident include: data available in government records (real estate records, etc), "widely distributed media" (phone directories, etc) and "disclosures to public" which are required by government agencies.

5.2 ROLES AND RESPONSIBILITIES

As a part of this policy, an Incident Response Team (IRT) will be activated to help manage any reported incidents and help ensure alignment to the policy details. The team will gather once an incident has been identified. In addition, the team will meet annually to review and align to the annual policy review.

5.3 WHAT IS PROTECTED?

With certain exceptions set forth below, the Company is required to protect "Nonpublic Personal Information" ("NPI") defined as "Personally Identifiable Financial Information" ("PIFI") acquired from the customer PLUS any list, description or other grouping of customers derived from using any PIFI. In general, PIFI would include all information of a personal nature supplied on account applications, questionnaires and other information provided in order to obtain accounts, obtain credit, enter into advisory or other relationships, etc.

NPI does not include information that the Company has taken steps to verify and reasonably believes could lawfully be obtained from federal, state or local government records, widely distributed media (telephone book, television, website or radio program) or disclosures to the general public required to be made by federal state or local law.

In addition, Regulation SP protects account number information. The Regulation (with certain exceptions) prohibits the Company under any circumstances from disclosing to any non-related third party ("NTP") other than a consumer reporting agency, a customer account number or similar form of access number or access code for a credit card account, deposit account or transaction account if such disclosure is for use in telemarketing, direct mail marketing or other electronic mail marketing. Regulation SP also controls "re-disclosure and reuse" of any NPI.

Regulation SP specifically requires the Privacy Notice to state that the Company may disclose NPI about former customers as well as current ones. The Regulation does not require that a Privacy Notice be provided to any former customer.

5.4 HOW IS IT PROTECTED?

With certain exceptions (consult Rule) the Company may not disclose NPI of any customer to any NTP without prior notice and consent by the customer. An NTP is any person, firm or corporation that is not controlled by, controlling or under common control with the Company. NOTE: if any other government regulator treats the Company as an "affiliate" of a company regulated by it, then the Company is also an "affiliate" of that company for purposes of regulation S-P and may disclose NPI to that company.

5.5 PRIVACY NOTICE REQUIREMENTS

Initial Privacy Notice Requirement the Regulation requires the Company to provide an Initial Privacy Notice to (a) every customer at all times and (b) every customer and "consumer" (see note below) where the Company intends to disclose that customer's NPI to any NTP under any non-exempt circumstances. Each recipient must also be provided with a "reasonable" time to "opt out" or not. **NOTE**: If the Company *does not share* NPI, it does not have to provide initial and annual notices or opt-out choices to each "consumer"—that is, an individual who obtains or has obtained a financial product or service from the Company that is to be used primarily for personal, family, or household purposes. Typically, a "consumer" has no further contact with the Company other than the one-time delivery of products or services (versus a customer, who has an on-going relationship with the Company). The Designated Principal must ensure that this distinction is well understood and accurately applied.

The Initial Privacy Notice must be provided to the customer, with certain exceptions, AT OR BEFORE the time the Company establishes the customer relationship or BEFORE the Company makes any disclosures of that customer's NPI to an NTP. The Initial Privacy Notice may be provided in written or electronic form (if the customer is able to acknowledge receipt electronically).

The exceptions are as follows: The Initial Privacy Notice may be provided at a "reasonable" later time where (a) the customer relationship has been established without the customer's knowledge or consent (i.e., an ACATS transfer or SIPC trustee transfer); (b) where to provide the Notice would substantially delay the customer's transaction and the customer has agreed to receive the Notice at a later date; or (c) where the NTP establishes an account or purchases securities on behalf of the customer.

"Opt Out" Provision: The Company's Privacy Notice advises each customer as to NPI that may be disclosed unless there is an objection. Included in the Privacy Notice is a place where the customer can object or "opt out" by notifying the Company that he/she does not want all or part of the NPI to be disclosed. The "opt out" is ongoing and can be changed by the customer at any time in writing. Where the Company changes any NPI sharing policies, a new Notice and "opt out" option must be provided to the customer. The customer may not "opt out" of the exceptions to NPI disclosure described in the Regulation. These exceptions are noted in the Company's Privacy Notice.

The Privacy Notice must also include disclosures that NPI may be shared among affiliated entities, in compliance with the notice requirements of Section 603 of the Fair Credit Reporting Act, and that the customer may "opt out" of this sharing provision.

Annual Privacy Notice: If the Company does not share NPI with unaffiliated persons or entities that would require an opt-out provision to be included in the notice and has not amended its privacy policy in the past 12 months), the Company is not required to provide an Annual Privacy Notice. However, the Company will provide a notice to any customer requesting such and is available on the Company's website. Should the Company change its privacy policy or begin sharing NPI with unaffiliated parties where an opt-out is required, the CCO shall ensure the Company delivers the amended privacy notices and annual notices, where applicable to all covered parties.

5.6 BOOKS AND RECORDS REQUIREMENT

Recordkeeping policies including the maintenance of written documentation of incidents, responses, and notifications for five years.

The Company additionally maintains records to evidence its delivery of Privacy Notices to customers. Each "opt out" choice is perpetual unless affirmatively revoked by the recipient.

5.7 SUPERSEDING AUTHORITIES/ STATE REGULATIONS

Regulation SP does not modify, limit or supersede the Fair Credit Reporting Act (15 U.S.C. 1681), particularly Section 603 that allows companies to provide selected credit information to lenders. In addition, Regulation SP does not supersede, alter or affect any state law or regulation that establishes and imposes different information protection standards.

The Company must be aware of the privacy laws and disclosure requirements in each state where it is doing business. The CCO must attempt to identify where specific state requirements exist and ensure the Company's procedures conform to these State regulations when applicable.

5.8 DATA PROTECTION- SEE APPENDIX B

The Company has adopted procedures in a separate Appendix to comply with Reg. S-ID and related state regulations regarding the protection of confidential client information and the reporting of breaches. (See Appendix B: Information Security/Cybersecurity)

5.9 FORWARDING MATERIAL INFORMATION- NOT APPLICABLE

5.10 INVESTOR EDUCATION

Product Educational Material Registered Representatives, in offering services and securities to customers and the public, must attempt to provide educational material on the products and services under consideration. As described elsewhere in this Manual, items such as disclosure documents, prospectuses, offering memorandums, sales literature and research reports, among others, should be distributed when required. In addition, RR's must attempt to verbally describe the characteristics and risk profiles of all products presented to investors, in order that the products are fully understood. It is the obligation of RR's to fully respond to questions or concerns posed by customers; no available information should be withheld from inquiring customers. Each designated Principal, in his or her review and approval of new accounts and investments, must attempt to discern whether RRs are making sufficient attempts to educate the public. Where RRs are found to fail at investor education, the designated Principal must monitor the RR's future business more closely in order to assure improved educational efforts. Repeated and constant failure to attempt to educate investors will result in disciplinary action.

FINRA Manual: Under FINRA Rule 8110, the Company will make the FINRA Manual available to customers upon request; personnel may do this by providing customers with the web address of the online manual or by providing access to the online manual at the Company's offices.

FINRA Website and Broker Check Under FINRA Rule 2267, the Chief Compliance Officer must ensure that each calendar year, the Company provides the following information in writing (or electronically) to its customers:

- FINRA Broker Check H—line Number--(800) 289-9999;
- FINRA Website Address—www.finra.org; and

- A statement as to the availability to the customer of an investor brochure that includes information describing FINRA Broker Check.

The Company will distribute this information with opening account information and on its website.

Records of compliance with this rule will be maintained in accordance with the Company's recordkeeping policies. The Chief Compliance Officer will review for completeness and will make an effort to remedy lapses in compliance.

MSRB Brochure and Customer Notifications - Under MSRB Rule G-10, at least once every calendar year, the Company must provide each customer in writing, which may be electronic, the following information:

- A statement that the Company is registered with the SEC and the MSRB.
- The website address for the MSRB (msrb.org);
- A statement regarding the availability of the investor brochure that is posted on the MSRB's website and describes protections that may be provided under MSRB rules and how to file a complaint with the appropriate regulatory authority.

The Retail Municipal Principal shall be responsible for ensuring the required information is provided and will maintain a record evidencing the delivery.

6 FINANCIAL EXPLOITATION OF SPECIFIED ADULTS

FINRA Rule 2165 sets forth procedures the Company may implement in trying to prevent the financial exploitation of specified adults.

A specified adult includes natural persons who are.

- 65 years of age or older or
- 18 years or older and who the Company reasonably believes, through its business relationship with the person, has a mental or physical impairment that renders them unable to protect his or her own interests.

While the Rule does not require the placement of temporary holds, it provides a safe harbor to the Company and its associated persons, from other applicable Rules relative to the delivery of customer funds and securities, when a temporary hold is put in place.

The Company may place a hold on securities transactions where there is a reasonable belief of financial exploitation. Additionally, the Company may place a temporary hold on a disbursement of funds or securities from the account of a specified adult if the Company.

- Reasonably believes that financial exploitation of the specified adult has occurred, is occurring, has been attempted, or will be attempted; and
- Provides an oral or written notification, within two business days after the date the temporary hold on the disbursement of funds or securities is placed, that the temporary hold has been placed and the reason for the temporary hold to:
    - all parties authorized to transact business on the account, unless a party is unavailable or the Company reasonably believes that the party has engaged, is engaged, or will engage in the financial exploitation of the specified adult; and

  - the Trusted Contact Person(s), unless the Trusted Contact Person is unavailable or the Company reasonably believes that the Trusted Contact Person(s) has engaged, is engaged, or will engage in the financial exploitation of the specified adult; and

- Immediately initiates an internal review of the facts and circumstances that caused the Company to reasonably believe that the financial exploitation of the specified adult has occurred, is occurring, has been attempted, or will be attempted.

A temporary hold placed under this Rule will expire 25 days after it was placed but may be extended an additional 30 business days (for a total of 55 business days) if the Company has reported the matter to a state regulator or agency, or a court of competent jurisdiction.

The CCO or AMLCO is authorized to place, terminate or extend a temporary hold on behalf of the Company.

The Company, if relying on the Rule, must develop and provide training reasonably designed to ensure associated person comply with the requirements of this Rule. The designated Principal shall be responsible for the development and delivery of training and the maintenance of records related to the training.

The Designated Principal shall be required to ensure the Company maintains records related to compliance with this Rule, which shall be readily available to FINRA, upon request. The retained records shall include:

- The request(s) for disbursement that may constitute financial exploitation of a specified adult and the resulting temporary hold;
- The finding of a reasonable belief that financial exploitation has occurred, is occurring, has been attempted, or will be attempted underlying the decision to place a temporary hold on a disbursement;
- The name and title of the associated person that authorized the temporary hold on a disbursement;
- The notification(s) to the relevant parties; and
- The internal review of the facts and circumstances and its results.

Many states have adopted, or are in the process of adopting, laws that require the reporting of financial exploitation of seniors, or other persons of diminished capacity, to a specified state agency. The CCO and/or the Company's legal counsel will review the laws of the state where the potential victim of the suspected exploitation resides to determine what, if any, reporting is required and to whom.

The Company may also contact the FINRA Senior Hotline or state agencies for additional guidance when issues arise.

6.1 SENIOR SAFE ACT

The Senior Safe Act became federal law on May 24, 2018. It was included as Section 303 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The Senior Safe Act ("SSA") addresses barriers financial professionals face in reporting suspected senior financial exploitation or abuse to authorities. The purpose of the Senior Safe Act is to provide financial institutions and certain eligible employees with immunity from liability in any civil or administrative proceeding for reporting potential exploitation of a senior citizen provided certain requirements have been met. The SSA defines a senior citizen as any person 65 years of age or older.

To ensure that the Company and its associated persons qualify for immunity under the SSA, the Company will ensure that all associated persons in supervisory, compliance or legal positions, registered representatives and other persons who may have regular contact with seniors ("SSA covered person") will receive training at least

annually. The training may be part of the Company's Firm Element training program or conducted separately. Training will include the following:

- Identification and reporting of suspected exploitation, including.
  - Common signs of exploitation,
  - Internal reporting procedures, and
  - Reporting to law enforcement or other government officials; and

- Protecting the privacy and integrity of the customer.

Training must occur within one year of any new SSA covered person.

The designated Principal shall be responsible for ensuring training is provided and that documentation is maintained regarding who received training and the training provided.

7 CUSTOMER COMPLAINTS AND OTHER DISCLOSURES

Name of Supervisor ("designated Principal"):	Chief Compliance Officer Designated Principal Designated Principals as described throughout this Manual and named in Appendix A
Frequency of Review:	Upon receipt of customer complaints (both verbal and written) or notice of events requiring disclosure. When informed of potential misconduct. Quarterly.
How Conducted:	Confirm notices sent to customers; Discussions with representatives about verbal complaints; Review of written customer complaints; Review of event disclosures; review of evidence of misconduct; Compilation of quarterly complaint information;
How Documented:	Complaint files, including evidence of notices sent, written complaints, notes related to verbal complaints, and any supporting documentation; Disclosure event report to FINRA, if necessary; Notes, records on the subject of misconduct considered for reporting of internal conclusions. Quarterly statistical summary report to FINRA.
WSP Checklist:	FINRA Rules 4513, 4530, Notices 95-81, 02-53, 03-23, 09-23, 11-06, 11-19, 11-32; SEA Rules 17a-3 and 17a-4

FINRA requires the reporting of certain specified events and quarterly statistical and summary information regarding written customer complaints; and the filing of certain criminal actions, civil complaints and arbitration claims. To follow are our Company's procedures relating to FINRA Rule 4530 and other guidance and rules.

7.1 CUSTOMER COMPLAINTS

Notice to Customers. The Designated Principal ensures that the Company provides to each customer a notice of the address and telephone number to which any complaints may be directed. The disclosure should be prominent and easily distinguishable from other text. A record is kept of the delivery of such notice to customers, which is generally represented on the new account letter.

Definition, Review and Resolution For purposes of this Manual, a securities complaint is defined as any written communication from a person with whom the Company has engaged, or sought to engage, in securities activities

that expresses a grievance against the Company or an associated person. Occasionally, customer complaints raise serious questions about the Company's operating procedures or question the honesty of its personnel. Complaints should be forwarded promptly to the Designated Principal. Associated persons should inform the Company of any complaint received from a former, existing or prospective customer, whether written or oral, and may also disclose any violations of security law to a regulatory authority without fear of retaliation. Note that Tweets and text messages are considered 'written communications' and must be disclosed to the Company when received, as with all written complaints.

During an investigation of the complaint, the associated person will be asked to produce any documentation and records related to the complaint. The Designated Principal or designee will analyze the complaint to determine the Company's reporting obligations; he or she will coordinate the Company's follow-up to the complainant and will maintain copies of all written responses and the resolution. In all cases, the Designated Principal or his designee will be the respondent to any complaints. Should any associated persons report matters to a regulator, they must respond to any questions from the regulator regarding the issues reported and provide documentation as requested as well as informing the Compliance Department. The associated person may also request assistance from the CCO or other member of senior management in addressing questions or requests for documentation without fear of retaliation by the Company, any person associated with the Company or any persons acting on behalf of the Company, such as vendors.

Associated persons should not attempt to resolve the complaint on their own and should not offer to make payments to the complainant from personal funds in order to resolve the complaint. While associated persons are encouraged to discuss customer complaints with the Designated Principal to allow the Company to investigate and resolve the matter, current and former associated persons may, without fear of retaliation, disclose incidents involving violations of securities law to any regulatory authority.

Oral Complaints Registered Representatives, registered Principals and employees of the Company are reminded that even minor complaints must be given proper attention immediately. Oral, non-written grievances should be documented in notes and discussed with the associated person's supervisor to determine if action is necessary to resolve the issue. While oral complaints are not reportable to FINRA, it is important to address them in order to limit frustration and escalation. In some cases, associated persons may be permitted by the Designated Principal to resolve oral complaints; written complaints may *never* be resolved by the associated person alone.

Records In accordance with SEA Rule 17a-3, the Designated Principal or designee will make a record as to each associated person that includes every written customer complaint received by the Company concerning that person (including those received electronically). Records will include:

- the complainant's name, address, and account number;
- the date the complaint was received;
- the name of each associated person identified in the complaint;
- a description of the nature of the complaint; and
- the disposition of the complaint.

In order to meet these requirements and those of SEA Rule 17a-4 and FINRA Rule 4513, the Company will keep copies of all original complaints and all records related to their disposition, filed by name of the respective associated person; or, rather than keeping all the records in one place, the Company may keep a separate record of each complaint and clear references to the files containing the correspondence connected with the complaint. Should any of the required information not be included in the original complaint, such information will be gathered and recorded in the file or cross-referenced in the records. Original records of complaints against the Company itself will also be maintained, along with records of their disposition. Complaints relating to an OSJ or an office supervised by such OSJ must be maintained either at the OSJ or promptly made available at such office

upon FINRA request. Customer complaint records and written responses will be maintained for a period of at least four years. Each customer complaint file will also contain a description of any and all verbal complaints received by the Company, including notes as to the disposition of such complaints.

Arbitration Many complaints are subject to mandatory arbitration under FINRA rules. Generally, these include any complaints between registered Broker-Dealers or between Registered Representatives and/or Broker-Dealers. Any customer has a right to have his claims against an FINRA registered Broker-Dealer or representative resolved by FINRA arbitration. If applicable, see the "Pre-Dispute Arbitration Agreements" section, below.

Reporting The Designated Principal will ensure that all reportable complaints are reported to FINRA as required under FINRA Rule 4530. To follow is a summary of when complaint reporting is required:

1. *The Company or an associated person is the subject of any written customer complaint involving allegations of theft or misappropriation of funds or securities or of forgery.* This applies to a complaint received from any person (other than a broker or dealer) with whom the Company has engaged, or has sought to engage, in securities activities (meaning, former, existing or prospective customers). Reporting is required via U4, U5 or Form BD and via the online "Rule 4530 Application" section of the Regulatory Filings Application system. Filings must be made within 30 calendar days after discovery of the complaint. (See below for exceptions for duplicative reporting.)

   The Company or an associated person is the subject of a written customer complaint not reportable under number 1, above. This applies to complaints received from customers with whom the Company has engaged in securities business (meaning, former or existing customers—not prospective customers). Reporting is required quarterly by 15th day of the month following the calendar quarter in which written customer complaints are received by the Company. Reporting is made via the online "Rule 4530 Application" section of the Regulatory Filings Application system.
   2. *NOTE*:

a. Although complaints from prospective customers are not normally reportable quarterly, any complaint reportable under no. 1, above, is also reportable by the Company in its quarterly statistical complaint filing; and
b. Quarterly complaint reporting is only required to the extent complaints were received in the prior quarter: If no complaints were received, as described here, then no report need be filed.

As described in the section above about registration terminations, these complaint reporting rules apply to former associated persons, too. That is, should the Company be made aware of a written complaint against a person who was associated with the Company when the activity occurred, the Designated Principal must ensure proper processing, recordkeeping and filing of the complaint as described herein. The complaint will be disclosed via a quarterly complaint filing and, if required due to the nature of the complaint, a Form U5 amendment (that is, duplicative Rule 4530 Application filings are not required for former associated persons whose U5s have been amended).

A 4530 Application filing described above is *not* required if the event was already reported on Form U4 with an affirmative request to satisfy Rule 4530 reporting requirements.

The Designated Principal (or other designated party) will ensure that the proper filings are made and that all forms are reviewed and signed by the appropriate signatories as described elsewhere in this Manual. Filings must be made within the time required (see above) and in a manner and format specified by FINRA, such as electronically via Firm Gateway. The Designated Principal will ensure proper recordkeeping of all complaint filings.

7.2 DISCLOSURE EVENTS AND OTHER REPORTING

Reporting of Disclosure Events Besides complaints, certain other events, findings and circumstances require prompt reporting to FINRA. To follow is a summary of reportable events, whether involving the Company or an associated person. This list does not contain all the Rule language: it is only a summary. **All associated persons MUST inform the Designated Principal of any such event summarized here**—when in doubt, persons should discuss the issue with their supervisors to determine if the circumstance calls for reporting:

- *External Findings—Rule Violations*: Found to have violated any securities-, insurance-, commodities-, financial- or investment-related laws, rules, regulations or standards of conduct of any domestic or foreign regulatory body, SRO or business or professional organization. This does not include informal agreements, deficiency letters, examination reports, memoranda of understanding, cautionary actions, admonishments and similar informal resolutions of matters; nor does it include SRO 'minor' rule violations if there was no fine or the fine was less than or equal to $2500.
- *Regulatory Proceedings*: Named as a respondent or defendant in any proceeding brought by a domestic or foreign regulatory body or SRO.
- *Other Regulatory Actions*: Subject to disciplinary or other actions (such as suspensions, disbarment, cease and desist orders, etc.) by any securities, insurance or commodity industry domestic or foreign regulatory body or SRO.
- *Criminal Actions Involving Felonies & Certain Misdemeanors*: The subject of any indictment, conviction, or guilty or no contest plea involving: any felony or certain misdemeanors, such as a misdemeanor involving the purchase or sale of a security or involving forgery; a conspiracy to commit any of these offenses; or substantially equivalent actions.
- *Associations with Certain Entities*: Associated with certain financial entities that were denied registration, suspended, expelled or had their registration revoked by a regulator or associated with a financial institution that was convicted of, or pleaded no contest to, any felony or misdemeanor. This includes associations as director, controlling stockholder, partner, officer or sole proprietor of, or an associated person with, a broker, dealer, investment company, investment advisor, underwriter or insurance company, and includes foreign matters.
- *Civil Litigations, Arbitrations, Claims for Damages*: Named as a defendant or respondent in any securities or commodities-related civil litigation or arbitration or any financial-related insurance civil litigation or arbitration, or is the subject of any claim for damages by a customer, broker or dealer that relates to the provision of financial services or relates to a financial transaction, that was disposed of by judgment, award or settlement in excess of $15,000 ($25,000 in the case of the Company as a member firm). Note that legal fees and interest are included in the totals.
- *Statutory Disqualifications*: Subject to a statutory disqualification or involved in the sale of any financial instrument, the provision of any investment advice or the financing of any such activities with any person who is subject to a statutory disqualification.
- *Internal Disciplinary Actions*: In the case of associated persons only, the subject of any disciplinary action taken by the Company involving suspension, termination or the withholding of compensation/imposition of fines in excess of $2,500. Also applies to discipline that significantly limits the person's activities, whether temporarily or permanently.
- *Internal Conclusions of Violations*: Conclusions reached about violative conduct by associated person or the Company. See below for details.

All of the above events (except findings and actions by FINRA) must be reported to FINRA on the online "Rule 4530 Application" section of the Regulatory Filings Application system and respective uniform forms, depending on the circumstance (for instance, on Form BD for the Company, and Forms U4 and U5 for individuals). However, events already reported on Form U4 with an affirmative request to satisfy Rule 4530 reporting requirements do *not* require separate reporting. The Designated Principal must ensure that required filings are

made within 30 days of the Company learning of these reportable events, and that all forms are reviewed and signed by the appropriate signatories as described elsewhere in this Manual. The Designated Principal will ensure proper recordkeeping of all such filings and related documentation.

Note on former associated persons: Reporting must be made for conduct (i.e., not just the event, but the conduct that led to the event) that occurred while a former associated person was registered with the Company. However, if the conduct is reportable under Rule 4530 but not reportable on Form U5 due to it being outside the U5 date range, the Company must report it on the Rule 4530 Application.

Documentation to FINRA In certain cases, the Company will be required to provide copies of the following to FINRA:

- any indictment, information or other criminal complaint or plea agreement for conduct reportable under "Criminal Actions Involving Felonies & Certain Misdemeanors" bullet point, above;
- any complaint in which the Company is named as a defendant or respondent in any securities- or commodities-related litigation or in any financial-related insurance private civil litigation;
- any securities or commodities-related arbitration claim, or financial-related insurance arbitration claim, filed against the Company in any forum other than FINRA's Dispute Resolution forum; and
- any indictment, information or other criminal complaint, any plea agreement, or any private civil complaint or arbitration claim against an associated person of the Company that is reportable under question 14 on Form U4, irrespective of any dollar thresholds Form U4 imposes for notification, unless, in the case of an arbitration claim, the claim has been filed in FINRA's Dispute Resolution forum.

The Designated Principal must ensure timely filings of these documents, when applicable, and must provide copies of related documents to the District Office or other FINRA office, when requested. Copies of all documents pertaining to the events will be maintained in dedicated files. The Company, if subject to a request by FINRA's Registration and Disclosure staff, will provide requested documents to the Registration and Disclosure staff not later than 30 days after receipt of such request, or sooner if so requested. Filings must be made in a manner and format specified by FINRA, such as electronically via Firm Gateway.

Additional Reporting Each associated person must also immediately inform the Designated Principal if:
- he or she is the subject of any *regulatory investigation* that could result in reportable events: notices of such investigations are typically referred to as "Wells Notices";
- he or she is the subject of any pending investment-related civil action;
- allegations of sales practice violations are made against the associated person in a civil lawsuit or arbitration in which the person is NOT named but can be reasonably identified as involved in the alleged violation.

The Designated Principal will review the events to determine reporting requirements and will ensure that proper and timely reporting is made via U4 or U5 filings.

7.3 INTERNAL CONCLUSIONS OF VIOLATIONS

It is possible that in the conduct of its operations, management and/or supervisory personnel of the Company may determine instances of non-compliant conduct, whether by its associated persons or the Company itself. In such cases, where the Company has concluded that an associated person or the firm itself has violated any securities-, insurance-, commodities-, financial- or investment-related laws, rules, regulations or standards of conduct of any domestic or foreign regulatory body or SRO, the Designated Principal or other designated person (such as counsel) must report the conclusion to FINRA no later than 30 calendar days after it closed.

The following will be considered reportable violative conduct committed by:

- The Company: Conduct that has widespread or potential widespread impact to the Company, its customers or the markets, or conduct that arises from a material failure of the Company's systems, policies or practices involving numerous customers, multiple errors or significant dollar amounts.
- An associated person: Conduct that has widespread or potential widespread impact to the Company, its customers or the markets; conduct that has a significant monetary result on other FINRA member firms, customers or markets; or multiple instances of any violative conduct.

The Rule calls for reporting multiple instances of the same violative conduct: multiple instances of different violative conduct should be noted and monitored but may not necessarily result in reporting. It is the appointed senior person who will make this determination based on the facts and circumstances. Should multiple instances of different violative conduct be punishable by internal disciplinary action (such as fines greater than $2500), the Company would have to report this as described above but would not report it as an internal conclusion (unless it otherwise met the threshold for reporting as noted in the bullets directly above).

Where violations have already been reported to FINRA based on external findings (as described above), the Company does not have a separate reporting obligation (that is, if the perceived misconduct has already been found to have occurred by a regulatory body and is reported on Form U4, U5 or BD, the Company does not have to report the matter under this Rule).

This requirement applies to instances where the Company "reasonably should have concluded" that misconduct has taken place. That is, no supervisory or managerial personnel may turn a blind eye to perceived misconduct: matters are reportable to FINRA if a reasonable person would have concluded that a violation occurred. This 'good faith' determination standard is essential to ensuring compliance with the Rule.

This requirement also applies to internal conclusions reached about former associated persons. Should a conclusion be reached about violative behavior that occurred while the associated person was registered with the Company, the Company must report it as described herein. Please reference the "Note on former associated persons" in the text above: it applies to reporting internal conclusions, as well.

All personnel, if they perceive of or know of any conduct by the Company or its associated persons (or former associated persons) that may violate any securities-, insurance-, commodities-, financial- or investment-related laws, rules, regulations or standards of conduct of any domestic or foreign regulatory body or SRO should immediately report such to their designated supervisors for escalation. All such conversations will be deemed confidential and will not result in retaliation. Current and former associated persons may also report violations of securities laws directly to a regulator without fear of retaliation.

When matters have been reported to a supervisor, the supervisor should discuss the matters with the CCO; in the event the subject of the matter is the CCO or the supervisor, him/ herself, internal reporting should be directed to a member of senior management. Supervisors may also report violations of securities laws directly to a regulator as they determine appropriate without fear of retaliation.

In incidents involving the CCO, the Company will rely on the President and President to make final, internal conclusions about each reportable violation, and to document the matter, the decision reached, and subsequent reporting. If reporting is required, it will be made within 30 calendar days of the conclusion being reached and will be reported via the online "Rule 4530 Application" section of the Regulatory Filings Application system.

It is clear that honest mistakes resulting in inadvertent non-compliance may be made in the daily operations of the Company. These procedures are not intended to elevate normal operating shortfalls to the category of reportable violative conduct. The CCO expects normal internal review mechanisms, such as daily and periodic activities reviews, office inspections and annual testing and verification, to be useful in identifying instances of non-compliance that do not have widespread impact and therefore rise to the level of reporting. All such instances will be documented and resolved as described in this Manual. Only in instances where conduct is deemed a

material failure and is concluded to meet the bulleted descriptions above, will the Company report it as necessary under the Rule and these procedures.

7.4 ACCOUNTS AND TRANSFERS

7.5 NEW ACCOUNT/MASTER CLIENT AGREEMENT FORM

Name of Supervisor ("designated Principal"):	Designated Principal as described throughout this Manual and named in Appendix A
Frequency of Review:	Upon account opening
How Conducted:	Review NAF/ Master Client Agreement for completeness of information including investment profile factors, proper type of account, unacceptable accounts (minors; fictitious; numbered accounts without ownership disclosure, etc.), proper address format; apparent suitability; sanity of initial transaction, proper registration and licensing of assigned RR. Ensure proper set-up of master/sub-accounts
How Documented:	New Account Form/ Master Client Agreement plus any other necessary documentation (such as guardianship agreement, joint account agreement, corporate trading authorization, third party authorization, corporate resolution, W9 Form, etc.) ;Initials or Electronic approval on NAF/ Master Client Agreement upon approval. LFF-011 Enhanced Due Diligence
WSP Checklist:	FINRA Rules 2090, 2111, 2268, 3110, 3120, 3210, 3250, 4512, SEA Rule 17a-3(a)9, 17a-3(a)(17); MSRB 6-8(a)(xi); Notices 10-18, 11-02, 11-19

Every customer of the Company must provide the Registered Representative with certain basic information and the Representative must evaluate that information for know your customer, suitability and other purposes when undertaking transactions for the customer in any account. The basic tool for doing this is the New Account Form (NAF) or Master Client Agreement (MCA). The Registered Representative who opens the account is responsible for seeing that the NAF/MCA is filled out for every new account opened and that all required signatures are obtained (as described below). The Designated Principal, in his or her periodic reviews of customer account activity, will confirm the Representatives' fulfillment of their NAF/MCA responsibilities.

In addition, the Registered Representative is responsible for seeing that all required backup documentation has been filled out and is included with the NAF/MCA.

While SEC books and records rules call for updating account information at least every 36 months, the RR on the account must keep pace with customer profile changes to assure continued suitability. This requires periodic communication with customers to update their NAF/MCA data. The Registered Representative is responsible for obtaining the information contained in the NAF/MCA directly from the customer. The Registered Representative shall use reasonable diligence to know the essential facts concerning his or her customer so as to be able to determine whether it is appropriate for the Company to do business with such customer, and in what capacity. The Registered Representative shall make inquiry into the customer's investment profile and financial ability for all types of accounts in accordance with FINRA Rule 2111 and/or Reg BI. See Section CUSTOMER ACCOUNT INFORMATION for detailed record keeping requirements related to customer account information.

A critical part of the NAF/MCA are the prompts for investment objectives, risk tolerance, investment time horizon and liquidity needs, among others. Care must be taken to discuss the form input fields with the client and to make sure that the input is not inconsistent. In general, these factors should be included on the NAF/MCA, regardless of whether RRs will be making recommendations: it is required to 'know your customer' in order to serve him or her well. Certain other considerations, including those relating to senior citizens, investments of liquefied home equity, and specific products are important to understand and are described in other sections of

this Manual. RR's must read this Manual to thoroughly understand their obligations when recommending securities to customers.

Approval of new accounts will take place in a timely fashion and will be evidenced by the Designated Principal's, or designee, signature on the NAF/MCA.

When a third party who is not listed as an owner of the account will give instructions regarding orders, disposition of funds, or other actions involving an account, Representatives or appointed personnel must obtain a signed third-party authorization or power-of-attorney prior to accepting instruction from the third-party. Such documents will include guarantee of accounts and powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account. The authorization is signed by the owner(s) of the account and the third party, giving the third-party authority to act on behalf of the owner(s). An example of a third-party account is an account for a wife whose husband will give instructions regarding his wife's account.

If the account is established for a corporation, copies of resolutions empowering an agent to act on behalf of a corporation must be obtained. In the case of a trust, partnership or other entity, applicable documentation showing the duties, powers and authority of the trustee, partner, or other party must also be received. In the case of municipal entity accounts, applicable source of funds RFP, or third-party municipal advisor certification must be reviewed by the Retail Municipal Principal

7.6 NEW ACCOUNT INFORMATION

In completing the NAF/MCA, the following practices should be observed and required information gathered. This list is derived from various sources including SEC, FINRA and federal AML regulations.

- FINRA Rule 4512 requires the following for all accounts:
    - The names of each associated person responsible for the account and their respective roles (e.g., the RR opening the account and any other RR charged with servicing the account) must be recorded and maintained; generally this information will be in the NAF. If the account was subjected to a suitability analysis, the RR responsible for that must sign the NAF/MCA;
    - Customer's name and residence;
    - Whether the customer is of legal age;
    - If the customer is a corporation, partnership or other legal entity, the names of any persons authorized to transact business on behalf of the entity (for instance, by receiving 'trading authorizations' signed by the proper signatory);
    - Whether the customer is an associated person of another member (see rule for specific exceptions);
    - The Designated Principal or designee must sign the NAF/MCA to denote that the account has been accepted in accordance with the Company's account opening procedures—this signature may be electronic if standard electronic signature procedures or clearing firm procedures are followed (such as those that comply with the E-Sign Act);
- For recommendations, FINRA Rule 2111 and Reg BI require certain investment profile information; in the case of institutional accounts, certain conditions must be met to be exempt from a customer-specific suitability analysis: see Section CUSTOMER RELATIONS herein;
- Each account must usually be opened in the full legal name of the customer including the full first name and the customer must sign the NAF/MCA;
- Estate or trust accounts should include specific descriptive titles—e.g., pension, profit-sharing, testamentary or living trust—and the names of the trustees and the date of the trust, pension plan, or retirement plan must be included;
- Corporate status should be indicated in the title of the account and the file must include the necessary authorizing resolution;

- The mailing address should be a permanent residence or permanent business address. All addresses should include a zip code. If the mailing address is other than the customer's home address (for instance, a P.O. Box or third-party address), the home address must also be noted. The account form should include the home telephone number;
- Social Security Number (for individuals) or Tax Identification Number (for entities) must be entered for all accounts in accordance with the following rules:
    - If custodian account—use the SSN of the minor;
    - If trust account—use the SSN of beneficiary or TIN of the trust, if applicable;
    - If joint account in name of husband and wife—both SSNs are necessary;
    - If an entity—use the TIN;
- For individuals, the Registered Representative should indicate the name and address of the customer's employer, business telephone number and, in addition, if customer is married and spouse is employed, indicate the name of the employer of the spouse (under the Rules, this requirement is not required for accounts with non-recommended transactions, held at investment company sponsors—however, it is good business practice and generally applies to all customers who are natural persons); see below for procedure about customers who are FINRA employees;
- For individuals, date of birth;
- If the customer is an organization, the Registered Representative should describe the type of organization specifically; e.g., hedge fund, investment partnership, Broker-Dealer, investment advisory partnership, etc.;
- If the customer is an investment partnership, the Registered Representative should note that in compliance with the Registered Representative's obligation (and that of the Company to know the customer, certain additional information must be obtained in advance in writing with respect to both the limited and general partners: the names of the general and limited partners; their respective occupations and business addresses; whether the general or limited partners are U.S. citizens; the status of each of the partners (whether sophisticated, accredited, etc.); and whether any of the general or limited partners—or members of their immediate families—fall within restricted categories, such as persons associated with brokers, dealers, mutual funds, banks, trust companies, insurance companies, etc. If a general or limited partner is associated in any capacity with a member of the NYSE, AMEX, or FINRA, written consent from such member organization should be obtained as well as the name of the person at such organization who is to receive copies of transaction documents of the investment partnership involved;
- The type of account opened (either cash, margin, option or custodian) must be noted on the NAF;
- Notation whether customer is an associated person of another broker dealer or a more than 10% shareholder in a public company; and
- To the extent available, electronic entry of account data should be accomplished in the customer database of the Company.
- Municipal Entity client accounts requires a review if such activities require registration as a municipal advisor. Form LFF-011-Enhanced Due Diligence identifies if advisory registration exclusion applies.

Each new account is assigned a unique account number. The account number shall be assigned by the clearing firm. A record of all account numbers will be maintained by the Company and/or the clearing firm.

Records should be maintained and preserved as necessary to meet SEC and FINRA rules: see the sections herein on preserving books and records for details. Customer information should be updated in accordance with the Company's practices: where there are new recordkeeping requirements, associated persons must update customer records to meet those requirements during their routine updating process. Associated persons will rely on compliance staff to keep them informed of changing requirements.

7.6.1 TRUSTED CONTACT PERSON

FINRA Rule 4512 requires the Company to make a reasonable attempt to obtain the name and contact information of a trusted contact person at the time an account is opened for non-institutional customers. A trusted contact person is someone who is over 18 and can be contacted about the customer's account. The HF008 Required Contact Authorization form or client new account forms are used to document request.

In addition, when opening a new non-institutional account, the Company must provide disclosure in writing, which may be electronic, that the Company or an associated person will be authorized:

- To contact the trusted contact person and disclose information about the customer's account to address possible financial exploitation,
- To confirm the specifics of the customer's current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or
- As otherwise permitted by FINRA Rule 2165.

With respect to any non-institutional account that was opened pursuant to a prior FINRA rule, the Company must provide this disclosure when updating the information for the account.

The absence of the name of or contact information for a trusted contact person shall not prevent the Company from opening or maintaining an account for a customer, provided that the Company has made reasonable efforts to obtain the name of and contact information for a trusted contact person. If the customer refuses to provide a trusted contact, the representative shall note on the new account form or other document within the client file that the customer refused to provide the information.

With respect to any account subject to the requirements of SEA Rule 17a- 3(a)(17) to periodically update customer records, a member shall make reasonable efforts to obtain or, if previously obtained, to update where appropriate the name of and contact information for a trusted contact person.

The Designated Principal will review information related to a trusted contact when reviewing customer records. Where a trusted contact has not been named and there is no indication the representative attempted to obtain one, the Designated Principal will investigate the circumstances and may reach out to the customer or representative to gather additional in.

7.6.2 UGMA/UTMA ACCOUNTS

Accounts established under Uniform Gift to Minors Act ("UGMA") or Uniform Transfer to Minors Act ("UTMA"), as set forth in various state laws, allow parents or other adults to establish accounts for the benefits of a minor. The establishing adult (donor) gives up possession and control over the assets deposited to the account. The custodial adult is named on the account and is responsible for ensuring the assets are being held for the benefit of the minor.

Income on these accounts is reported under the social security number of the minor. The minor does not have access to the assets until he or she has reached the age specified in the state law, when the assets must be released to the minor. However, the custodian may, if needed, withdraw assets from the account for the benefit of the child. Parents should be advised to consult a tax advisor regarding the treatment of income from these accounts.

Upon the age of majority (age 18 or 21 as stated in applicable state law) the monies must revert into the beneficiary's control and the account retitled, or money transferred to, an account solely in the beneficiary's name, unless the beneficiary elects to add a joint accountholder.

The Designated Principal is responsible for ensuring that accounts established under UGMA/UTMA, are appropriately titled and that accounts are moved out of the control of the controlling adult once the beneficiary reaches the age established within the applicable state law related to the release of UGMA/UTMA assets. The Designated Principal will ensure that the Company maintains records related to such accounts and the transfer of assets to the minor when required.

7.6.3 DISCLOSURE OF COURT ORDERS / LEGAL DOCUMENTS

Level Four requires that any associated person of the firm that receives a court order and/or a legal document, which relates to an account or client associated with Level Four, promptly forward the document(s) to their Branch Manager for review and processing. No associated persons should take any action with respect to the affected account(s) without prior approval from the firm's compliance and/or legal department. Court orders and/or legal documents include, but are not limited to, settlement agreements, divorce agreements, levies and/or other IRS documents and document subpoenas. Forwarding court orders and/or legal documents to the custodian is not sufficient; all documents must be forwarded to their Branch Manager.

7.6.4 SIGNATURE GUARANTEES

Name of Supervisor ("designated Principal"):	Designated Principal as described throughout this Manual and named in Appendix A
Frequency of Review:	In the daily course of business
How Conducted:	Transaction review
How Documented:	Ledgers Approvals Compliance
WSP Checklist:	
Comments:	

Many mutual funds, clearing companies, banks and other financial institutions require a guarantee of a particular individual's signature from a registered entity before the institution will accept a transaction signed by that individual. The guarantee is provided by an entity (bank, brokerage Company or other financial institution) that is a member of a signature guarantee association, knows the individual and can certify that the signature is genuine. The Company is able to provide signature guarantees to its customers as an accommodation in transactions in which the Company is involved (e.g. transfer of securities, redemption, etc.). The Company has issued a limited number of signature guarantee stamps to authorized personnel for this purpose. Persons seeking to obtain guarantees should contact an authorized person. This authorized person will stamp the document and guarantee the signature. The Company shall keep a log of all such guarantees showing date, name, document and Registered Representative involved.

The Company shall keep a ledger indicating where all the stamps are. All signature guarantee stamps shall be kept under lock and key and returned immediately to Compliance when no longer in use.

7.6.5 DISCRETIONARY ACCOUNTS; UNAUTHORIZED TRADING

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; on a daily basis
How Conducted:	Reviews of order tickets and/or blotters; Review and approval of discretionary agreements.
How Documented:	Customer Account Documentation granting discretion; Notation on order tickets for all discretionary orders, including time and price discretion. Related correspondence
WSP Checklist:	FINRA Rules 2010, 4512, Rule 2510 (related: Advisers Act Rule 202(a)(11)-1), Notice 08-57, 11-19

A "discretionary account" is any account in which a person other than the named accountholder has the power to execute transactions in the account. This power could arise because of a power of attorney, trust agreement, advisory or management agreement or other document. The Firm does not permit discretionary brokerage accounts (Registered Representative directed). Registered Representatives should take great care to not be assigned discretionary authority over their client accounts, unless the client is employee related and their account authority is pre-approved by the CCO.

All proposed discretionary accounts must be approved in advance by the Designated Principal. The NAF for each discretionary account must contain the dated, manual signature of each named, natural person authorized to exercise discretion in the account. If there is more than one, the NAF should identify all such holders of discretion and include their dated signatures.

Unauthorized trading in customer accounts occurs when the Registered Representative enters orders without any discretionary or other authority. Unauthorized trading is a severe violation of FINRA and Company Rules and SEC Regulations and when discovered will be swiftly and severely remedied. See "Investigations of Questionable RR Activity and Disputed or Unauthorized Transactions" above for procedures for detecting unauthorized transactions.

7.6.6 ACATS AND OTHER ACCOUNT TRANSFERS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon notification of problem from clearing firm
How Conducted:	Review clearing firm notification and document follow-up actions.
How Documented:	Notes in account files providing follow-up actions
WSP Checklist:	FINRA Rules 2140 and 11870; Notices 04-47, 04-58, 04-72, 07-50 08-48, 08-57, 09-20, 10-49

When a customer whose securities account is carried by a member firm (the carrying member) wishes to transfer all account assets, or specifically designated assets, to another member firm (the receiving member) and gives authorized instructions to the receiving member, both member firms must expedite and coordinate activities with respect to the transfer. If a customer wishes to transfer a portion of the account assets outside of the Automated Customer Account Transfer System (ACATS), alternate authorized instructions should be transmitted to the carrying member indicating such intent and specifying the designated assets to be transferred. Although such transfers are not subject to the provisions of FINRA Rule 11870, member firms must expedite all authorized customer asset transfers, whether through ACATS or via other means permissible, and coordinate their activities

with respect to the transfer. Authorized instructions from customers may include their actual or electronic signatures.

In the case of a Registered Representative's departure from the Company in order to work for a different Broker-Dealer, the Company will not create unnecessary delays in transferring customer accounts, including delays accompanied by attempts to persuade customers not to transfer their accounts. FINRA Rule 2140 prohibits the Company and its associated persons from interfering with a customer's request to transfer his or her account in connection with the change in employment of the customer's registered representative, provided that the account is not subject to any lien for monies owed by the customer or other bona fide claim. Prohibited interference includes, but is not limited to, seeking a judicial order or decree that would bar or restrict the submission, delivery, or acceptance of a written request from a customer to transfer his or her account.

The Company does not hold customer accounts or assets. Therefore, its clearing firm will ensure that assets are transferred in accordance with applicable rules and standards. In the event the clearing firm is unable to comply with the customer's request, the designated Principal will receive notification from the clearing firm as to any problems with the request. The designated Principal, and/or the representative for the customer, shall contact the customer to resolve any problems or concerns and will forward corrected instructions to the clearing firm. The designated Principal will monitor transfers into or out of accounts held by the Company's customers to ensure that transfers occur within applicable time frames and will work directly with the clearing firm to resolve any issues.

7.6.7 MARGIN ACCOUNTS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in the daily course of business
How Conducted:	Application Review Approval/Disapproval
How Documented:	Account Documents Initials
WSP Checklist:	Reg. T; FINRA Rules 2264 and 4210; Notice 02-25, 01-11,01-31, 09-60

(See Section Margin Requirements) NOTE: The Company offers margin accounts to its customers, however, as it is a fully-disclosed introducing firm, it is the Company's clearing firm that is extending credit to its customers.

To open a margin account, the client must sign a margin agreement.
The clearing firm will determine if margin can be extended to the customer, approve the customer account for margin and provide required initial and ongoing disclosure documents related to the use of margin to the customer.

The clearing firm will provide reports to the Company regarding the use of margin by its customers, margin calls and any required buy-ins or sell-outs. The Designated Principal will review reports and will provide assistance to the clearing firm when required to resolve any margin calls. The Designated Principal will document their review and any action taken on the reports provided by the clearing firm and maintain these with other trade-related records.

Before recommending margin transactions to a customer, the Registered Representative should be satisfied that margin transactions are suitable for that customer that the customer's account is approved for margin and the customer has sufficient margin available to effect the transaction. The Designated Principal, in reviewing customer accounts and transactions will verify that documentation related to the RR verified the information outlined above.

7.6.8 ACCOUNTS OF REGISTERED REPS OF OTHER FIRMS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in daily course of business; upon account opening approval.
How Conducted:	Review of Account Documents; Confirm notifications delivered; receipt of duplicate statement instructions; Confirm delivery of duplicate statements. Approval/Disapproval
How Documented:	Account Documents Duplicate statements instructions; records of duplicate statements sent. Initials
WSP Checklist:	FINRA Rule 3210; MSRB G-28
Comments:	Applies to accounts with municipal securities transactions if the Company is an MSRB broker or dealer.

All accounts of registered representatives of other firms must be pre-approved by the Designated Principal. Level Four Financial, LLC, when knowingly accepting a transaction for the purchase or sale of a security for the account of a person associated with another member (employer member), or for any account for which such associated person has discretionary authority, shall use reasonable diligence to determine that the execution of such transaction will not adversely affect the interests of the employer member.

Where the Company knows that a person associated with an employer member has or will have a financial interest in, or discretionary authority over, any existing or proposed account carried by the Company, the Company shall:

- Notify the employer member in writing of the Company's intention to open the account;
- Upon written request by the employer member, transmit duplicate copies of confirmations, statements or other information with respect to such account; and,
- Notify the person associated with the employer member of the Company's intention to provide the notice and information required by the above two sections.

The Designated Principal, in his or her reviews of new accounts, will ensure that these procedures are followed and that records are kept evidencing such compliance.

7.6.9 TRANSACTIONS INVOLVING FINRA EMPLOYEES

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in daily course of business; upon account opening approval.
How Conducted:	Review of Account Documents; Confirm receipt of duplicate statement instructions; Review gifts/gratuities. Approval/Disapproval
How Documented:	Account Documents Duplicate statements instructions; records of duplicate statements sent; records of gifts/gratuities. Initials
WSP Checklist:	FINRA Rule 2070; Notice 08-57

Where Level Four Financial, LLC knows that an employee of FINRA has a financial interest in, or controls trading in, an account, the Company shall obtain and implement an instruction from the employee directing that duplicate account statements be provided by the Company to FINRA.

In addition, the Company will not directly or indirectly make any loan of money or securities to any such FINRA employee (except where loans are made in the context of disclosed, routine banking and brokerage agreements, or loans that are clearly motivated by a personal or family relationship). Also, the Company will not directly or indirectly give, or permit to be given, anything of more than nominal value (notwithstanding the annual dollar limitation set forth in FINRA Rule 3220(a)), to any FINRA employee who has responsibility for a regulatory matter that involves the Company (such as examinations, disciplinary proceedings, membership applications, dispute resolution proceedings, etc.).

The Designated Principal, in his or her reviews of new accounts, will ensure that these procedures are followed and that records are kept to evidence such compliance. Should evidence be found of prohibited loans or gifts or gratuities, the Designated Principal will investigate and take disciplinary action, if necessary.

7.6.10 ASSOCIATED PERSON OUTSIDE INVESTMENT ACCOUNTS

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; on a daily basis
How Conducted:	Account Review Approval/Disapproval
How Documented:	Account Documents Initials
WSP Checklist:	SEA Rule 17a-4(b)(6)

Any associated person of Level Four Financial, LLC who opens a securities account or places an order for the purchase or sale of securities with a domestic or foreign investment adviser, bank or other financial institution, except a member, shall:

- Notify the Designated Principal in writing, of the intention to open the account or place the order; and,
- Upon written request by the Company, request in writing and assure that the investment adviser, bank or other financial institution provides the Company with duplicate copies of confirmations, statements or other information concerning the account or order.

If an account subject to this subsection was established prior to the time the Registered Representative joined the Company, the person shall comply with this subsection promptly after becoming so associated.

The provisions of this section shall not be applicable to transactions in unit investment trusts and variable contracts, or redeemable securities of companies registered under the Investment Company Act of 1940, as amended, or to accounts which are limited to transactions in such securities.

Associated persons may hold accounts at the following Broker-Dealer firms:

Charles Schwab	Merrill Lynch	Vanguard
E*TRADE	Morgan Stanley	
Fidelity	Raymond James	

Onboarding employees to who hold covered accounts not held at the aforementioned Broker-Dealers must make plans to move the accounts within 30 days of hire. The list of permitted firms may expand as additional data feeds are introduced at RCI.

7.6.11 "HOUSEHOLD" PROSPECTUS DELIVERY

When delivering prospectuses to two or more customers at a shared address, associated persons may send a single prospectus to the address if certain conditions are met. The specific conditions are described in Rule 154 of the SEC Exchange Act of 1933, and include conditions related to how recipients are addressed, consent of customers, notification of deliveries and definition of address. The CCO or assigned Branch Office Managers will review the prospectus delivery practices of Representatives to ensure compliance with the requirements under Rule 154. In instances where the clearing firm delivers prospectuses to customers, the Company will rely on the clearing firm to be in compliance with SEA Rule 154.

8 ANTI-MONEY LAUNDERING, FCPA AND REG S-ID: SEE APPENDIX C

Name of Supervisor ("designated Principal"):	AML: AML Compliance Officer CIP: Chief Compliance Officer
Frequency of Review:	Continuous; on a daily basis
How Conducted:	AML: See separate AML Compliance Program
How Documented:	
WSP Checklist:	FINRA Rule 3310 and MSRB G-41, USA Patriot Act

8.1 AML/CIP AND FCPA

In accordance with FINRA Rule 3310 and MSRB G-41, and in an effort to comply with the requirements under the USA PATRIOT Act (in particular, Section 352 of such Act), the Company has established policies and procedures for the purpose of attempting to deter and detect money laundering activities by customers. The Company's "Anti-Money Laundering Compliance Program" is not included herein; rather, it is maintained under separate cover. Every employee of the Company is expected to be familiar with the policies and procedures described in the AML Program and to make reasonable efforts to comply with them. Failure to do so will result in disciplinary action and possible subsequent termination of employment.

In accordance with Section 326 of the USA PATRIOT Act, Registered Representatives are required to attempt to identify any person attempting to engage in transactions. (See Appendix C: LFF AML Program)

Hand in hand with AML CIP efforts is attention to foreign customers and whether they fall into the definition of 'foreign official' as described in the FCPA Policy herein. All new foreign customers must be vetted in an attempt to determine if this definition applies. Subsequent supervision by Designated Principals of account activity and gifts/gratuities offered must be attuned to the requirements of the FCPA for the sake of identifying any violations.

8.2 REG S-ID: IDENTIFY THEFT PREVENTION

The Company will comply with SEC's Regulation S-ID to the extent it is applicable to its business. To follow are summarized relevant definitions from the regulation and the Company's procedures for compliance with it:

- "Financial institution" means a depository or other institution (including BD and IA firms) that directly or indirectly holds a transaction account belonging to a consumer.

- "Transaction account" means an account that permits the account holder to make withdrawals for payment or transfer to third parties of securities or funds via telephone transfers, check, debit card or similar items.
- "Consumer" within these definitions refers only to individuals as customers, not institutions.
- "Customer" means a person that has a covered account with a financial institution.
- "Creditor" means any person who regularly extends, renews, or continues credit; any person who regularly arranges for the extension, renewal, or continuation of credit; or any assignee of an original creditor who participates in the decision to extend, renew, or continue credit. This would include introducing or clearing firms providing margin, or firms arranging loans, even if for institutional customers.
- "Account" means a continuing relationship established by a person with a financial institution or creditor to obtain a product or service for personal, family, household or business purposes. This includes brokerage accounts, mutual fund accounts and IA account; it excludes single, non-continuing transactions by non-customers.
- "Covered accounts" means (1) an account offered or maintained primarily for personal, family or household purposes that involves or is designed to permit multiple payments or transactions—e.g., "retail" brokerage and mutual fund accounts; or (2) any other accounts, including institutional accounts, if they pose a foreseeable risk to the Company's customers or to its own safety and soundness from identity theft.

Red Flags Rules:
The CCO has determined that the Company is required to implement a Written Identity Theft Prevention Program under Reg. S-ID (see Appendix B: Information Security/Cybersecurity Program. This Program, and all updates to it, will be made available to all personnel. Company personnel are required to comply with all identity theft prevention procedures, which are incorporated herein by reference.

Credit and Debit Card Issuer Rules:
The Company does not issue credit or debit cards. It is therefore is not required to have procedures in place to assess the validity of any address change notifications it receives.

Consumer Reports Rules under the FACT Act:
The Company does not request consumer reports on individuals from consumer reporting agencies (CRA's). It therefore is not required to have procedures addressing the receipt of notices of address discrepancy from CRA's.

8.3 ONLINE ACCOUNTS AND APPROVAL

The Company allows some customers the ability to access the clearing firm's website login for reviews of their account holdings and activities; customers may not set up online accounts or conduct trading on this site. The Company does not maintain or control the clearing firm's website in any way and therefore has not included online account procedures here.

8.4 INVESTMENT OF LIQUIFIED HOME EQUITY- NOT PERMITTED

Name of Supervisor ("designated Principal"):	Designated Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon new account opening; daily trade reviews.
How Conducted:	Review of customer new account forms
How Documented:	Account documents, Correspondence, Notes to
WSP Checklist:	Notice 04-89; FINRA Rule 2111

The Company strictly prohibits its RRs from recommending securities investments using liquefied home equity (proceeds from refinancing).

Customers who liquefy home equity to make securities investments are faced with significant and unique risks, including, for instance: losing their homes (typically their largest and most stable asset); misapprehending their risk tolerance for investments using liquefied home equity, and being forced to liquidate securities at a loss; failing to recognize certain potential conflicts of interest, for example, a broker's desire to earn commissions or fees on such investments or the BD or its affiliate's earning compensation on the refinancing if it is also the lender or receiving referral fees from the lender; and undermining the asset diversification benefit of home ownership. Once liquefied for investments in securities, a homeowner can much more easily and quickly lose the equity in his or her home.

8.5 PRE-DISPUTE ARBITRATION AGREEMENTS

The Company's new account form or other required account opening document includes a Pre-Dispute Arbitration Agreement. These Agreements require customers to agree in writing to arbitrate disputes concerning the account, typically in a forum sponsored by an SRO (i.e., FINRA).

The Company's written language used to describe its Pre-Dispute Arbitration Agreement must comply with the requirements under FINRA Rule 2268. In summary, the language must be highlighted and must include certain disclosures, including: the parties are giving up the right to sue each other in court; arbitration awards are generally final and binding; discovery is generally more limited in arbitration; arbitrators have to explain the reasons for their awards only if certain conditions are met; arbitrators may have been or may be affiliated with the securities industry; the rules of some arbitration forums may impose time limits for bringing claims in arbitration (in some cases, claims that are ineligible for arbitration may be brought in court); and the rules of the arbitration forum apply to cases brought in that forum and new agreements are not necessary for each time a forum changes its rules. The exact language and manner of presentation that must be used in account agreements is outlined in FINRA Rule 2268 (see Notice 11-19): the CCO must ensure that the correct language is used to describe its Pre-Dispute Arbitration Agreements.

In the Company's agreement(s) containing a Pre-Dispute Arbitration Agreement, there must be a highlighted statement immediately preceding any signature line or other place for indicating agreement that states that the agreement contains a pre-dispute arbitration clause. This statement must also indicate at what page and paragraph the arbitration clause is located. Company personnel must provide information on the arbitration forums referenced in the Agreement—how to contact, or obtain rules of, the forums—when requested by the customer.

The Designated Principal overseeing account set-ups must ensure that **within thirty days of signing,** a copy of the signed Agreement is given to the customer—the customer must acknowledge receipt of the copy either on the agreement or on a separate document. Generally, customers receive a copy of their agreement systematically from the clearing firm at time of opening. If a customer requests a copy of the Agreement, such request should be immediately forwarded to the CCO or Designated Principal, who must make sure it is provided within 10 days of the request (the specifics of this time requirement are described under FII Rule 2268(c). Copies of all signed agreements and acknowledgements of receipt by customers must be maintained in the respective customer files.

The Chief Compliance Officer or other designated compliance or legal staff must ensure that all agreements containing a Pre-Dispute Arbitration Agreement MUST meet the revised disclosure and other requirements under the Rule.

8.6 IA-MANAGED ACCOUNTS

IA-Managed Accounts the Company may have customer accounts whose assets are managed by an outside IA firm. In these cases, the IA firm must adhere to SEC's new "pay-to-play" rule (Advisers Act Rule 206(4)-5). The Company may be called on by the IA firm to assist in this compliance. For instance, IAs are prohibited from providing advisory services for compensation to a government client for a period of time after the adviser makes a contribution to certain elected officials or candidates. In some cases, it may be difficult for the IA to identify government investors when shares in a covered investment company managed by the IA are held through an intermediary (here, the Company). In these situations, the IA may request information from the Company for the sake of properly identifying government investors. The Company will make reasonable efforts to assist IA's seeking to comply with Rule 206(4)-5: all inquiries from IA's should be forwarded to the CCO for consideration; this individual will authorize any action taken by the Company in a manner designed to ensure continued adherence to Reg. S-P, where applicable.

8.7 NEGOTIABLE INSTRUMENTS

Neither the Company nor an associated person may obtain from a customer or submit for payment a check, draft or other form of negotiable paper drawn on a customer's checking, savings, share or similar account, without that customer's express written authorization. The customer's signature on the negotiable instrument is acceptable authorization. When the written authorization is separate from the negotiable instrument (such as authorization to periodically debit the customer's checking account to make a contribution to a securities account), the Company must preserve the authorization for a period of three years following the date the authorization expires. Unless otherwise described in this Manual, the Company is not required to preserve copies of negotiable instruments (i.e., checks) signed by customers.

8.8 IRA ROLLOVERS

Name of Supervisor ("designated Principal"):	Designated Principal overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon new account opening; daily transaction reviews.
How Conducted:	Review of customer new account forms and evidence of suitability assessments conducted and disclosures made. Review of communications and fee/commission statements.
How Documented:	Account documents, correspondence, notes to files. LF189 Transfer Rollover Due Diligence
WSP Checklist:	Regulatory Notice 13-45; FINRA Rule 2111, FINRA 2210

8.8.1 ROLLOVER RECOMMENDATIONS

Prior to recommending a rollover involving a retirement plan or IRA, the Representative will complete a Rollover Form (LF189) describing, in writing, the reasons it's in the best interest of the retirement investor. As part of Reg BI, the SEC has indicated that broker-dealers should consider a variety of factors, including fees and expenses; level of service available; available investment options; ability to take penalty-free withdrawals; application of required minimum distributions; protection from creditors and legal judgments; holdings of employer stock; and any special features of the existing account. The importance of these and other factors will depend on the particular customer's needs and circumstances. With respect to available investment options, the SEC has cautioned broker-dealers not to rely on, for example, an IRA having "more investment options" as the basis for recommending a rollover. Rather, as with other factors, broker-dealers should consider available investment options in an IRA, among other relevant factors, in light of the retail customer's current situation and needs in order to develop a reasonable basis to believe that the rollover is in the retail customer's best interest.

The Rollover Form is designed to elicit information that may be a consideration in determining whether or not a rollover is in the retirement investor's best interest. The Representative is responsible for ensuring the Rollover Form is completed as fully as possible based on information provided by the investor, including information found in plan documents provided by the customer. Any additional information that is pertinent to the rollover decision making process must be documented in writing on the Rollover Form.
The Representative is required to request information from the client about their current Plan or other retirement account which can be used as the basis of a comparison. If the Retirement Investor is unwilling to provide the information, even after a full explanation of its significance, and the information is not otherwise readily available, then the Representative should make a reasonable estimation of expenses, asset values, risk, and returns based on the information available, including publicly available information, such as alternative data sources, the most recent Form 5500, or reliable benchmarks on typical fees and expenses for the type and size of Plan at issue. The Representative should document and explain the assumptions used and their limitations on the Rollover Form.

If the RR or Firm acts in a fiduciary role (as described below) for the existing account/plan, then the Rollover Form is to be given to the customer with a signed acknowledgement requested back from the customer or prospective customer. Such acknowledgments will be filed and maintained with the Firm for a period of six years.

When advising customers about investments held in retirement accounts, RRs must adhere to all applicable procedures throughout this Manual, including those that relate specifically to products solicited (such as mutual funds and equities), Regulation BI, and suitability. In addition, state fiduciary rules must be taken into consideration, where applicable.

8.8.2 ERISA ROLLOVERS OR TRANSFERS

Investors terminating employment may choose to leave their money in their former employer's ERISA plan, roll it into their new employer's plan, cash out the account value or roll over into an IRA account.

Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plan. Throughout this Policy, "recommendation" has the same meaning as under the firm's Regulation Best Interest Section 7.2

8.8.3 ERISA ROLLOVER RECOMMENDATIONS- PROHIBITED

Representatives are not permitted to provide any advice or recommendation related to a prospect or client rolling over his/her existing workplace retirement plan account into either an account with the Representative (such as an IRA account) or into a new workplace retirement plan for which the prospect/client is eligible. This prohibition applies whether the rollover advice or recommendation would be at the RR's initiative or in response to an express request by the prospect/client for such advice or recommendation.

Instead, Representatives must limit his/her activity in relation to a prospect/client's consideration of and decision whether to roll over a workplace retirement plan account to the following:

a) Providing education to the prospect/client; if the prospect/client chooses to rollover assets from a workplace retirement plan after such education but without the Representative having given advice or a recommendation, the Representative can accept that rollover request; or
b) Accepting a self-directed rollover request from the prospect/client.

8.8.4 ERISA ROLLOVER EDUCATION

The LF189 Rollover/Transfer Due Diligence form provides education to a client or prospect on the rollover of workplace retirement plan assets could include discussion of the following general educational topics, provided that the RR does not in that discussion make any statement that constitutes a recommendation on the rollover:

- General options that may be available to a person in the prospect/client's situation (e.g., remaining in the workplace retirement plan if the plan permits, rolling to a new workplace retirement plan if one is available, rolling to an IRA).
- General information about the significant features of such options.
- Factors the prospect/client may want to consider in assessing those options.

The RR may also, at his/her own initiative or in response to questions from the prospect/client, describe the services that the RR is able to provide.

The RR is responsible for ensuring that any verbal and written communications made to a prospect or client related to the rollover of assets from a workplace retirement plan is consistent with the definition of education as provided above.

8.8.5 ERISA ROLLOVER SELF-DIRECTED

An self-directed rollover request is one in which the prospect/client's decision to roll over or take a distribution of assets from the workplace retirement plan is made solely at the prospect/client's initiative, and no one affiliated with LFF, including the RR, discussed (even in terms of education) the proposed rollover or distribution with the prospect/client prior to the decision.

8.8.6 DOCUMENTATION

For any rollover {subject to firm procedural requirements], the RR will be required to document the client's independent rollover decision, either from education or on an unsolicited basis was not based on a recommendation. Documentation will normally be accomplished thru completion of LF189 Rollover/Transfer Due Diligence Form. Both the Designated Principal and the RR must also sign the rollover form. Rollover funds for newly established accounts should not be invested until the LF189 form has been approved by the Designated Principal.

8.8.7 POTENTIAL RISK, CHALLENGE, OBJECTIVE OR CONFLICT OF INTEREST

RRs may earn commissions or fees as a result of a rollover, whereas they may not if a client remains in an employer-sponsored plan. Offering only education to clients on retirement plan distribution options reduces regulator and litigation risk to the firm.

8.8.8 SUPERVISION

The designated Principal will have overall authority over the Company's practices and procedures relating to retirement accounts. Activities in such accounts will be supervised by the principals designated throughout this Manual based on the products being offered. All Designated Principals should be vigilant in their reviews in order to detect non-compliance with these stated procedures. RRs with a pattern of compliance failures will be subject to disciplinary action.

The Annual Retrospective will include a review of rollover recommendations in which the IAR or firm acts in a fiduciary role regarding the account/plan the money is coming from. At least annually, the Designated Principal will review accounts with rollover activity and select a sample for further review. The review will include examination of Rollover Forms to ensure they are completed fully for all rollover recommendations. The Designated Principal will provide a summary of findings in writing, which will include any corrective action taken.

8.8.9 FIDUCIARY DUTY

The Employee Retirement Income Security Act of 1974, as amended (the "ERISA Act") prohibits broker-dealers and their representatives from engaging in self-dealing and receiving compensation from third parties in connection with transactions involving workplace retirement plans ("Plans") and individual retirement accounts and annuities ("IRAs"). However, the Prohibited Transaction Exemption 2020-02 Rule ("PTE 2020-02") provides an exemption that allows investment advice fiduciaries to receive compensation, including as a result of advice to roll over assets from a Plan to an IRA, and to engage in certain principal transactions, that would otherwise violate the prohibited transaction provisions. These written procedures are designed to comply with the Impartial Conduct Standards in connection with covered fiduciary advice and transactions; and reasonably mitigate conflicts of interest.

The Firm acts in a fiduciary nature with respect to customers in a retirement plan or IRA when the Firm or its Representative:

1. Render advice to the plan, plan fiduciary, or IRA owner as to the value of securities or other property, or make recommendations as to the advisability of investing in, purchasing, or selling securities or other property,
2. on a regular basis,
3. pursuant to a mutual agreement, arrangement, or understanding with the plan, plan fiduciary, or IRA owner, that
4. the advice will serve as a primary basis for investment decisions with respect to plan or IRA assets, and that
5. the advice will be individualized based on the particular needs of the plan or IRA.

"Retirement Investor" means:

- a participant or beneficiary of a Plan with authority to direct the investment of assets in his or her account or to take a distribution;
- The beneficial owner of an IRA acting on behalf of the IRA; or
- A fiduciary of a Plan or an IRA.

The term "Rollover" in connection with PTE 2020-02 includes any recommendation to move retirement assets from one account to another, including:

- Plan to IRA
- IRA to Plan
- Brokerage to Advisory
- Advisory to Brokerage
- IRA transfers from one firm to another

8.8.10 WRITTEN ACKNOWLEDGEMENT

The Firm is required to acknowledge in writing the Firm's and their investment professionals' fiduciary role when providing investment advice to a Retirement Investor when the RR or firm acts in a fiduciary role regarding the account/plan. In addition, the Firm must describe in writing the services to be provided and the Firm's and RR's material conflicts of interest. The written acknowledgement and related conflicts of interest are included in the Firm's Reg BI Disclosure and LF189.

The Representative is responsible for delivering the written acknowledgment to Retirement Investors prior to engaging in a Prohibited Transaction, including a rollover recommendation when the RR or firm acts in a fiduciary role regarding the account/plan the money is coming from. The Firm does not typically act as a fiduciary except with respect to 401(k) or similar retirement plans. Disclosure will be provided to the plan at the time of account opening.

8.9 RECOMMENDATIONS TO RETIREMENT INVESTORS

All recommendations to retirement investors must be made in the "best interest" of the customer, rather than the competing financial interest of the Firm and its Representatives. This best interest standard has two chief components: prudence and loyalty. Such advice must comply with the "Impartial Conduct Standards" as defined by the Rule, which state:

> *(1) Investment advice is, at the time it is provided, in the Best Interest of the Retirement Investor. As defined in Section V(b), such advice reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances, and needs of the Retirement Investor, and does not place the financial or other interests of the Investment Professional, Financial Institution or any Affiliate, Related Entity, or other party ahead of the interests of the Retirement Investor, or subordinate the Retirement Investor's interests to their own;*
>
> *(2) (A) The compensation received, directly or indirectly, by the Financial Institution, Investment Professional, their Affiliates and Related Entities for their services does not exceed reasonable compensation within the meaning of ERISA section 408(b)(2) and Code section 4975(d)(2); and*
>
> *(B) as required by the federal securities laws, the Financial Institution and Investment Professional seek to obtain the best execution of the investment transaction reasonably available under the circumstances; and*
>
> *(3) The Financial Institution's and its Investment Professionals' statements to the Retirement Investor about the recommended transaction and other relevant matters are not, at the time statements are made, materially misleading.*

Under the Impartial Conduct Standards, Representatives may not make excessive trades, buy investment products that are not in the Retirement Investor's best interest, or allocate excessive amounts to illiquid or risky investments.

Under this special rule's provisions, RR's must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of a Retirement Investor's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in the Retirement Investor's best interest;
- Charge no more than is reasonable for our services; and
- Give the Retirement Investor basic information about conflicts of interest.

8.10 PRINCIPAL TRANSACTIONS

Principal transactions that are "riskless principal transactions" are permitted, subject to the general conditions.

A "Covered Principal Transaction" is a principal transaction as defined in Section V(d). For **purchases** from a Plan or an IRA, the term is broadly defined to include any security or other investment property. For sales, the definition of Covered Principal Transaction is limited to transactions involving: U.S. dollar denominated corporate debt securities offered pursuant to a registration statement under the Securities Act of 1933, U.S. Treasury securities, debt securities issued or guaranteed by a U.S. federal government agency other than the U.S. Department of Treasury, debt securities issued or guaranteed by a government-sponsored enterprise (GSE), municipal securities, certificates of deposit, and interests in Unit Investment Trusts.

Representatives may not engage principal transactions involving a Retirement Investors account unless it is a riskless principal transaction or Covered Principal Transaction.

8.10.1 CREDIT QUALITY AND LIQUIDITY

For sales of a debt security to a Retirement Investor, the definition of Covered Principal Transaction requires any debt security, at the time of the recommendation, has no greater than moderate credit risk and has sufficient liquidity that it could be sold at or near its' carrying value within a reasonably short period of time. RRs are prohibited from recommending speculative or illiquid debt securities on a principal basis.

8.11 ANNUAL RETROSPECTIVE REVIEW

The Designated Principal will conduct an annual retrospective review that is reasonably designed to assist in detecting and preventing violations of, and achieving compliance with, the Impartial Conduct Standards and the Firm's policies and procedures. The methodology and results of the retrospective review will be documented in a written report that is provided to the Firm's senior executive officer (CCO, CEO, President, CFO, or one of the three most senior officers at the Firm). Such officers will make certification following their review of the report. This retrospective review, report and certification must be completed no later than six months following the end of the period covered by the review. The Firm will retain the report, certification, and supporting data for six years. Upon request, the Annual Retrospective Review, certification and supporting data will be provided to the US Department of Labor ("DOL") within 10 business days of the request.
In the event there are violations to the PTE 2020-02 Exemption discovered, the Firm will take prompt action to correct the violation within 90 days after the Firm learns of the violation, as detailed below.

8.12 CONFLICTS OF INTEREST

The Firm has procedures in place to eliminate and/or mitigate conflicts of interest. However, the type and degree of conflicts is susceptible to change over time. At least annually, the Designated Principal will review

its known conflicts of interest, including a review of compensation practices that incentivize an RR to place their interests ahead of a Retirement Investor. When new conflicts of interest are identified, the Designated Principal will update its policies and procedures and disclosure documents as needed.

Material conflicts of interest that are required to be disclosed under the exemption include, for example, conflicts associated with proprietary products, payments from third parties, and compensation arrangements. For illustrative purposes only, the following are non-exhaustive examples of practices identified as options by the SEC that could be implemented by Firm's in compensating Investment Professionals:

1. Avoiding compensation thresholds that disproportionately increase compensation through incremental increases in sales;
2. minimizing compensation incentives for employees to favor one type of account over another; or to favor one type of product over another, proprietary or preferred provider products, or comparable products sold on a principal basis, for example, by establishing differential compensation based on neutral factors;
3. eliminating compensation incentives within comparable product lines by, for example, capping the credit that an associated person may receive across mutual funds or other comparable products across providers;
4. implementing supervisory procedures to monitor recommendations that are: Near compensation thresholds; near thresholds for firm recognition; involve higher compensating products, proprietary products, or transactions in a principal capacity; or, involve the rollover or transfer of assets from one type of account to another (such as recommendations to roll over or transfer assets in a Title I Plan account to an IRA) or from one product class to another;
5. adjusting compensation for associated persons who fail to adequately manage conflicts of interest; and
6. limiting the types of retail customer to whom a product, transaction or strategy may be recommended.

Written policies and procedures cannot address every potential conflict, so Registered Representatives must use good judgment in identifying and responding appropriately to actual or apparent conflicts and are required to escalate any known conflicts to the Designated Principal when the conflicts are not described in the Firm's disclosures.

8.12.1 SELF-CORRECTION

The DOL will not consider a non-exempt prohibited transaction to have occurred due to a violation of the exemption's conditions, provided:

1. Either the violation did not result in investment losses to the Retirement Investor or the Financial Institution made the Retirement Investor whole for any resulting losses;
2. the Financial Institution corrects the violation and notifies the DOL via email to IIAWR@dol.gov within 30 days of correction;
3. the correction occurs no later than 90 days after the Financial Institution learned of the violation or reasonably should have learned of the violation; and
4. the Financial Institution notifies the persons responsible for conducting the retrospective review during the applicable review cycle, and the violation and correction is specifically set forth in the written report of the retrospective review.

In order to ensure the Firm remains eligible to earn a fee for providing advice to Retirement Investors, Associated Persons are required to make reasonable efforts to detect and prevent violations of applicable laws, rules, and regulations by anyone subject to their supervision, authority, or association. Any potential violations are to be promptly reported to the Designated Principal.

The Designated Principal is responsible for investigating potential violations and determining whether or not self-correction is warranted; and following the self-correction requirements when it is warranted.

8.13 FICTITIOUS ACCOUNTS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	In the daily course of business; upon opening accounts
How Conducted:	Review New Account documentation. Trade Reviews Commission Reviews Correspondence reviews Employee supervision
How Documented:	Trade Reports Investigation Records
WSP Checklist:	FINRA Rule 2010, 2510, Notice 08-57
Comments:	

Establishing fictitious accounts in order to execute transactions is strictly prohibited and considered a fraudulent practice. For example, such accounts could be used to conduct securities transactions based on insider information or to illegally purchase new issues since neither the selling Broker-Dealer nor the Registered Representative's Broker-Dealer would have knowledge of the transaction. Similarly, a Registered Representative could conceal his/her involvement in an account of an immediate family member in order to execute transactions which otherwise would be prohibited. The term immediate family shall include parents, mother-in-law or father-in-law, husband or wife, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, and children. In addition, the term shall include any other person who is supported, directly or indirectly, to a material extent by the Company or an associated person.

Company Principals, in the daily course of their supervisory duties, will make every effort possible to identify fictitious accounts. Should any such accounts be suspected, this information will be brought to the attention of the Chief Compliance Officer, who will investigate the matter and forward it for regulatory review, if necessary.

9 COMMUNICATIONS WITH THE PUBLIC

Name of Supervisor ("designated Principal"):	Designated Principal overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	When required, depending on item (on-going, as occasioned) Prior to use or filing, when required.
How Conducted:	Pre-approval reviews when required; review of telephone book listings, Websites/Internet communication.
How Documented:	Files to include all required records, depending on type of communication—see below
WSP Checklist:	FINRA Rules 2210, 3110, 3160, 4511, 5230. Notices 03-17, 03-38, 04-86, 08-12, 08-27, 09-10, 09-42, 10-06, 10-10; , 10-52, 11-49, 11-52, 12-02, 12-29, 13-03, 13-18, 14-30, 15.50; Info Notice 04-29-09; MSRB G-21. SIPC By-laws, Article 11, Section 4
Comments:	The designated Principal will ensure cooperation with FINRA when subjected to spot-checks. After receiving a written request, all requested communications with the public must be provided to FINRA within the specified time frame. See specific product sections within this WSP Manual for other applicable requirements (for instance, SEC rules related to investment company advertising).

It is important for all Company personnel to understand the significance of the Company's and its regulators' restrictions on the various forms of communications with the public. The detailed procedures in this section and others must be followed. Note that FINRA Rule 5230 forbids providing or allowing payments that involve

publications that influence the market price of a security (except in the case of paid advertising and research reports, as authorized by the Company). Associated persons may not attempt to influence or reward the actions of any person involved with such publications, printed or online. Disciplinary action will be imposed when willful violations are discovered and confirmed.

9.1 REVIEW, APPROVAL AND RECORDKEEPING

The Designated Principal is responsible for determining the nature of the communication and the requirements relative to its review and approval as set forth in FINRA Rules 2210 and 3110.

Associated persons creating content should consult the Designated Principal if they need assistance determining which category their materials fall into.

When prior approval is required, the Designated Principal will advise the submitter that:

1. the materials are approved;
2. may be used as presented; or
3. will be may be used once specified changes are made.

If the use of the material is not approved, the Designated Principal will return the item to the submitter with an explanation and may include recommended changes. The final revised item must receive final review and approval from the Designated Principal. No unapproved items must be used or distributed, and altered versions of previously approved materials may not be used without Principal approval of the alterations.

When prior review and approval is not required, reviews may be conducted post-use review. If the Designated Principal determines the materials require revision, the Designated Principal will notify the initial submitter and any other users. Continued use and distribution without required changes is not permitted. Once changes are made, the Designated Principal will note their approval for the revised materials to be used.

Evidence of review and approval (if required) generally consists of the reviewer's initials or signature and date of review notated on the file copy of the material. If performed on-screen (electronically), evidence may consist of a separate log referencing each specific piece or electronic notation on the electronic document itself.

The Designated Principal shall ensure that each version of submitted materials, any comments related to the materials and approval when required are maintained in the Company's Communication file for a period of 3 years after the date of last use.

9.1.1 CONTENT STANDARDS AND GUIDELINES

The content standards and other requirements relating to various communications with the public are outlined in FINRA Rule 2210 and other sources (SEC/FINRA guidance and other rules). Associated persons and compliance staff should consult Rule 2201 and related guidance to ensure compliance with content standards applicable to their communications.

During their reviews—whether pre- or post-use, or spot reviews—Principals designated herein will review communications for compliance with these content standards. Deficiencies such as non-conforming content or missing disclosures must be brought to the attention of the preparer; items subject to re-use or distribution must be corrected first. Evidence of deliberate non-compliance or blatant disregard for these important procedures will be met with disciplinary action.

9.1.2 FINRA ADVERTISING REVIEW

FINRA Rule 2210 sets forth the requirements related to filing various types of communications with the FINRA Advertising Review Department. The Designated Principal shall review the requirements and shall file materials as required. The Company may also make voluntary filings of materials that do not require review.

9.1.3 REMINDERS AND CERTAIN CLARIFICATIONS

Institutional Communications: Institutional communications are those sent to institutions *only*. Company personnel may NOT treat a communication as having been distributed to an institutional investor if they have reason to believe that the communication or any excerpt thereof will be forwarded or made available to any retail investor. The Company requires that these communications include a legend or signature language warning the recipient of the limited use of such items, for instance, by including "For institutional investor use only." Should any registered person, when dealing with institutional investors, become aware of re-distribution of these communications, all subsequent communication must be ceased or communications must be treated as retail communications and thus be subjected to the applicable review/filing requirements in this Section. Likewise, should Company personnel encounter red flags indicative of re-distribution, they should consult the Designated Principal, who will follow up to determine appropriate action. **"For Broker-Dealer use only"** material is included in the definition of institutional communications. Any material marked "Broker-Dealer use only" should NEVER be given to customers as it may contain information which would not be allowed in a prospectus or under FINRA or SEC advertising rules. Failure to observe these rules could void any sales made and led to severe discipline and penalties.

Associated persons producing and distributing institutional communications must be trained in this subject area. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the Designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

Media Contact is limited to authorized personnel only. If any employee or associated person is contacted by members of the media (TV, radio, print or online magazines/newspapers, and all other types of media), he or she must not comment; rather, the request should be forwarded to the President of the Company. This individual may authorize other personnel to speak on behalf of the Company.

Sales Scripts used to market to retail investors, while not distributed to investors, are still considered retail communications. That is, these scripts are not internal communications; instead, they require adherence to retail communications review and approval procedures as outlined above.

Research Reports, if distributed to more than 25 retail investors in 30 days, are retail communications. All applicable requirements under FINRA Rules 2241 and 2242 apply, as do the retail communications requirements listed above. If research reports are distributed to only institutional investors, they must meet the review/approval requirements for institutional communications as well as any requirements under applicable rules related to research; likewise if the reports are distributed to 25 or fewer retail investors in 30 days, they meet the definition of correspondence and should be subjected to those respective procedures. See the Research Reports section for procedures on third party research reports. Research reports covering exchange listed securities, including exchange-listed closed-end funds and master limited partnerships, unless filing is required under Section 24(b) of the 1940 Act, will be exempt from the content and filing requirements under FINRA Rule 2210.

Private Placement marketing materials, if distributed broadly in an offering permitting general solicitation (such as in reliance onReg . D Rule 506(c) or Rule 144(A) or provided to investors, including accredited individuals, not meeting the definition of a institutional investor, must be treated as Retail Communications. All rules and procedures applicable to this category of communications must be followed.

Market letters are those items that are excluded from the definition of "research report" (see Section THIRD PARTY PREPARED RESEARCH), such as daily e-mail blasts or summaries that include: discussions of broad-based indices; commentaries on economic, political or market conditions; technical analyses concerning the demand and supply for a sector, index or industry based on trading volume and price; statistical summaries of multiple companies' financial data, including listings of current ratings; recommendations regarding increasing or decreasing holdings in particular industries or sectors; and notices of ratings or price target changes (subject to certain disclosure requirements). As indicated above, if they are distributed to retail investors in the indicated numbers/time frame, they are retail communications—however, if they do not contain recommendations, they are treated as correspondence for the purposes of review/approval/filing.

Newsletters, if meeting the definition of retail communications, must be subjected to all applicable procedures. If newsletters are written by RRs, and if they contain enough information on which to make an investment decision, they may be deemed 'research reports' and would thus be subject to many restrictions and requirements under FINRA Rules 2241 and 2242 as well as Reg. AC (see "Research Reports" for information). The Designated Principal should carefully review all newsletters to determine related requirements. (Note: communications about investment products, such as insurance products, may also be subject to review and approval, if, by virtue of distributing such materials, the intention is to sell securities.)

Free writing prospectus ("FRP") is defined in Securities Act Rule 405 as a written communication, including an electronic communication that constitutes an offer to sell or a solicitation to buy securities in a registered offering by means other than the statutory prospectus. Free writing prospectuses that are exempt from filing with the SEC are exempt from the filing requirements and content standards under Rule 2210. FRPs that are required to be filed with the SEC would not be considered a "prospectus" and; therefore, are not exempt from the content standard or filing requirements.

A **public appearance** is a communication with the public including a seminar, radio or television interview, or speaking activities that are unscripted including in an interactive electronic forum. Prior to participating in or sponsoring such communications, associated persons must consult the Designated Principal regarding review and approval requirements.

Associated persons making public appearances must be trained in this subject area. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the Designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

Titles using the term "adviser" or "advisor" or any derivation thereof may not be used by any person, who is not also registered as, or supervised by, an investment advisor, municipal or other regulated entities providing advice, in conducting business with retail investors, as defined on Form CRS. Registered representatives wishing to use, or using, a title that appears to imply a relationship other than that which exist between a Broker-Dealer or a registered representative and its retail investors, must obtain permission from their designated Supervisor prior to using or continuing to use such a title.

9.2 CORRESPONDENCE

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A

Frequency of Review:	In daily course of business, no less than monthly; Random and regular
How Conducted:	Review correspondence, either before or after distribution, as described below; Review and approval of internal standard stationery items and outside stationery items upon request.
How Documented:	Initial or electronically notate reviewed file copies. Copies of approved stationery items, initialed and dated. QuestCE submissions and approvals
WSP Checklist:	FINRA Rule 2210, 3110; Notices 03-33, 03-38, 09-10, 12-29, 14-10; SEA Rule 17a-4(6)(4); 17a-4(b)(4)
Comments:	

The Company requires that correspondence sent or received by its employees related to its investment banking or securities business, including internal communications, be subject to various retention, review and approval procedures. These review procedures are relative to incoming and outgoing, written and electronic communications that constitute correspondence.

All correspondence, both internal and external, shall be retained for a period of not fewer than three (3) years after use and shall be readily accessible to examiners during exams or upon request. The Company maintains its correspondence records electronically—see Section RECORD KEEPING for a description of the Company's preservation of required records. Following receipt of a written request by FINRA, the Designated Principal must provide requested correspondence within the specified time frame. All staff are required to cooperate with all spot-check procedures conducted by FINRA and should bring any requests for information to the attention of the Designated Principal promptly.

NOTE: correspondence of a personal nature, not concerning Company business, is generally not considered 'correspondence' for regulatory purposes. However, such correspondence will be subject to supervision and retention by the Company if sent by personnel using Company letterhead or electronic systems. Personnel are strongly discouraged from using Company systems for personal correspondence.

On an on-going basis, the Designated Principal will review the efficacy of the correspondence reviews and compliance with Company policies. The Designated Principal will document his supervisory reviews and will make suggestions for improvement, if deemed necessary.

9.2.1 OUTGOING CORRESPONDENCE

"**Correspondence**" is defined by FINRA as including any written (including electronic) communication that is distributed or made available to 25 or fewer retail investors within any 30 calendar-day period. *Retail investor* means any person other than an institutional investor, whether or not that person has an account with the Company (thus, both current and prospective customers).

The determining factors are how many of such communications were sent out and in what time frame—and to whom. For instance, if an RR sends the same letter to 25 potential retail investors in a 30-day period, that communication is correspondence for the purpose of these procedures. If that RR sent the same letter to 26 people in the same period, it would be deemed 'retail communication'. Likewise, for materials provided to groups of investors—such as during seminars—as long as the limits (25 recipients/30 days) are not breached. Letters, etc. sent to institutional investors are NOT included in these correspondence procedures.

Content Standards: All correspondence must conform to the content standards under FINRA Rule 2210(d). Those standards are summarized above. In general, correspondence must be based on Principals of fair dealing and good faith and provide a sound basis for evaluating the facts in regard to

any particular security or securities, type of security, industry discussed or service offered and not omit any material facts. Exaggerated and unwarranted or misleading statements or claims are prohibited. Communications should be clear, balanced and fair in light of the person addressed, the detail of the matter communicated and the context of the communication.

Content standards also address testimonials, recommendations, tax considerations, predictions, and use of: footnotes, FINRA's name, professional or senior designations. Correspondence concerning registered investment company securities is subject to the content standards described in FINRA Rule 2210(d)(5) concerning disclosure of fees, expenses and performance information. Personnel are directed to review applicable text above in order to understand their responsibilities when drafting correspondence.

Besides general content standards, outgoing communications must adhere to the respective procedures herein and FINRA/SEC rules concerning, for example, the use of confidential, proprietary and inside information; anti-money laundering issues; gifts and gratuities; private securities transactions; customer complaints; front-running; and rumor spreading. The Designated Principal will take note of perceived failures to adhere to Company policies, as evidenced in written correspondence.

Inappropriate language or content not in compliance with applicable standards discovered in this review process will be brought to the attention of the author and subsequent pre-reviews of such person's Correspondence may take place to ensure adherence to Correspondence rules. Any heightened supervision regarding correspondence will be documented and the plan of action will be retained in the individual's registration or personnel file.

As described above, all correspondence, including business cards and letterhead, must:

- prominently disclose the name of the Company;
- reflect any relationship between the Company and any non-member or individual who is also named; and
- If it includes other names, reflect which products or services are being offered by the Company.

Letterhead and Business Cards: In all written Correspondence, Company personnel must use pre-approved letterhead and business cards. The Designated Principal will maintain a copy of all approved business cards and letterhead either in a separate file, in the Representative's file or in the Advertising/Sales Literature File; such materials should be dated to show effective date and initialed by the Designated Principal to evidence approval. New and/or amended letterhead and/or business cards should be submitted to compliance for pre-review and approval via the firm's Advertising review application, QuestCE.

Stationery items used by Representatives in non-branch offices must include the address of the registered branch or OSJ office overseeing such office. The OSJs Principal must ensure compliance with all applicable regularly standards and with Company guidelines. Use of unapproved stationery may result in disciplinary action.

The Designated Principal shall review all instances where "adviser" or "advisor" or any derivation thereof is being used in titles to determine if the use of such a title will cause confusion regarding the relationship the Company or the Registered Representative maintains with retail investors as described in Form CRS. Where the Designated Principal determines a potential; conflict could exit, the Registered Representative will not be permitted to use, or to continue to use, the title.

See procedures below for requirements re: e-mail signature text.

Review of Hard Copy Correspondence: For correspondence that does not meet the pre-review requirements above, all outgoing Correspondence must be copied prior to sending and filed in the "Outgoing Correspondence File." The file is reviewed on a monthly basis by the Designated Principal. The Designated Principal will evidence his or her review by initialing the copies.

If these items are scanned for electronic storage, they must show the letterhead or cover sheets used—that is, the word processing document alone is not a sufficient record. The copy must show the sender's signature.

9.2.2 ELECTRONIC CORRESPONDENCE/E-MAIL

All policies related to the content of customer correspondence in general apply to e-mail correspondence. Please refer to "Use of Electronic Media" and this entire Section COMMUNICATIONS WITH THE PUBLIC for additional policies related to the Company's use of electronic communications, including pre-approval policies on certain retail communications, including group e-mails.

Approved E-Mail Accounts The Company has established an e-mail system through which all business-related internal or external electronic communications should be sent or received. E-mail addresses will be assigned by the Company upon hire and must be utilized for all business-related communications, unless otherwise permitted, under these procedures.

Personal E-Mail Accounts the Company prohibits registered persons from using personal e-mail accounts or accounts of other entities to send or receive communications related to the securities or investment banking business of the Company from customer, prospects or other associated persons unless pre-approved and archived via the firms electronic storage software. During his reviews the Designated Principal shall attempt to determine if any such communications have occurred by reviewing customer files and other communications records. If such communications are discovered, the Designated Principal shall take steps to research the facts and circumstances and will take appropriate disciplinary actions, if warranted.

Retention All incoming and outgoing e-mail messages will be automatically saved via electronic storage software.

All business-related e-mail correspondence will be retained in accordance with the retention guidelines described above.

Representatives may use personal devices or business devices if supplied by the Firm for communicating with their clients for business related communications, however, any method used must be archived if written (email, texting through approved platforms, social media, etc.). **No unapproved off channel communications are permitted.**

In order to meet SEC books and records requirements, the Company stores and backs up its e-mail correspondence records on acceptable electronic storage media. See Section Preservation of Required Records, for details.

Review: Email correspondence is archived and flagged by key words. Designated Principals may select a sample chosen at random as well as on key words or phrases as identified by the Designated Principal that are relevant to the Company's business. This sample may be adjusted as business needs change or if it is determined that additional supervision of all or certain associated person(s) is required. Evidence of this review will be recorded via the Designated Principal's electronic notes and date of review. The

Company requires that at all flagged messages identified in key word searches be reviewed no less than monthly.

The Designated Principal will review the key word rules as well as a sampling of e-mail transmissions periodically. The designated Principal will spot check reviews at least annually to ensure that the Designated Principal is following Company policies and to verify the quality of the reviews.

Content Reminders: All correspondence must conform to the content standards under FINRA Rule 2210(d) as summarized herein. All originating outgoing e-mail must include the following: name of the Company, name of sender, department/branch address, phone number and e-mail address of the sender. Given restriction related to the use of certain titles when engaging with retail investors, as defined on Form CRS, the Designated Principal should be consulted for review of e-mail signature text.

Certain restrictions apply, including the following:

- Securities licensing requirements necessary for public communications apply to electronic communications;
- Recommendations or communications that require an accompanying prospectus must be accompanied by such—extracts or references to terms from an offering should not be duplicated in an e-mail communication (full disclosure of offering terms must be made); and
- Any requests to not be contacted should be forwarded to Compliance such that the person may be added to the Do Not Call List.

Should the Designated Principal deem any correspondence inappropriate or not in compliance with applicable standards, he/she will bring it to the attention of the Designated Principal. Any action taken, including notifying and disciplining the author, will be recorded in that individual's registration or personnel files. Where there is a history of violations, Compliance may conduct an electronic audit to determine content of information being retained and require pre-review of all outgoing e-mails.

E-Faxes: Faxes received via e-mail or through other computer messaging technology, also known as e-faxes, are considered to be electronic communications by FINRA and other regulators. Therefore, the receipt or sending of e-faxes will be monitored and supervised the same as e-mail communications and must be captured and retained by the Company. Personnel using e-fax technology must consult the Designated Principal to ensure that such communications are being maintained in accordance with Company policy.

Instant Messaging: The Company allows the use of instant message communication for company employees and 1099 financial professionals VIA technology through the approved archiving provider. This platform is not approved for use with the public.

Text Messaging: Texting is also considered a form of electronic communication and is only permitted as may be approved by compliance and must be captured by Global Relay. The firm will obtain periodic attestations, no less than annually, from representatives with respect to their use of texting for business purposes and certification that all business-related texts are done through the Global Relay app/platform. **Discovery of such communication, not through the Global Relay app, will result in disciplinary action and may include termination from the firm.**

Text messages should not include personally identifiable information (PII) and trade or money movement instructions must not be acted upon based upon text instructions. **All instructions received electronically must be confirmed verbally or in person with the client prior to submitting for processing. Handouts, Form Letters and Market Letters that are deemed correspondence must be saved according to the format procedures described above (whether sent by hard copy, fax**

machine, or e-mail/e-fax) and are subject to the same review and approval procedures as described above. No unapproved items may be mailed or distributed.

Posts to Online Interactive Forums are treated as correspondence and will be reviewed and maintained in accordance with the e-mail procedures and with the procedures outlined in the "Interactive Forums/Social Networking Sites" Section herein.

9.2.3 INCOMING CORRESPONDENCE

The Company may receive correspondence from customers or the public in hard copy, via fax, and in the electronic formats permitted for use by Company personnel. The recordkeeping requirements outlined in "Outgoing Correspondence" also apply to incoming: it must be kept and readily available for examiner review for three years from receipt.

All non-electronic incoming correspondence will be opened and reviewed immediately upon receipt by the designated person-in-charge to assure that all securities and checks are properly processed and that the person in charge is notified of any customer complaints or irregularities.

Prior to being filed in the respective client file, a copy of all correspondence or a log containing information relating to the sender, recipient, and content of the correspondence, will be filed in the Incoming Correspondence File.

It is the Company's policy that all mail addressed to the Company's offices is deemed to be related to the Company's business, even if marked to the attention of a particular associated person. **Employees, Registered Representatives and associated persons who do not wish their personal mail opened and reviewed should not have it addressed to them at the Company**.

In accordance with SEA Rule 17a-4(b)(4), originals of all Communications received by the Company relating to its business as such shall be preserved for not less than three years. See the section on "Recordkeeping and Reporting" below.

9.3 THIRD-PARTY PREPARED RESEARCH

The Company may not distribute third-party research produced if it knows or has reason to know such research is not objective or reliable.

The Company will ensure that it provides a web address that directs recipient to, or that all third-party research reports it distributes are be accompanied by, disclosures related to any material conflicts described in Rule 2241(c)(4)(c), (F), (G) and (I).

The Company shall not be considered to have distributed a third-party research report and; therefore, not responsible for ensuring disclosure related to material conflicts as described above where the research is produced by an independent third-party and is made available by a member (a) upon request; (b) through a member-maintained website; or (c) to a customer in connection with a solicited order in which the registered representative has informed the customer, during the solicitation, of the availability of independent research on the solicited equity security and the customer requests such independent research.

All third-party research reports must be clearly labeled as such so as to avoid confusion as to the author of the report.

The Company hereby strictly prohibits any of its employees, controlling persons and officers from influencing the activities of third-party research analysts and the content of their reports. Evidence to the contrary will be investigated, and if such influence is confirmed, disciplinary action and any required regulatory reporting will result. All supervising Principals of the Company are responsible for reporting to the CCO any perceived influence on third party research analysts.

In reviewing third-party reports prepared by an affiliate the Designated Principal must seek to verify it does not contain untrue statements of material fact and is not otherwise false or misleading through his/her review of the complete report or information that should have been otherwise known to the Company.

The Designated Principal must review and approve third-party research reports prior to use unless the reports are for distribution solely to institutional investors, in which case the procedures for "institutional communications" apply. Copies of reports must be maintained in dedicated files as described above; materials must be destroyed when outdated or replaced.

9.3.1 DEBT RESEARCH REPORTS- NOT APPLICABLE

9.4 USE OF ELECTRONIC MEDIA

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	During review of electronic correspondence; Upon approval of original or changed websites, electronic advertising and sales material. Periodic (as determined) reviews of IT functionality. Periodic review of RR websites.
How Conducted:	Pre-approval of electronic communication devices used for business activity, review of websites/Internet communication. Review and approval of Company and RR websites. Review of website for unapproved material. Review posted prospectuses to confirm authenticity and confirm version is most recent. Meetings with IT staff or vendors; status reports if necessary.
How Documented:	Website approval files; ad approval files; evidence of e-mail reviews; records of customer consent records.
WSP Checklist:	FINRA Rule 2210; MSRB G-21; Notices 95-74, 96-50, 98-3, 05-49, 07-02, 10-06, 11-39, 12-29, 15-50; SEC Release No. 33-7233 and Reg. S-P; SIPC By-laws, Article 11, Section 4
Comments:	Company employees should refer to all available IT manuals, technical manuals, or other electronic communication instruction manuals currently in use. Some of these obligations are met by Principal designated to supervise retail communications.

9.4.1 WEBSITES (COMPANY AND RR MAINTAINED SITES)

The Company maintains a website for informational purposes, but does not allow the use of its website for transactions such as securities purchases and sales, trading, cash and securities transfers, etc.

The SEC, FINRA and other regulators have made it clear that websites fall in the category of advertising and must be pre-approved by a Company principal and may require review by FINRA's Advertising Department. Similar forms of Internet communications, such as contributions to interactive forums, are considered retail communications but are reviewed as correspondence. Websites are, therefore, required to undergo the same kind of review and approval procedures set forth above.

The Designated Principal will monitor all websites (including testing of hyperlinks for correct destinations) on a regular basis to identify and correct any variances from Company policies and procedures.

Since the Company may engage in business with retail investors and expects such investors to visit their website, the Company shall ensure that the home page of its website and any other webpages that contain a professional profile of any registered persons, that may conduct business with retail investors, contain a readily apparent reference and hyperlink to Broker Check. The Designated Principal is responsible for ensuring that the hyperlink and reference are clear and easily understood and that the link is active and accurate.

Third Party Posts—entries by customers or the public who wish to share information/opinions/commentary. The Company prohibits its associated persons from implicitly or explicitly endorsing or approving of third party posted content; therefore, these posts are not considered to be 'adopted' by the Company and are not considered communications with the public under FINRA Rule 2210. The Company posts disclaimers on its site to this effect so that all participants are notified of the Company's lack of endorsement/approval of third-party posts.

Regulatory Links: If the Company makes reference to its FINRA membership on its internet Web site it must provide a link to FINRA's internet home page, either as part of the membership disclosure or in close proximity to the member's indication of FINRA membership. A member is not required to provide more than one such hyperlink on its Web site. If the member's Web site contains more than one indication of FINRA membership, the member may elect to provide any one hyperlink in close proximity to any reference reasonably designed to draw the public's attention to FINRA membership. Since the Company may engage in business with retail investors and expects such investors to visit their website, the Company shall ensure that the home page of its website and any other webpages that contain a professional profile of any registered persons that may conduct business with retail investors, contain a readily apparent reference and hyperlink to Broker Check. The designated Principal is responsible for ensuring that the hyperlink and reference are clear and easily understood and that the link is active and accurate.

Where the Company makes reference to SIPC membership on its website, it must also provide a link to the SIPC website, www.sipc.org so that the customer may obtain additional information from SIPC directly.

9.4.2 ONLINE OFFERING MATERIAL- NOT APPLICABLE

9.4.3 INTERACTIVE FORUMS/ SOCIAL NETWORKING SITES

The Company will train its associated persons on the use of social networking sites ("SNS") in order to enforce their understanding of the Company's and FINRA's expectations. The differences between personal and business communications, and between adoption and entanglement will be emphasized. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the Designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

The Firm allows certain off channel communication platforms providing all content and communications are archived in the Firm's books and records. Both personal and firm provided devices may be used for these communication channels.

When contributing to online forums such as blogs or chat rooms or making use of social networking sites (such as Twitter, Facebook and Linked-In) for personal communications and social interaction, associated persons are permitted to include in their profile content their affiliation with the Company, for instance, by naming the Company as their employer and including their title(s). Persons are *strictly prohibited* from including any other material on such sites for the purpose of advertising the Company or its services; they may not use these sites for correspondence, marketing, advertising or promotional purposes of any sort. The permitted profile information is viewed by the Company to be akin to a phone book listing and does not require filing with FINRA's advertising review unit; however, such postings DO require the pre-approval by the principal designated to review/approve all correspondence. Associated persons must present the text of their original and any revised SNS profile content to the Designated Principal for recordkeeping. Associated persons must edit or delete them in accordance with the Company's instructions.

On such sites associated persons may not recommend securities or engage in discussions about securities or the Company's business (such as in comments or messages). Lastly, associated persons may not:

- link to third party material relating to securities;
- assist third party site participants in preparing such material; or
- comment on/endorse third party posts on such material.

When engaging in personal communications via a SNS, associated persons must avoid discussing their professional activities; should they receive inquiries about their work, the securities industry, or other related topics, they must divert the conversation away from the SNS (for instance, by suggesting that the commenter reach them on their business phone or approved Company e-mail address).

During onboarding and at least annually, associated persons will be asked to attest to their understanding of and compliance with the Company's policies on social media use. The Company may from time-to-time request access to social networking sites in order to spot check them for compliance with this policy. Perceived violations will be met with disciplinary action.

If associated persons plan to contribute to online forums such as blogs or chat rooms or make use of social networking sites (such as Twitter, Facebook and Linked-In, among others) for business purposes, they must get pre-approval from the Designated Principal.

NOTE: No matter what the forum, neither the Company nor any associated person may establish a link to any third-party site that he or she knows or has reason to know contains false or misleading content. Red flags indicative of false or misleading content may not be ignored.

Blogs and Seminars, etc.: RR's and other associated persons, when contributing to the content of interactive forums, like blogs or online seminars, *as representatives the Company*, must adhere to the following:

- Associated persons must adhere to the standards of communications described above: fair and balanced, complete and not misleading information must be provided.
- Records of all communications on such sites must be maintained and subject to review as described in the correspondence procedures herein.
- When representing the Company on an interactive site, Registered Representatives or other persons must clearly identify themselves to the site participants as a representative of the

Company and provide the name of the Company and the address and telephone number of the registered branch location through which their securities business is supervised.

- No solicitations or recommendations may be made on any outside interactive online forum. Communications that appear to recommend specific investment products will be investigated and the poster of the content may face disciplinary action if deemed reasonable.
- Any e-mails or other messages recorded in the forum must be provided to the Company for maintenance and review (as described herein for all electronic messages).

Associated persons' use of social media sites *for business purposes* must be supervised by the Company under the direction of its Designated Principal, as follows.

Approval: All associated persons wishing to use SNS for business purposes must obtain pre-approval from the Designated Principal, who will keep a record of the usernames of all such users and his/her approval. All such users will be trained in these compliance procedures. Persons with a history of compliance violations will generally not be permitted to use SNS for business purposes; the Designated Principal may allow persons after putting into place restrictions and/or heightened monitoring of their use.

Recordkeeping: All business-related communications by associated persons using SNS, including static (non-interactive) posts/profile information and interactive posts and messages, must be captured and maintained in the Company's records. Access by associated persons to business/interactive sites must be made in a manner that will accommodate the Company's automated monitoring technology (whether via an interface with the Company's network or off-site platforms that provide access and retention). The Company has the ability to retain and retrieve all SNS communications for its internal reviews or regulatory scrutiny.

Communications through SNS will be maintained in compliance with SEC 17a-3.

Recommendations: Because of the inability to limit access to content on SNS, it is impossible to ensure that recommendations are suitable for every viewer of such recommendations. Therefore, the Company prohibits personnel from recommending securities on SNS and from posting links to recommendations: If the designated Principal identifies instances of non-compliance with this prohibition, the Supervisor will be notified and disciplinary action will be taken. Disciplinary action taken will be documented in the associated person's file and may include the poster being denied further permission to use SNS for business purposes.

Supervision/Content Approval: Communications posted on SNS, while falling into the category of retail communications, are treated as correspondence for the purposes of supervisory review and approval. All posted content is subject to the Designated Principal's review in the same manner as electronic correspondence, including periodic spot checks and lexicon-based searches. When content is found to have violated these procedures and all guidelines described herein for communications with the public, the reviewer will inform the Supervisor. The Designated Principal and Supervisor may put the violator's SNS use under heightened reviews. Users with repeated failures will be denied permission to use SNS for business purposes and may face disciplinary action if warranted.

Third Party Posts: In participating in online forums of any sort, associated persons will encounter third party posts, sometimes directed at them. *The Company prohibits its associated persons from implicitly or explicitly endorsing or approving of third party posted content.* If an associated person has questions regarding this policy, they should contact the designated Principal.

NOTE: If the associated person's profile information includes the text, "Member, FINRA" when describing the Company, the "FINRA" must be a link to FINRA's home page, www.finra.org.

10 TRANSACTIONS

10.1 CHARGES FOR SERVICES

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A Operations Principal
Frequency of Review:	Daily approval of trades
How Conducted:	Review order records; trade reports Review justification for mark-ups/downs outside guidelines Review commission reports Investigations if necessary
How Documented:	Maintain trade docs, NAFs and disclosures. Initial trade reports; include notes if necessary. Notes on annual reviews and follow-up.
WSP Checklist:	FINRA Rules 2010, 2121, 2122, 2124, 2150(c), 2341,5250; MSRB G-30, Notices 93-81, 92-16, 03-68, 08-36, 08-57, 09-60, 13-23

In accordance with FINRA Rule 2122, charges, if any, for services performed, including miscellaneous services such as collection of moneys due for principal, dividends or interest; exchange or transfer of securities; appraisals, safe-keeping or custody of securities and other services, shall be reasonable and not unfairly discriminatory between customers.

In addition, in accordance with FINRA Rule 5250, neither the Company nor its associated persons may accept payments, made directly or indirectly, 'y issuers or the issuers' affiliates and promoters for publishing a quotation, acting as a market maker, or submitting an application in connection therewith. This does not prohibit the Company from receiving payment for bona fide services such as investment banking services, or reimbursement for registration or listing fees. The Designated Principal, in his or her reviews of contracts and incoming payments for services, shall ensure compliance with this Rule.

Mutual Funds Sales: Fees and commissions earned by the Company from transactions in mutual funds and unit investment trusts will be carefully reviewed by the Designated Principal in order to identify improper practices such as switching, avoiding or not recognizing breakpoints (or available discounts) and recommending purchases prior to funds going "ex-dividend." See below under "Particular Investment Products – Mutual Funds" for a description of these practices and related supervisory authority.

Retail Brokerage Account and IRA Fees: In communications with the public about fees, or the lack of certain fees, for retail brokerage accounts and IRAs, the Company must provide fair and balanced disclosures that do no mislead the public. See the Communications with the Public section herein for guidelines.

For fees charged by the Clearing Firm, leaving a cash debit in the account, and where situations occur that the Firm is unable to locate or contact the client, positions may be sold to cover the debit owed to the Clearing Firm. The Firm will attempt to liquidate mutual funds with no back-end sales charge. If no mutual funds are present in the account, the Firm will liquidate the last in, first out position. Any forced liquidations to cover custodial fees will be documented in the client's file.

10.1.1 COMMISSIONS, FEES AND MARK-UPS/DOWNS CHARGED

With regard to all fees, etc. charged to customers, it is the policy of Level Four Financial, LLC to fully comply with the rules and guidelines set forth by FINRA Rules with regard to fair prices and commissions and just and equitable Principals of trade. Specifically, when doing securities transactions with customers (excluding other Broker-Dealers) in the OTC market or on any exchange, the Company must adhere to the guidelines under FINRA Rule 2121. These guidelines do not apply to transactions in municipal securities or exempt securities; however, all Company representatives must comply with FINRA Rule 2010 on just and equitable Principals of trade.

The Company acts as agent, principal and/or riskless principal in its transactions with customers. At or before completion of a securities transaction, customers must be 'advised as to the Company's role in the transaction (i.e., agent or principal). In addition, the Company's transaction documentation must disclose if it acted as agent for the parties on both sides of a transaction (due to the potential conflict of interest).

As a "broker/agent" (executing orders on an "agency" basis for customers on an exchange or in the OTC market), the Company is compensated via commissions on customer trades. As a matter of Company policy, the Company adheres to the agency commission schedule as published from time to time by its clearing firm. Commissions charged in excess of these guidelines will not be permitted. For agency transactions, the commission is required to be indicated on the client confirmation and the Company may not include"its"profit as part of a "net" price.

When acting as "riskless principal," the Company purchases a security from another firm or customer AFTER it has received an order for such security from its customer. It then sells the security to the customer. A riskless principal transaction similar to an "agency" trade due to the fact that the Company acts as an intermediary only and assumes no market risk. For the Company's limited role in the transaction it is compensated by a "mark-up" or "markdown" from its cost, based on the price paid to acquire the shares. For riskless principal transactions, the mark-up or markdown must be indicated on internal records and is generally disclosed to customers on confirms."

As a "dealer/principal" (actually buying securities in the name of the Broker-Dealer and selling securities to customers from its own inventory), the Company is compensated by marking up or down the price of a security. The mark-up/down charged for a principal transaction will be the equivalent commission charged on an agency basis by the clearing firm (or less), if applicable.

As noted above, the Company must adhere to the guidelines under FINRA Rule 2121 when pricing securities. Mark-ups/downs in principal and riskless principal transactions more than 5% will generally be presumed to be unfair and unreasonable, however a mark-up above 5% may be justified upon a consideration of other permitted factors as described below. It is important to note that a pattern of 5% mark-ups (or downs), or even a pattern of mark-ups/downs less than 5%, may be considered unreasonable based on the circumstances. The Designated Principal is responsible for taking note of such patterns and investigating to determine reasonableness.

Whether the Company acts as agent, riskless principal or principal in its transactions with customers, the Designated Principal is responsible for reviewing the reasonableness of all commissions and mark-ups or markdowns. In determining fair and equitable commissions and mark-ups/downs, relevant factors to consider include:

- The best judgment of the Company as to the fair market value of the security at the time of the transaction and of any securities exchanged or traded in connection with the transaction,

- Type of security involved (some securities customarily carry a higher mark-up or commission than other types of securities),
- Availability of the security in the market (in the case of an inactive security the effort and cost of buying or selling the security may be greater than in the case of an active one),
- Price or yield of the security, including comparison to yield on other securities of comparable quality, maturity, coupon rate and block size then available on market (lower priced securities may require more handling and expense),
- Maturity of the security,
- The expense involved in effecting the transaction and the total dollar amount of the transaction (small transactions costs as much or more than transactions involving large sums of money) -- however, expenses considered may not be excessive,
- Profit resulting from transaction, and
- The types of services and facilities that the member makes available to its customers (provided the costs of these services and facilities are not excessive).

10.1.2 DISCLOSURES

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	During normal transaction review or periodic activity reviews as described herein.
How Conducted:	Review standard forms, correspondence, scheduled mailings
How Documented:	Notes to files when deficiencies are perceived; evidence of remedial action
WSP Checklist:	FINRA Rules 2210, 2241, 2242, 2262, 2263, 2264, 2265, 2266, 2267, 2269, 2360, 2370, 4210, 5121, 5122, 5150, 5310, 5350; Rules 2340, , SEC 15g-2 through 15g-6, 15c1-5, 15c1-6, 15c2-12, 15c3-3, Rule 482, Reg.'s AC and FD; MSRB G-17, G21, G-47

In the course of doing transactions with customers, the Company is obligated to provide certain disclosures, depending on the nature of the transactions and the circumstances. Various SEC, MSRB and FINRA Rules apply and are generally described below and in respective sections in this Manual. In addition, registered persons are expected to disclose the nature, characteristics and risk factors of securities to their customers as part of their sales practice obligations; respective sections of this Manual provide reminders about such investor education efforts.

Control Relationship (FINRA 2262): The Company, if controlled by, controlling, or under common control with, the issuer of any security, must disclose to customers the existence of such control. The Designated Principal is responsible for informing RRs of any such control relationships so that the RR's may disclose them verbally to their customers *before* entering into any contract with or for a customer for the purchase or sale of the security; disclosure must be made in writing at or before completion of the transaction.

Participation or Interest in Primary or Secondary Distributions (FINRA 2269): If the Company is participating or has a financial interest in a primary or secondary distribution of securities, and it acts as a broker for a customer or as a dealer receiving a fee from a customer for advising on securities, it must notify the customer about its participation or interest when accommodating a transaction for the customer in the subject securities. The supervisor in any such transaction will ensure written notification takes place before completion of the transaction.

Company personnel are required to follow all applicable disclosure requirements and the respective supervisory personnel are required to review, during transaction and periodic activity reviews, the proper implementation of disclosure procedures.

10.1.3 PROHIBITED TRADING ACTIVITES

In the course of conducting securities transactions, associated persons of the Company are strictly prohibited from engaging in the following activities:

- Financial Arrangements: Associates are prohibited from entering into financial arrangements with customers or issuers (i.e., sharing in profits or losses, sharing in commissions, rebating commissions, etc.).
- Front Running of Block Transactions: Associates may not trade a security or a related financial instrument when they have material, non-public market information concerning an imminent block transaction in that security, a related financial instrument or a security underlying the related financial instrument.
- Market Manipulation: No purchase or sales order shall be entered that is designed to raise or lower the price of a security or to give the appearance of trading for purposes of inducing others to buy and sell.
- Trading Ahead of Research Reports. Associates may not establish, increase or decrease a position in a security based on non-public advance knowledge of the content or timing of a research report in that security. This restriction applies to any security, whether exchange-listed or not, and to derivatives of the subject security.
- Trading Ahead: Associates may not trade on the same day for the Company ahead of their customer's day limit order or market order at the same or better price.
- Churning. Executing trades in a client's account for the primary purpose of generating commissions is forbidden. Unusual trading activity can be an indicator of churning.
- Parking: No arrangement may be used to conceal the true ownership of securities through a fictitious sale or transfer to another party or nominee who agrees to later sell or transfer the securities to the true owner (or his agent) at an agreed upon time at essentially the same terms. An example would be a person engaged in an attempted takeover of a public company, who, to avoid reporting requirements, arranges for another party to purchase securities on his behalf. The second party agrees to later transfer or re-sell the securities to the person attempting the takeover. With regard to corporate or government bonds, no arrangement may be used to participate in non-bona fide sale and purchase of bonds into an account for purposes of increasing net capital.
- Inter-positioning: If interposing a third party in a customer trade, the associate must continue to pursue the best available market for the customer—see "Best Execution and Related Rules".
- Marking the Opening or Close: Entering orders at the opening or close of the market for the purpose of affecting the price of securities is prohibited; and
- Adjusted Trading: Adjusted trading or "overtrading" is a prohibited practice that involves the sale of a security by a customer for a price above the prevailing market price and the simultaneous purchase of a different security at a price lower than the prevailing market price. The purpose of an adjusted trade usually is to assist a customer in avoiding, disguising or postponing losses. Other scenarios of adjusted trading include: (a) permitting a customer to sell a security at an inflated price and re-selling the security to another customer at the inflated price and (b) inter-positioning the Broker-Dealer between two customers where the Broker-Dealer acts as a conduit allowing the two customers to "swap" losing positions by paying an inflated price for each other's securities.

The designated Principal, in his or her daily review of transactions, will take note of apparent violations of these guidelines and investigate them further. Disciplinary action will be taken in the event violations have occurred. Associated persons with knowledge of such improper practices, including harassment, threats or attempts at coercion, must report them to the Designated Principal who will escalate the issue within Compliance.

The Company requires compliance in all respects with FINRA Rule 5210 regarding self-trades which are defined as transactions in a security resulting firm the unintentional interaction of orders originating from the same firm that involve no change in the beneficial ownership of the security.

The Company's clearing firm has automated compliance systems that permit it to monitor trading activity for the purpose of ensuring adherence to all applicable regulatory and in-house rules. Since the Company does not maintain a "Trading Desk" and personnel authorized for order entry act independently from one another from separate offices, effective information barriers exist to prevent self-trades.

10.1.4 CHURNING

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in the daily course of business Quarterly Active Account review
How Conducted:	Trade Reviews, Active account alerts Interviews of RR's
How Documented:	Maintain trade records and commission runs. Records of unusual activity and steps taken to remedy problems.
WSP Checklist:	FINRA Rule 2010, Rule 2510, Notice 08-57

"Churning," which refers to executing trades in a client's account for the primary purpose of generating commissions, is forbidden by Level Four Financial, LLC. The Designated Principal, in his daily review of trades and periodic reviews of commission runs, shall attempt to identify any churning in customer accounts. Unusual trading activity will be investigated further to discover if churning is taking place and interviews of Registered Representatives will be conducted for clarification and/or to remedy the situation.

10.1.5 DIRECTED BROKERAGE- NOT APPLICABLE

10.1.6 RESTRICTIONS ON IPO TRANSACTIONS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; daily
How Conducted:	Review and approval of transaction in IPO's. Review of documentation used to identify restricted or non-restricted accounts. Commission Reviews
How Documented:	Order tickets; account documentation, including representations. Trade Reports Investigation Records, when applicable
WSP Checklist:	FINRA Rule 5130 and 5131, Notices 03-79, 05-65, 08-54, 08-57, 10-60

FINRA Rule 5130 prohibits Level Four Financial, LLC or any person associated with it from: selling, or causing to be sold, a new issue of equity securities ("Initial Public Offering" or "IPO") to any account in which a restricted person has a beneficial interest; purchasing an IPO security in any account in which the Company or person associated with it has a beneficial interest; and continuing to hold new issues acquired by the Company as an underwriter, selling group member, or otherwise, except as otherwise permitted within the Rule.

FINRA Rule 5131 prohibits certain practices that undermine the market for new issues. Respective procedures, if applicable, are in the "Public Offerings" section of this Manual.

New issues, as defined in the Rule, do not include private placement securities (and 144A stock); commodity pools; rights offerings, exchange offers, or offerings made pursuant to a merger or acquisition; investment grade asset-backed securities; convertible securities; offerings of preferred securities; registered investment company offerings, securities that have a pre-existing non-U.S. market; BDCs (business development

companies); DPPs; REITs; or certain exempted securities. FINRA Rule 5130 should be consulted by personnel with questions about the nature of "new issue" securities.

Therefore, neither the Company nor any person associated with it shall be permitted to participate in the purchase or sale of a new issue *except* when purchases are by, and sales are to, the following accounts or persons, whether directly or through accounts in which such persons have a beneficial interest:

1. An investment company registered under the Investment Company Act of 1940.
2. A common trust fund or similar fund as described in Section 3(a)(12)(A)(iii) of the Act, provided that:
   - the fund has investments from 1,000 or more accounts; and
   - the fund does not limit beneficial interests in the fund principally to trust account restricted persons.

   15. 3. An insurance company general, separate or investment account, provided that:
   - the account is funded by premiums from 1,000 or more policyholders, or, if a general account, the insurance company has 1,000 or more policyholders; and
   - the insurance company does not limit the policyholders whose premiums are used to fund the account principally to restricted persons, or, if a general account, the insurance company does not limit its policyholders principally to restricted persons.
4. An account if the beneficial interests of restricted persons do not exceed in the aggregate 10% of such account.
5. A publicly traded entity (other than a broker/dealer or an affiliate of a broker/dealer where such broker/dealer is authorized to engage in the public offering of new issues either as a selling group member or underwriter) that:
   - is listed on a national securities exchange; or
   - is a foreign issuer whose securities meet the quantitative designation criteria for listing on a national security exchange;
6. An investment company organized under the laws of a foreign jurisdiction provided that:
   - the investment company is listed on a foreign exchange for sale to the public or authorized for sale to the public by a foreign regulatory authority (funds, such as hedge funds, which are limited to high net worth individuals are not eligible for this exemption); and
   - no person owning more than 5% of the shares of the investment company is a restricted person.
7. An Employee Retirement Income Security Act benefits plan that is qualified under Section 401(a) of the Internal Revenue Code, provided that such plan is not sponsored solely by a broker/dealer.
8. A state or municipal government benefits plan that is subject to state and/or municipal regulation.
9. A tax exempt charitable Organization under Section 501(c)(3) of the Internal Revenue Code; or
10. A church plan under Section 414(e) of the Internal Revenue Code.

The Rule describes further exemptions related to: issuer directed securities, issuer-sponsored programs, anti-dilution provisions, stand-by purchasers, and under-subscribed offerings. RR's and their supervisors must consult the Rule for specific guidance on these exemptions.

Company personnel, when considering the purchase or sale of new issue securities, whether for a customer, the Company or an associated person, must review FINRA Rule 5130 or consult their Designated Principal for guidance. Every prospective transaction in IPO securities must undergo detailed scrutiny in order to identify restricted persons, as defined in the Rule. Prior to conducting a transaction in a new issue, the RR must ensure that the following preconditions have been met. Before selling a new issue to any account, the RR must ensure that the Company has obtained within the twelve months prior to such sale, a representation from:

- Beneficial Owners--The account holder(s), or a person authorized to represent the beneficial owners of the account, that the account is eligible to purchase new issues in compliance with this Rule (in the case of accounts that are funds of funds, the Company need only receive this representation from—the master fund); or

- Conduits--A bank, foreign bank, Broker-Dealer, or investment adviser, or other conduit that all purchases of new issues are in compliance with this Rule.

Associated persons may not rely upon any representation that they believe, or has reason to believe, is inaccurate. The first such representation from an account must be a positive affirmation; thereafter, personnel may use annual negative consent letters to affirm the account's non-restricted status. Oral representations and affirmations are not acceptable; they must be in writing or via electronic communication. The Designated Principal must ensure maintenance of copies of all records and information relating to whether an account is eligible to purchase new issues (for instance, the exemption relied upon) in respective files for at least three years following the Company's last sale of a new issue to that account.

10.1.7 " SOFT DOLLAR" ARRANGEMENTS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily supervision of trade execution Quarterly review of soft dollar arrangements
How Conducted:	Pre-approval Trade & Commission Reviews Review of soft dollar accounts and allocations
How Documented:	Approval Records Transaction Initials Correct net capital records delineating allocated soft dollars.
WSP Checklist:	1934 Act, Section 28(e)

"Soft Dollar" trades when the Company affects securities transactions for an investment advisor or money manager at a more expensive commission rate (more than the lowest available commission). The excess commissions are held in a designated account for the payment of qualified expenses. The Company, when instructed by the investment advisor or money manager, shall retain these "soft dollars" in a specially designated account.

The Company has not contracted with the investment advisor or money manager to make payments from their soft dollar account. The investment advisor or money manager is responsible to submitting requests to have the funds wired from the account and will provide documentation to the clearing firm and Company regarding the recipient when the funds are being sent to a third-party, if requested. The investment advisor or money manager is responsible for ensuring any expenses paid from their account complies with the requirements under 28(e) of the Investment Advisers Act of 1940 and is not required to provide details related to expenses being paid, unless requested to support the third-party transfer.

The Company, as a registered investment advisor, may pay soft dollars to an executing broker or dealer and receive research products from that BD, if such products are used for the benefit of the Company's advisory customers.

The Company, as a registered IA, is subject to all Rules relating to soft dollar arrangements and procedures relative to compliance are included in the IA Compliance Procedures, which are maintained under separate cover.

10.1.8 " PARKING" OF SECURITIES

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in course of doing business

How Conducted:	Trade Reviews Transfer of asset forms; letters of authorization
How Documented:	Investigation Records
WSP Checklist:	FINRA Rule 2010, 2510, Notice 08-57

"Parking" is a process whereby a Broker-Dealer or Representative arranges for securities actually owned or controlled by one person, " Company "or corporation to be held or "parked" in street name or record name of another, giving the misleading impression that they are really owned by that other person, company or corporation. Whether the device is called " a "loan," a "pledge" or a "transfer" the effect is the" same: the person doing the "parking" has the capacity to exert ownership or control over the securities under an arrangement which allows that person to direct their sale, pledge, voting or other disposition as if he/she were the record owner. Often the person and those involved in this activity expect to benefit from an anticipated appreciation in value once the" total transaction is accomplished.

"Parking" is often utilized to conceal trading activity, to avoid 13D reporting to "the SEC of acquisition of a "control" block, to evade net capital requirements, limits on percentage ownership applicable to mutual funds and the like.

It is a violation of SEC and FINRA rules (including the net capital" rules) for a Broker-Dealer to "park" securities. Any Registered Representative involved in a scheme to "park" securities will be subject to severe disciplinary sanctions by the Company.

Electronic surveillance of trading and other securities transfer activity today is so sensitive that the existence of unexplained and significant transfers of securities among related or concerted parties or groups will likely be picked up immediately and a regulatory inquiry will develop.

10.1.9 "MICROCAP" SECURITIES AND PENNY STOCKS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	During daily trade reviews and approvals.
How Conducted:	Pre-trade approvals
How Documented:	Approvals noted on trade documentation, new account forms or blotters. Verify completed LF109 Unsolicited Trade Letter, if required; LF147 Penny Stock Disclosure Documents, if required.
WSP Checklist:	FINRA Rule 6400 series; SEA Rules 15g-2-6; 15g-9 Notices 93-55, 92-42, 92-38, 03-28

While the company may transact business in penny stocks, it represents significantly less than 5% of the Firm's total commissions.

The Firm shall in all instances take whatever action is necessary to maintain its exemption from SEC Rule 240.15g-1 through 6, and Rule 250.15g-9, by limiting its commissions and commission equivalents in "penny stocks" (as defined in the aforementioned rules) during each of the preceding three months and during eleven or more of the preceding twelve months, or during the immediately preceding six months, to less than five percent of its total commissions, in accordance with the exemption in Rule 240.15g-1.

Penny stocks are non-NASDAQ, non-listed equity securities that sell for less than $5.00 per share. Rule 3a51-1 excludes a security from the definition of penny stock if the issuer has net tangible assets of $2 million or more and has been in business for at least three years, or $5 million or more if for less than three years.

Securities that are listed on foreign exchanges may also fall into this rule. In addition, the exclusion tests rule 15g-1 apply as described.

If the security is not excluded under the definition or exclusion tests, the registered representative is responsible for suitability as well as determining if the security is on a restricted trading list.

Prior to entering into a transaction, the registered representative must have Designated Principal review and approval.

If approved the following disclosures are required:

- Solicited orders require LF147 SEC Penny Stock Disclosure on file 2 business days prior to order entry.
- Unsolicited transactions require form LF109 Unsolicited Trade Letter

Sell orders for penny stocks will only be accepted if the position is long in the account.

If multiple clients invest in the same low-priced security, the transactions may be deemed solicited, even if the clients execute the LF109 Unsolicited Trade Letter.

10.1.10 THE OTC STOCK RECOMMENDATION RULE

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Prior to recommendations, if not exempt under the Rule
How Conducted:	Review of issuer financial and other information; customer suitability, Regulation BI
How Documented:	Description of information reviewed, date of review and name of person who reviewed (if not a principal, then name of principal who supervised the Compliance); list of securities approved for recommending, if used by the Company.
WSP Checklist:	Notice 02-66, Notice 09-20, 10-26, FINRA Rules 2114, 6420
Comments:	Applies to ANY OTC equity security: defined by FINRA Rule 6420 as any equity security that is not an "NMS stock" as defined in Rule 600(b)(47) of Regulation NMS – but not including Restricted Equity Securities. NMS stock is an NMS security other than an option--meaning any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in listed options.

In addition to other suitability requirements described in this Manual, FINRA Rule 2114 requires the Company, prior to recommending that a customer purchase or sell short any OTC Stock security (see definition above) to review the current financial statements of the issuer and current material business information about the issuer, and to make a determination that such information, and any other information available, provides a reasonable basis under the circumstances for making the recommendation. This review will be conducted by the Designated Principal, dated record of the review will be maintained, including the information reviewed and approval.

"Current material business information" is that which is ascertainable through the reasonable exercise of professional diligence and that a reasonable person would take into account in reaching an investment decision. The information reviewed should be current, as defined in the Rule, and will

generally mean information within the 15 months prior to the recommendation (the Rule must be reviewed to understand and abide by the specific requirements).

The requirements of FINRA Rule 2114 do not apply to:

- Private transactions (exempt under Reg. D or Section 4(2) of the Securities Act).
- Transactions with or "for an account that qualifies as an "institutional account," "qualified institutional buyer" or "qualified purchaser".
- Transactions in an issuer's securities if the issuer has at least $50 million in total assets and $10 million in shareholder's equity as stated in the issuer's most recent audited current financial statements, as defined in this Rule.
- Transactions in securities of a bank and/or insurance company subject to regulation by a state or federal bank or insurance regulatory authority; or
- A security that has a bid price, as published in a quotation medium, of at least $50 per share. If the security is a unit composed of one or more securities, the bid price of the unit divided by the number of shares of the unit that are not warrants, options, rights, or similar securities must be at least $50.

The Company's review required by the Recommendation Rule does not take the place of its other required reviews, including, most notably, customer suitability and Regulation BI.

10.1.11 REINVESTMENT OF CERTIFICATE OF DEPOSIT PROCEEDS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon new account opening; daily trade reviews.
How Conducted:	Review of customer suitability forms; disclosure by Rep and evidence of acknowledgement; review of correspondence and notes to files. Review of trade activity records.
How Documented:	Notes to files (or disclosure document).
WSP Checklist:	Rules of Conduct, Notice 93-87; Notices 02-28, 02-69
Comments:	

Traditional CDs typically are issued by a bank directly to a customer, carry a fixed interest rate over a fixed duration of time, and are insured by the Federal Deposit Insurance Corporation (FDIC) up to $100,000 against insolvency by the depository institution. As such, they are generally considered by the investing public to be a simple and conservative product that carries few risks.

Re-Investment of CD Proceeds In accordance with the Rules of Conduct, and as outlined in Notice 93-87, Representatives are required to disclose to customers the varying risks of investing the proceeds of deposits, such as maturing Certificates of Deposit (CD), in a security, such as a mutual fund, collateralized mortgage obligation (CMO), or variable insurance product. Representatives should emphasize to customers that these securities products, while potentially providing attractive investment returns, are not the same as CDs, are not government insured, and have varying risks associated with them.

In networking arrangements with financial institutions, the customer is required to sign LF136 Customer Disclosure and Written Acknowledgement form. See Section Networking Arrangements with Financial Institutions for specific procedures.

The Designated Principal, in reviewing customer transactions will seek to determine the source of funds used to make the investment. If it is determined funds came from the proceeds of a maturing CD or the liquidation

of an existing CD, the Principal will verify that disclosures were provided to customers. Where evidence of the disclosures is not present, the designated Principal will investigate the transaction and will document the review and outcome in the customer records.

Also see Section CASH ALTERNATIVES, for procedures related to such investments.

10.1.12 ILLIQUID INVESTMENTS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon unsolicited request from client to liquidate illiquid investments
How Conducted:	Review new account information from both sides of the transaction; Review trade reports and related notes regarding the transaction; Review statements of understanding from customers
How Documented:	Notes to files; Initials on new account information, statements of understanding and trade reports
WSP Checklist:	Notice 08-30
Comments:	

In June 2008, FINRA issued guidance regarding unsolicited sell transactions in illiquid securities where the customer is aware of specific buying interest in that security. In this guidance FINRA stated that there are no specific rules that would require the Company to refuse to follow the customer's instructions, even if the Company had a reason to believe the market or price for the securities was not favorable at the time the customer wishes to do the transaction. However, in those instances, the Company must disclose the pricing risks to the customer and would be required to obtain a written acknowledgment from the customer that he or she understands the pricing risks.

While delays in following the customer's instruction could violate FINRA Rule 2010, FINRA recognizes that there may be circumstances when such a delay is warranted, such as when the Company has reason to doubt the identity of the person giving the instructions. However, the Company may not delay acting on instructions from the customer regarding the sale of illiquid securities if the following conditions are met:

- The customers on both sides of the transaction have indicated their understanding that the transaction is not being recommended by the Company and that the Company is not making a suitability or best interest determination.
- The customers understand that the Company cannot reach a view as to the sufficiency or competitiveness of the pricing; and
- The Company has no legitimate concerns about the ability of either side to settle the proposed transaction.

The Registered Representative, upon receiving such a request from the customer should ensure that the customer has adequate information regarding any buy interest in the security. In addition, he must also disclose whether the Company has any financial interest in the transaction.

10.1.13 MEMBER PRIVATE OFFERINGS- NOT APPLICABLE

10.1.14 AMERICAN DEPOSITORY RECEIPTS ("ADR")

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	During daily trade reviews and approvals;
How Conducted:	Trade blotter reviews

How Documented:	ADR reviews are documents by supervision on their daily trade blotter reviews.

An American Depositary Receipt (ADR) is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock traded in the US. ADRs can trade in US listed exchanges and Over the Counter / Bulletin Board. Due to the risk of loose filing requirements in the OTC/BB markets, Supervised persons are prohibited from purchasing ADRs and foreign stock that trade in this market on a solicited basis unless they meet the following market capitalization:

-Mid-Cap($2-10Billion)
- Large Cap ($10Billion or more)

ADRs and foreign stocks that do not meet the parameters above are subject to the firm's existing OTC-BB/Penny stock Procedure as outlined in Section 11.9. This would include ADRs and foreign stocks with "Y" and "F" suffix trading in this market that have a market capitalization of 2 billion or less (small to micro-cap).

10.1.15SHORT SALES

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily approval of trades;
How Conducted:	In margin accounts, subject to clearing firm margin reviews & approvals.
How Documented:	Notification from clearing firm
WSP Checklist:	Reg. T, FINRA Rules 4210, 4320, 4560, 6182 & 6624; Rule 6320A; Reg. SHO, including Rule 201: Circuit Breaker; Notices 95-8, 03-08, 04-03, 04-21, 06-14, 06-28, 07-24, 08-13, 08-38, 08-50, 08-57, 10-26, 10-35, 12-38, 14-13; SEC Release 34-55970, SEC Press Release 2007-120; SEA Rule 15c3-3; SEC Release 34-70072
Comments:	

Selling securities short is allowed only for clients approved by the Designated Principal as having an adequate understanding of financial markets and the process of short sales and the financial resources to absorb potential losses from such activity. Short sales can only be affected in listed and OTC marginable securities. The following procedures must be followed by associated persons.

- All order tickets for customer short sales will be marked to show that it is "short" or "short exempt" (see below).
- The RR must confirm that the customer has entered into a margin account agreement and that such an agreement is on file; no short sales may be conducted otherwise.
- Before entering an order for a short sale, the RR must review the customer's account to ascertain that there is adequate equity to comply with all applicable margin rules.
- Before executing any short sale for a customer, the RR must make an affirmative determination that the clearing firm has sufficient securities available for loan and are reserved for the client's transaction. The RR must note on the trade ticket that the sale is short.
- Short sales must not be permitted for covered securities when a circuit breaker has been triggered; exempt trades must be marked "short exempt" when required under Rule 201 of Reg. SHO (see below for specifics).

The clearing firm's proprietary trading system monitors the status of each stock for short selling purposes. When entering a stock symbol, the status, whether hard to borrow or available, will appear to the user. Stocks that are displayed as hard to borrow may be available; the trader must first contact the clearing firm stock loan department to verify the status before shorting. Stocks marked as available may be shortened with no further investigation. This system is designed to prevent illegal short sales by rejecting them before execution.

Short Position Records and Reporting: The Company's clearing firm conducts all short position reporting on behalf of the Company.

10.1.16CLIENT ONLINE TRADING – NOT APPLICABLE

10.1.17ORDERS AHEAD

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily
How Conducted:	Review of order allocations and related trade executions
How Documented by the firm:	Trade tickets, order records, blotters, order allocations and account designations/names provided by IA's
WSP Checklist:	FINRA Rule 5270, 5310, 5320, 2010 FINRA Rule 4515.01, Notice 11-19

FINRA's front running and trading ahead rules address when an associate has knowledge of orders ahead of non-public information to clients. FINRA's fair dealing obligation also requires a B/D to act with commercial honor and in accordance with just and equitable Principals of trade and SEC Reg BI requires associates to act in the retail clients' best interest. Finally, FINRA's Rule 5310 defines a B/D's general obligation to obtain best execution for its clients.

The Company's primary objective is to put its customer's interest first. . Therefore, an Associate must make every effort to execute a marketable customer order that they receive fully and promptly prior to a transaction in the same security for account(s) the firm or associated person has an interest. In the event an associated person's transaction in the same security on the same day is executed first, and at a better price, the Company reserves the right to review and adjust the price on the Company's customer transactions, and charge back any costs to the registered associate.

The Designated Principal performs daily reviews and any exceptions are to be approved by the Designated Principal on a case-by-case basis.

10.1.18FRONT RUNNING OF BLOCK TRANSACTIONS

Associates may not trade a security, or a related financial instrument, for accounts defined below when they have material non-public market information concerning an imminent block transaction for clients:

- Accounts the firm or associated person has an interest, or
- Accounts the firm or associated person exercises investment discretion, or
- Accounts the firm or associated person has provided the material, non-public information.

The block transaction is considered public when it is disseminated via a last sale reporting system.

A trade processed as a block with the Company may be deemed to be a block transaction under Rule 5270 when it has the potential to have a material impact on the market (transactions involving 10,000 shares or more are generally deemed a block transaction). All associates entering orders are required to abide by the front running rule.

10.1.19TRADING AHEAD OF CUSTOMER ORDERS

The Company may not hold an order in an equity security from its own customer to trade the same security on the same side of the market for its own account that would satisfy the customer order, unless

it immediately executes the customer order up to the size and at the same or better price traded for its own account.

While LFF does not trade proprietarily, in the normal course, LFF may require the ability to trade principally for accommodation purposes. As such, all associates entering orders are required to abide by the trading ahead rule.

10.1.20 DISCRETIONARY BLOCK ALLOCATION

The Company allows investment advisor representatives (IARs) to submit block orders on behalf of discretionary advisory designated client accounts held at the Company.

Neither the Company nor its associated persons may act recklessly or with knowledge in facilitating an investment adviser's breach of its fiduciary duty to its clients. The Company, under the supervision of the Designated Principal, must attempt to ensure compliance with the investment adviser's fiduciary duty with respect to allocations for such participating accounts, including but not limited to allocations based on the performance of a transaction between the time of execution and the time of allocation. Should the Designated Principal perceive trading in violation of this procedure, an investigation will be conducted and disciplinary action may take place.

10.1.21 INVESTIGATIONS OF QUESTIONABLE RR TRADING ACTIVITY

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily; Spot checks of commission runs.
How Conducted:	Review of transaction documentation including disclosure documents and related correspondence, as applicable. Review commission runs for unusual trading patterns activity in active accounts. Review of correspondence and client files. Interviews
How Documented:	Initials on trade blotters; Establish investigation file and documentation to cancel transactions, if necessary.
WSP Checklist:	FINRA Rule 2010, Notice 08-57

In the event of suspected questionable Representative transaction activity, the Representative will be questioned about the activity and may be required to present a written explanation. A file will be kept in which documentation of the situation and its resolution is described.

Potential indicators of unauthorized transactions may include a pattern of:

- Cancellations of transactions,
- Cancellations and rebilling between accounts,
- Sellouts for failure to pay for purchases, and
- Numerous extensions.

In the event of an unauthorized or disputed trade incident involving a customer, the Representative will normally be asked to provide written documentation describing the events and circumstances of the situation. The Designated Principal will review the facts and make a determination as to resolving any conflict. Review and corrective action may include the following, depending on the circumstances:

- Confer with Registered Representative,
- Contact customers directly to confirm authorization of transactions,

- Cancellation of unauthorized transactions, and/or
- Confer with Compliance regarding any identified unauthorized transactions.

Where it is determined that restitution is called for or that a trade must be cancelled and/or corrected, all or part of the disputed trade will be placed in the clearing firm's Error Account and corrected accordingly. Any profit resulting from any subsequent trade(s) will go to the clearing firm; losses will be the responsibility of the Representative(s) at fault as determined at the exclusive discretion of the designated Principal. Cannabis Stocks

Name of Supervisor ("Designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and in Appendix A
Frequency of Review:	Daily and/or as required as part of the trade blotter reviews;
How Conducted:	Review of transaction blotters for solicited trades in cannabis stock. Review of transaction blotters for trades in unapproved cannabis stocks not traded on an exchange. Review of documentation for LFF109 Unsolicited Trade letter for each transaction in cannabis stocks.
How Documented:	Initials on trade blotters; Establish investigation file and documentation to cancel transactions, if necessary.
Comments:	The firm follows trading rules implemented by Raymond James, the firm's clearing agent and custodian.

The Firm seeks to promote and enforce compliance, prevent fraud and identify and monitor risks associated with transacting in higher risk securities ("HRS"), specifically Cannabis-related Securities ("CRS"). This procedure outlines the differences between the prohibition and permissibility of transacting in certain CRS.

Definitions:

Approved Cannabis-related Securities: Any security that is associated with a company whose primary revenue stream is generated from participating in the growth, cultivation, production, sale or distribution of cannabis products, including all cannabis extracts such as hemp and cannabidiol oil ("CBDs") **that is listed on an approved U.S. Exchange. The full list of approved CRS can be found here.**

The Policy:

The Firm's policy allows the following transactional activity of approved cannabis-related securities listed on approved U.S. exchanges (e.g. NYSE or NASDAQ).

- Unsolicited purchases and liquidations.
- Short sales are permitted.
- Options trading is permitted.
- Margin use and securities-based lending is permitted (subject to standard constraints); and
- Physical certificate deposits are permitted.

The Firm prohibits the deposit, purchase, liquidation (unsolicited or otherwise) and all other transactions of cannabis-related securities not listed on approved U.S. exchanges.

The Firm's LF109 (Unsolicited Trade Letter) will be required for all CRS transactions.

10.2 TRADE DESK

The Company does not a have a "Trade Desk," per se; however, because it receives and transmits customer orders to its clearing firm and various product sponsors and issuers, certain sections herein are considered applicable. Designated Principals overseeing registered representatives review trades and trade execution, as well as certain transactions and their execution. In some cases, "Trade Desk" functions, as described, are completed by the clearing firm's trade desk. The Company's "best execution" responsibilities apply to its obligation to adhere to breakpoint guidelines, as presented in the specific product sections under Section 15, below.

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; daily
How Conducted:	Monitor T+1 Trade Alerts Generate Ad-Hoc reports to identify trends
How Documented:	Trade Summary Review Status Updates Investigations and Trade Reports
WSP Checklist:	FINRA Rules 5210, 5220, 5230, 5240, 5270, 5280, 5310, 5320, 6000 series, 11890 series; SEA Rule 11Ac1-1; Notices 03-28, 03-69, 04-66, 05-64, 05-69, 08-49, 08-57, 09-08, 09-11, 09-20, 09-28, 09-60, 09-72, 10-04, 10-26, 10-42, 10-43, 11-24, 12-13, 12-50, 12-52, 14-28

The Trade Desk operations of Level Four Financial, LLC will be conducted in accordance with policies and procedures discussed throughout this WSP, including those related to orders, transactions, insider trading, prohibited activities, specific products, etc. Representatives with questions should consult their designated supervisor/Designated Principal for assistance.

When conducting firm or customer trading, Company personnel must adhere to just and equitable Principals of trade. The Designated Principals and other supervisors are required to review activity for failure to adhere to these Principals. The following are examples of prohibited activities:

10.2.1 TRADING SYSTEMS AND RISK MANAGEMENT

With regard to all trading systems used by the Company, including, if applicable, outside vendors, automated trading systems, electronic communications networks, or other market centers, and including those systems described in the sub-sections to follow, the Company is committed to preventing errors in data input, such as incorrect quantities of shares or prices. Company personnel must also comply with all terms of the respective subscriber agreements with outside systems, where applicable. The Designated Principal, in his or her reviews of trading and order activity, will ensure compliance guidelines are followed.

10.2.2 ERRONEOUS TRANSACTIONS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	As required
How Conducted:	Request completed certifications
How Documented:	Certifications File notations

Order Entry Errors

Trading and order entry personnel must try to avoid and prevent order entry errors. Although errors can be corrected, personnel should endeavor to avoid committing them, rather than relying on the correction process.

For Corrections that **Do Not** Require Market Action including:

- Incorrect Account numbers, Account Type, FA number, Commission or Fees
- To Resolve an Employee Better Price Alert
- Incorrect Solicited /Discretion Indicator on an order

the following Raymond James form should be completed online by the appropriate associated person:

- Form 1721 to correct Equity and Options trades.
- Form 2056 if you entered the trade via the AMS platform.
- Form 1848 to correct Fixed Income trades.
- Form 2050 for Mutual Fund trades.

For Corrections that **Do** Require Market Action such as:

- Price Adjustments
- Trade Date Changes
- Symbol/Cusip change
- Cancelled trades
- Share quantity adjustments

Advisors must contact the Raymond James Equity/Options Trade desk (Ext. 72000 or 72069) in order to correct (or cancel) a trade that requires market action.

Additionally, representatives are required to complete the LFF-003 Trade Errors and Corrections form and email it to newaccounts@levelfourfinancial.com.

Designated Principal's should conduct additional review of:

- Trade correction post settlement
- Non-rep notification/identification (client, clearing firm, BM review)
- Trade error more than $10k
- Violation of account suitability
- Representative's frequency of trade errors

Where it is determined that restitution is called for or that a trade must be cancelled and/or corrected, all or part of the disputed trade will be placed in the clearing firm's Error Account and corrected accordingly. Any profit resulting from any subsequent trade(s) will go to the clearing firm; losses will be the responsibility of the Representative(s) at fault as determined at the exclusive discretion of the designated Principal.

10.2.3 BEST EXECUTION AND RELATED RULES

The Company does not execute customer transactions: rather, it receives customer orders and routes them to its clearing firm or third-party firm for handling and execution. Company personnel do not have any discretion when it comes to determining or receiving best prices for customer purchases. The Company expects that its clearing firm and other firms utilized for execution services (if any) will periodically assess the quality of competing markets to assure that order flow is directed to markets providing the most beneficial terms for the Company's customers' orders ("best execution"). The Company requests from its clearing firm/executing

Broker-Dealer evidence of its "regular and rigorous reviews"—that is, a copy of any analyses that the firm has done (either on its own or by a third-party vendor) to evaluate the execution quality of customer orders that the Company routed to it for execution. The Designated Principal is responsible for reviewing these statistical results and rationale in order to confirm that best execution is achieved in its routed customer orders and maintain records evidencing his reviews of these reports.

10.2.4 THE ORDER RECORD

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily review of T+1 trade summary alerts; daily approval of orders requiring approval
How Conducted:	Trade summary review Review for completeness, suitability of transactions, best interest determination, discretionary authority, orders requiring pre-approval and prohibited orders.
How Documented:	Sign individual order ticket(s) or update trade summary status
WSP Checklist:	FINRA Rules 4515, 5210, 5310, 5340, 5350, 6622, SEA Rule 17a-3(b), SEC Emergency Orders, Notices 08-38, 09-08, 11-19, 12-13

In order to ensure accurate order transmission and compliance with SEC regulations and certain rules of the various SRO'S, Level Four Financial, LLC and its Registered Representatives shall take great care in preparing orders. Where orders are prepared electronically, the order entry system recognizes the user (who has access by password entry only) and the electronic 'record' is notated to show the registered person entering the order—and therefore no physical notation by the RR is entered. For paper order records, the RR will note his or her name or initials on each.

The order record shall contain all details of the order (where applicable), including the following information:

- Customer name.
- Account for which the trade was ordered (account number);
- Date and time of order (received from the customer);
- Location of security.
- Name of security.
- Amount/Quantity.
- Buy or sell instruction and, if selling, indication of long or short (the preparer shall "short" except that this shall not apply to transactions in corporate debt securities);
- Price or instructions with regard to price.
- Whether transaction is a discretionary order (only time and price discretion is permitted when authorized by the client);
- Whether transaction is solicited or unsolicited.
- Time order was forwarded to Clearing Firm or other entity for execution.
- Time order is executed, if known or easily ascertained.
- Other terms of the order (fill or kill, stop limit, etc.);
- The name of the Registered Representative responsible for the account and any other person who took the order on behalf of the customer (or a notation indicating that the customer entered the order on an electronic system, if so).

FINRA Rule 5340 prohibits pre-time stamping of order tickets in connection with block positioning.

The following additional information should be provided in the kinds of transactions or situations listed below:

Discretionary Trades — The Company prohibits discretionary trades in brokerage accounts. If the client has authorized a one-day time and price discretionary order, the ticket must be identified by checking the box marked "same day time/price discretion".
"Penny Stock" Trades — Customers must sign forms where required (see "Microcap Securities").
Short Sales — Indication of whether the clearing firm is able to borrow the security and satisfy the requirements for an "affirmative determination" as defined in the Conduct Rules; indication if 'short exempt' per the Circuit Breaker Rule.

The Designated Principal shall conduct a daily review of orders: either by reviewing the physical order records prepared by Registered Representatives or the trade summary describing these orders. He or she will evidence the review by either signing or updating the trade summary status. This review shall confirm the completeness of the order records as required by the governing Rules in each transaction, including FINRA Rule 4515 and SEA Rule 17a-3. Incomplete records will be brought to the attention of the respective Representative and will be corrected/completed as necessary.

10.2.5 ORDER PROCESSING

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily
How Conducted:	Review of trade summary Review for consistency and completeness.
How Documented:	Initials on order tickets or trade summary review update
WSP Checklist:	FINRA Rules 5330, UPC Rule Series1100.

Only authorized personnel may enter orders on the Company's order entry system, and/or call-in orders to the clearing firm, if applicable. The clearing firm's electronic order entry system is password-protected, and each terminal requires pre-approved users to log on using confidential passwords. Passwords are regularly changed in order to prevent unauthorized information entry.

Where there are multiple executions on one order, the amount and price at which each execution is transacted should be entered on the order ticket and the ticket shall be clocked for each trade at the time of each execution. This provision shall apply as well to all negotiated trades. Following execution, the clearing firm is responsible in preparing an Execution Report that contains all applicable information per the rule.

It is the responsibility of the individual Registered Representative to provide sufficient funds/securities to accomplish settlement. Excessive delays or extensions in client accounts will lead to disciplinary action.

10.2.6 VOLATILE SECURITIES – NOT APPLICABLE

10.3 MARGIN REQUIREMENTS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily and periodically
How Conducted:	Review of customer account documentation. Monitor margin equity and unsecured debits for potential collection risk Review net capital deduction requirements, when applicable

How Documented:	Initial account documents; Margin Account Alert Status Updates Clearing firm margin notifications
WSP Checklist:	Reg. T, FINRA Rules 4210, 4220, 4230. Notices 01-11, 03-66, 05-47, 08-32, 08-60, 08-65, 09-30, 09-53/65, 10-08, 10-28, 10-45, 10-53, 11-15, 11-16, 11-20, 11-31, 12-44, 12-58, 13-39
Comments:	See this link for FINRA's published margin interpretations: http://www.finra.org/web/groups/industry/@ip/@reg/@rules/documents/industry/p122203.pdf

See Section MARGIN ACCOUNTS for additional procedures.

10.3.1 INITIAL AND MAINTENANCE MARGIN REQUIREMENTS AND OTHER OBLIGATIONS

The Company offers margin accounts to its customers, however, as it is a fully disclosed introducing firm, it is the Company's clearing firm that is extending credit to its customers. The Company's clearing firm, as creditor, is required to establish policies and procedures to comply with FRB Regulation-T and FINRA Rule 4210.

10.3.2 RISK MANAGEMENT

The Company assumes responsibility for margin collections. As such, the Company has established the following risk management policies for the purpose of controlling its risk in offering margin accounts to its customers. The goal of these policies is to effectively monitor collection risk associated with margin accounts. This methodology must be applied by the Designated Principal in approving and maintaining margin accounts:

- On an individual customer basis:
- Operational Principals should obtain and review and forward to the clearing firm the appropriate customer account documentation and the customer financial information necessary to determine suitability or best interest and eligibility for extension of credit.
- The clearing firm will establish, and Designated Principals will observe guidelines for the determination, review and approval of credit limits to customers, across all customers who qualify for margin accounts.
- Designated Principals will monitor active margin accounts, reviewing them periodically in order to manage collection risk exposure to the Company.
  Designated Principals shall respond to the clearing firm's margin calls, liquidations, higher margin requirements or any other actions allowable under the terms of the clearing firm's Margin Disclosure Statement to mitigate risk. Designated Principal's or the clearing firm may withdraw margin rights. The Company relies on its clearing firm to provide and analyze margin reports and to take action when necessary to mitigate or modify credit risk.

10.3.3 DAY TRADING MARGIN REQUIREMENTS

FINRA Rule 4210(f)(8)(B) includes margin requirements for day traders, LFF relies on the clearing firm to manage and supervise day trading margin requirements. Designated Principals should be aware of the following day trading requirements by the clearing firm:

- Define "pattern day trader" to include any customer who executes four or more-day trades within five business days. However, if the number of day trades is 6% or less of total trades for the five-business day period, the customer will not be considered a pattern day trader and the special requirements of the new Rule will not apply.
- Require minimum equity of $25,000 to be in an account on any day in which the customer day trades. Funds deposited into a day trader's account to meet the minimum equity or maintenance

margin requirements would have to remain in the account for a minimum of two business days following the close of business on the day of deposit.

- Notify the clearing firm in cases where a customer seeks to open an account or to resume day trading at the Company, and the Company knows or has a reasonable basis to believe that the customer will engage in pattern day trading, then the unique requirements of the Rule will apply. In addition, in such a case, the minimum equity requirement of $25,000 must be deposited in the account prior to commencement of day trading.
- Require special maintenance margin, based on the cost of all the day trades made during the day, of 25% for margin eligible securities;

10.3.4 JOINT BACK OFFICE- NOT APPLICABLE

10.3.5 HIGHER MARGIN SECURITIES LIST – NOT APPLICABLE

10.3.6 DISCLOSURE

Under the federal securities laws, when the clearing firm extends credit to customers to finance securities transactions, they are required to furnish, in writing, specified information regarding the terms of the loan. These disclosures must be made on both an initial and periodic basis. At the time a customer opens a margin account, the clearing firm provides the customer with a written statement disclosing, among other things, the annual rate of interest, the method of computing interest, and what other credit charges may be imposed. These initial disclosures help to ensure that the customer understands the terms and conditions of the margin loan and allow the customer to compare available credit terms. The clearing firm provides periodic (at least quarterly) written statements to the customer, which disclose such information as opening and closing balances, total interest charges, and other charges resulting from the extension of credit.

10.4 CONFIRMATIONS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily, per transaction
How Conducted:	Spot checks of confirmations
How Documented:	Records of spot checks retained. Records of any action taken
WSP Checklist:	SEA Rule 10b-10, 17a-4(b)(1), FINRA Rule 2232, MSRB G-15, MSRB Notice 2009-49, Notice 95-2, 10-62, 17-24
Comments:	No-action letter for prime broker accounts: http://www.sec.gov/divisions/marketreg/mr-noaction/pbroker012594-out.pdf

The Company's clearing firm prepares and sends to customers all required customer confirmations. The Company receives copies of these confirmations and maintains them in accordance with recordkeeping rules under SEC 17a-3 and -4.

The Designated Principal will conduct periodic spot checks of confirmations to determine if the Company is in full compliance with Rule 10b-10 and other applicable confirmation rules. Any discrepancies found will be brought to the attention of the respective personnel preparing confirms or the clearing firm, if applicable, with the intention of improving confirmation preparation.

At or before completion of any transaction (as defined) in any security effected for or with an account of a customer (not another Broker-Dealer), the Company, or its clearing firm if so designated, must give or send

to the customer a confirmation meeting all requirements of SEA Rule 10b-10. Confirmations must include the following:

- The date and time of the transaction. For corporate and agency debt securities, the time must be shown to the second;
- The identity, price and number of shares or units (or principal amount) of such security purchased or sold.
- Whether the Company is acting as agent for the customer, or agent for some other person or for both, or as principal for its own account and, if the Company is acting as principal, whether as market maker (other than by reason of acting as block positioner);
- If the Company is acting as agent:
- the name of the person from whom the security was purchased or to whom is was sold or that it will be furnished on request;
- the remuneration received by the Company from the customer, unless remuneration is determined pursuant to written agreement (which may be the customer account form), otherwise than on a transaction basis.
- a statement as to whether payment for order flow is received by the Company for transactions in such securities and that the source and nature of the compensation received in connection with the particular transaction will be furnished on request.
- the source and amount of any other remuneration received or to be received by the broker in connection with the transaction (with exceptions: see SEA Rule 10b-10);
- If the Company is acting as principal for its own account:
- where it is not a market maker and where it has offsetting orders, the differential between the purchase and sale prices; and
- where the security is an NMS stock or a reported equity security subject to last sale reporting, the reported trade price, the price to the customer in the transaction and the difference, if any, between the two.
- For odd-lot orders, whether any odd-lot differential or equivalent fee has been paid and that such fees will be furnished upon oral or written request unless already included in remuneration disclosure or exempt (see the Rule);
- For transactions in debt securities:
- That are callable bonds: a statement to the effect that such bond may be redeemed in whole or in part before maturity, and that such a redemption could affect the yield represented and the fact that additional information is available upon request.
- Done on a dollar price basis: the dollar price; and the yield to maturity calculated from the dollar price (with exceptions for certain bonds—see the Rule):
- Done on a yield basis: the yield, including the percentage amount and its characterization (***e.g.,*** current yield, yield to maturity, or yield to call) and if effected at yield to call, the type of call, the call date and call price; the dollar price calculated from the yield; if effected on a basis other than yield to maturity and the yield to maturity is lower than the represented yield, the yield to maturity as well as the represented yield (with exceptions for certain bonds—see the Rule):
- That are asset-backed securities backed by receivables or subject to continuous prepayment: statements about the variability of actual yield and providing, upon request, information on factors that affect yield.
- That are corporate or agency securities done with non-institutional customers: As outlined in FINRA Rule 2232(c), the mark-up and mark-down for applicable transactions must be shown on the confirmation.
- Other than government securities: disclosure that the security, if such is the case, is unrated by a nationally recognized statistical rating organization.

In addition, FINRA Rule 2232 requires the clearing firm to include on confirmations:

- For trades in any NMS stock or any security subject to the reporting requirements of the FINRA Rule 6600 Series, other than DPP's as defined in FINRA Rule 6420: the settlement date.

- Firms must include a hyperlink to a web page hosted by FINRA that contains publicly available trading data for the specific security that was traded when transactions are done with non-institutional customer in corporate or agency debt securities and confirmations are provided electronically.
- For any transaction in a callable equity security: that the security is a callable equity security, and that the customer may contact the clearing firm for more information concerning the security.

The clearing firm does not have to send confirmations to customers if it's business with customers whose transactions are done according to a periodic plan or investment company plan, or made in registered investment company shares ('mutual funds') at NAV (as long no sales load is deducted), AND if statements are issued by the clearing firm to such customers in accordance with SEA Rule 10b-10. Certain other requirements relating mutual fund confirms are included in the mutual fund procedures, herein.

See the procedures herein for confirmation requirements for options and futures transactions. Also, municipal securities have their own confirmation requirements under G-15, including those on DVP/RVP business, electronic delivery and certain yield computations. For institutional clients with prime broker accounts, the clearing firm may rely on a 1994 SEC No-Action letter when not sending confirms to clients. In such a case, the prime broker will provide confirms to the client in lieu of its clearing firm. The clearing firm will receive and maintain written notification from its client of its prime brokerage agreement and intention to receive confirms from its prime broker.

The descriptions above about required disclosures are summarized: operations department supervisory personnel who oversee confirmation preparation must ensure compliance with all requirements under 10b-10 and FINRA Rule 2232, as well as any other rules pertaining to disclosures requirements when applicable.

For any information requested by customers as described on confirmations, the clearing firm must provide the requested information to customers within 5 business days of receipt of the request. If the trade happened more than 30 days prior to receipt of the request, the information must be delivered to the customer within 15 business days.

10.5 LARGE ORDERS AND LARGE TRADER REPORTING

10.5.1 DEFINITION OF LARGE TRADER

SEC Rule 13h-1 defines "larger trader" as any person that directly or indirectly exercises investment discretion over transactions in NMS securities that equal or exceed:

- 2 million shares or $20 million during any calendar day; ***or***
- 20 million shares or $200 million during any calendar month.

For purposes of Rule 13h-1 and these procedures, the thresholds are referred to as the "Identifying Activity Level."

10.5.2 AGGREGATION OF ACCOUNTS

In determining large trader status, a person must aggregate the accounts over which it has investment discretion with those accounts over which anyone controlled by such person (for example, a subsidiary) exercises investment discretion.

10.5.3 FORM 13H

A large trader is required to file a Form 13H Initial Filing promptly after effecting aggregate transactions equal to or greater than the Identifying Activity Level threshold. A large trader that fails to file Form 13H and identify itself as a large trader is an "Unidentified Large Trader."

10.5.4 BROKER DEALER RECORDKEEPING OBLIGATIONS

The Firm is required to maintain records of all information concerning all transactions effected directly or indirectly for:

- each account carried by such Broker-Dealer for a large trader or Unidentified Large Trader; and
- each proprietary or other account over which the Broker-Dealer exercises investment discretion, provided the Firm is a large trader.

When an account is carried by a non-Broker-Dealer for a large trader or Unidentified Large Trader, the Broker-Dealer effecting transactions directly or indirectly for such large trader or Unidentified Large Trader must maintain records of all the information required by Rule 13h-1 concerning those transactions.

10.5.5 DETECTING UNIDENTIFIED LARGE TRADERS

Rule 13h-1 requires the Firm to treat as an Unidentified Large Trader any person that it knows or has reason to know is a large trader where such person has not complied with the identification requirement applicable to large traders. The Firm will use the following guidelines to detect Unidentified Large Traders:

1. The Firm will take into account only transactions in NMS securities effected by or through it. (The SEC does not expect the Firm to seek out information about its customers on transactions effected elsewhere.)
2. Registered Representatives are expected to know their customers and their trading activity. Relying on this knowledge, the Designated Principal may reach the conclusion that the Firm has no reason to expect that any of its customers' transactions approach the Identifying Activity Level.
3. When the Firm has reason to believe a customer may qualify as an Unidentified Large Trader based on transactional activity, the Designated Principal will establish policies and procedures reasonably designed to identify whether the transactions conducted by or through the Firm (or otherwise known by the Firm) equal or exceed the Identifying Activity Level.

10.5.6 OBLIGATIONS WITH RESPECT TO UNIDENTIFIED LARGE TRADERS

When the transactional activity of a person rises to the Identifying Activity Level or the Firm otherwise believes such person is an Unidentified Large Trader, the Designated Principal will:

- Notify the Unidentified Large Trader of its potential reporting obligation under Rule 13h-1 and maintain a record of this notification; and
- Ensure that the Firm (or the Broker-Dealer carrying the person's account(s)) is meeting the recordkeeping and reporting provisions in paragraphs (d) and (e) of Rule 13h-1.

The SEC does not require the Firm to cease trading or take any other action with respect to the Unidentified Large Trader.

10.6 SOLICITED/UNSOLICITED TRANSACTIONS

An "unsolicited" transaction is one initiated by the customer with no recommendation, prompting or other urging by the Registered Representative. For this reason, it is important to record the source of each trade to determine the level of "suitability" inquiry or best interest analysis required. Section 7 should be reviewed for a discussion of suitability in the context of recommendations to institutional investors.

Trade tickets will be marked to indicate whether the transaction was "unsolicited." The Registered Representative is responsible for providing this information. Compliance reviews of each Representative's activities in customer accounts are designed to verify that trades were in fact "unsolicited" especially where a large number of such transactions repeatedly appear.

10.7 TRADE REPORTING

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily
How Conducted:	Daily management of trade reporting; review of trade reporting if done by third party. Review for consistency and completeness.
How Documented:	Order tickets, trade records; reporting records, Notices to FINRA: Initials on applicable documents
WSP Checklist:	FINRA Rules 6280, 6400 series, 6550, 6600 series, 6730, 7130, 7230, 7330, 7370; UPC Rule Series11000; Notices 08-38, 09-08, 09-21, 09-46, 09-52, 09-54, 10-07, 10-10, 10-24, 10-26, 10-29, 10-48, 10-49, 11-03, 11-40, 12-19, 13-19, 14-21, 14-23. Trade Reporting Notices 2/8/10, 8/19/10 and 3/25/13
Comments:	All time will be expressed as Eastern Standard Time (EST)

The Company's clearing firm conducts transaction reporting, based on the types of securities traded (i.e., exchange-listed, OTC, DPP, Corporate Bonds, Agency Debt, Municipal Bonds, etc.) and nature of trading parties (i.e., market makers, order entry firm, interdealers).

When a third party is used for clearing, reporting or locking-in trades, whether under an Automated Give Up (AGU), Qualified Service Representative (QSR) or other arrangement, the President will ensure that an acceptable agreement is executed and that the Company establishes a system for periodically reviewing the third party's compliance with requirements.

Currently the Company relies on its clearing firm to conduct trade reporting on its behalf.

This WSP Manual does not include reference to every rule and requirement vis-à-vis trade reporting. See the sections in this Manual on, TRACE, RTRS and ATS for information on other reporting obligations.

Timely Trade Reporting: Trades and cancellations *must* be reported as soon as practicable, regardless of the stated deadline (e.g., 10 seconds). When applicable, the Company must maintain documentation demonstrating that a trade was reported late.

The Designated Principal shall ensure that all required reporting is completed either by a designated person at the Company, by its clearing firm or by a third party, if so designated. The designated Principal shall review documentation provided by the clearing firm or other third-party, if applicable, or generated from the

applicable trade reporting systems where the Company is self-reporting, to ensure that reporting is being done in compliance with applicable time requirements and that all trades have been reported as required. The designated Principal may use report cards provided by FINRA or MSRB, if applicable, as evidence of his/her review of trade reporting documentation; records of reviews will be maintained in accordance with the Company's recordkeeping policies. See Notices 06-39 and 07-63, among others, for details.

10.8 CONSOLIDATED AUDIT TRAIL SYSTEM (CAT)

There are no exclusions or exemptions based on the type of firm, the type of trading activity or the way in which trades are routed and executed. All FINRA member firms that receive or originate orders in NMS stocks, OTC equity securities or listed options will be required to report to CAT. All proprietary trading activity, including market making activity, are also subject to CAT reporting requirements.

The Company has contracted with its clearing firm as the Company's third-party Reporting Member. The Company has verified that the clearing firm is prepared to complete testing on the Company's behalf. The Designated Principal will be responsible for reviewing reports available from the contracted reporting firm and CAT to ensure trades are being reported in compliance with CAT requirements at least monthly and will review any exception or error reports upon receipt so action can be taken to correct the error. The Designated Principal will evidence their review by initialing and dating exception reports (denoting review on a log or in an electronic manner) and records will be maintained in the Company's CAT reporting files.

10.9 PROPRIETARY TRADING- NOT APPLICABLE

10.10 PAYMENT FOR ORDER FLOW- NOT APPLICABLE

10.11 ALTERNATIVE TRADING SYSTEM (ATS)- NOT APPLICABLE

10.12 MARKET CENTER AND ORDER ROUTING REPORTING

Name of Supervisor ("designated Principal"):	Chief Compliance Officer
Frequency of Review:	Monthly and quarterly
How Conducted:	Review of electronic and written reports Review of corresponding trade activity
How Documented:	Approval notated on report.
WSP Checklist:	Reg. NMS; SEC Staff Legal Bulletin Nos. 12R and 13, 13A; Notices 01-16, 01-30, 01-44

The firm relies on its Clearing Firm, Raymond James & Associates for Rule 606 Order Execution and Routing. Information relating to order routing and executions is maintained on the firm's website and is updated quarterly.

The Company is also not a Market Maker or "market center" and is therefore not required to prepare the monthly, electronic reports required under SEA Rule 605.

Notices 01-16 and 01-30 describe how, generally, the Rules seek to improve the ability of public investors to monitor orders after they are submitted to a Broker-Dealer for execution. In an effort to increase visibility of

execution quality and promote competition in the securities markets, the SEC adopted Rules 605 and 606 under Reg. NMS.

10.13 TRADE EXCEPTION REPORT

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily, weekly monthly, or annually
How Conducted:	Annual receipt and review of list of available exception reports from clearing firm Review of clearing firm and internal reports generated indicating exceptions to pre-determined trade or order parameters.
How Documented:	Printed or electronically stored exception or other reports. Principal's initials on reports or electronic notation of review. Follow-up documentation of actions taken to investigate items or correct errors.
WSP Checklist:	FINRA Rule 4311(h); Notice 97-57, 11-26
Comments:	

Designated Principals make use of automated reports to assist in his or her review of customer and firm trade activity. These reports should consider the transaction size, location, type, number and the nature of the activity reported. Reports used by the Company include the following:

- Exception and other reports provided by the Company's clearing firm, as required under the Company's written clearing agreement and
- Internal reports generated by Company software or outside vendor automated systems.

If necessary, focused reviews of subsequent customer activity should take place to understand trading patterns or abnormalities indicated on exception reports. All reports reviewed and records of actions taken, with notated evidence of the supervisor's review, should be maintained with other required trade records.

10.14 MUTUAL FUND PRICING/LATE TRADING

Mutual fund shares must be redeemed and sold at a price based on the net asset value (NAV) of the fund calculated after the receipt of orders—that is, after the close of trading. Mutual fund companies calculating NAVs of their funds must apply this forward pricing methodology, established under Investment Company Act Rule 22c1-(a).

The clearing firm only accepts mutual fund orders between 9:00 a.m. ET and 3:59 p.m. ET (barring the market closing early) on each business day to prevent "late trading," or orders placed at, near or after market closing in an attempt to gain advantage. Designated Principals must be familiar with methods adopted by fund companies, as represented in prospectuses and SAIs that counteract the efforts of market timers. Designated Principals should educate personnel as to their obligation to prevent the Company and its customers from any trading activity that might circumvent these counteractive measures.

Designated Principals must attempt to cancel or correct late trades or market timing trades determined to be deliberate and in violation of the just and equitable principals of trade described in FINRA Rule 2010. The Designated Principal must notify the CCO if an investigation and/or disciplinary action may be warranted.

10.15 SECURITIES LENDING OR BORROWING- NOT APPLICABLE

10.16 RULE 144 TRANSACTIONS: RESTRICTED SECURITIES

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; per transaction
How Conducted:	Receive requests for resale transactions; assess eligibility; review circumstances for red flags.
How Documented:	Records of transaction and notes on circumstances/eligibility review. Completed Deposited Securities/Resale Request Questionnaires Account Records
WSP Checklist:	SEA Rule 144, FINRA Rule 6600 and 6700 Series, Notice 01-19, 08-42, 08-57, 09-05, 10-26; http://sec.gov/rules/final/2007/33-8869.pdf
Comments:	

SEC Rule 144 is a means by which restricted, and control securities may be sold in compliance with federal law and regulations. Rule 144 requirements depend upon who owns the security, the length of time it has been owned, and how it was acquired. Rule 144 applies to the resale of restricted securities as well as to restricted and non-restricted securities sold by control persons. To sell the security, some or all of these requirements must be met:

- The issuer must be in compliance with SEC reporting requirements.
- A holding period of one year must have been met by the shareholder; however, a control person may sell unrestricted securities without regard to the holding period, volume restrictions still apply.
- The amount of stock sold in any 3-month period does not exceed the volume limitations which are the greater of 1% of the outstanding shares or the average weekly trading volume for the 4 calendar weeks preceding the filing of a Form 144 notice. A Form 144 notice must be filed in certain transactions.
- The stock must be sold in a broker's transaction or a transaction with a market maker. Solicitation of purchasers is prohibited.

Rule 144 offers a key exemption under the Securities Act of 1933 affecting the liquidity and transferability of securities. The rule permits the public resale of restricted and controlled securities without registration; that is, the rule permits a person who acquires "restricted" securities in a non-registered offering or an affiliate who holds restricted "control" securities to resell without being deemed a statutory underwriter engaged in a distribution. In the absence of compliance with Rule 144 or another exemption, securities must be resold through a registration statement pursuant to Section 5 of the 1933 Act. To constitute an exempt Rule 144 transaction, the resale of securities must satisfy strict holding periods and other limitations. Rule 145 extends similar Principals to securities acquired in business combination transactions, such as reclassifications, mergers, consolidations and asset transfers. Rule 145 applies only to affiliates selling securities of a shell company. These Rules were revised in 2008 to ease respective restrictions.

In general, Company Representatives must not recommend or accommodate resales of 144 stock unless all applicable conditions under the Rules are met. To follow is a summary of some of these conditions:

Holding Period Requirements for Restricted Securities of Reporting Companies	Affiliates and non-affiliates are subject to a six-month holding period during which no resales are permitted under Rule 144.
	After six months, Affiliates may resell if they comply with all Rule 144 conditions.
	After six months but before one-year, non-Affiliates I resell if they comply with the Rule 144(c) current public information condition.
	After one-year, non-Affiliates may resell without any restrictions.

Holding Period Requirements for Restricted Securities of Non-Reporting Companies	Affiliates and non-affiliates are subject to a one-year holding period during which no resales are permitted under Rule 144.
	After one-year, non-Affiliates may resell without any restrictions.
Form 144 Filing Thresholds	Affiliates must file a Form 144 if any proposed sale will involve more than 5,000 shares or an aggregate dollar amount greater than $50,000 in any three-month period.
	Non-Affiliates are not required to file a Form 144.

The Registered Representative handling this transaction is responsible for contacting the Designated Principal or other knowledgeable principal to discuss the proposed transaction. He or she must be prepared to document the seller's status (affiliate or non-affiliate) and eligibility to sell and must document the determination made. All necessary documentation, including necessary forms, must be received prior to executing the transaction and be maintained in the client's files. To follow are details on how Company personnel must attempt to determine eligibility for public sale.

Avoiding Illegal, Unregistered Distributions: Eligibility Assessment: Whether reselling unregistered securities for its own account or for a customer, the Company is required to make a determination that the securities qualify for the exemption under Section 4(2) of the Securities Act. That is, personnel are prohibited from selling securities that may constitute illegal, unregistered resales. Even in unsolicited transactions, registered persons must inquire about the circumstances of the transaction, such as the relationship between the seller (customer) and issuer, and the nature, scope, size, type and manner of the offering. Specifically, it must be determined if the seller is: an issuer, person in a control relationship with an issuer, or an underwriter. The Designated Principal must approve all resales based on the information gathered to substantiate eligibility.

The following questions are useful in determining preliminary eligibility:

- How long has the customer held the security?
- How did the customer acquire the securities?
- Does the customer intend to sell additional shares of the same class of securities through other means?
- Has the customer solicited or made any arrangement for the solicitation of buy orders in connection with the proposed resale of unregistered securities?
- Has the customer made any payment to any other person in connection with the proposed resale of the securities? and
- How many shares or other units of the class are outstanding, and what is the relevant trading volume?

To follow are some red flags that, if perceived, should be discussed with the Designated Principal prior to progressing with a resale transaction:

- A customer opens a new account and delivers physical certificates representing a large block of thinly traded or low-priced securities.
- A customer has a pattern of depositing physical share certificates, immediately selling the shares and then wiring out the proceeds of the resale.
- A customer deposits share certificates that are recently issued or represent a large percentage of the float for the security.
- Share certificates reference a company or customer name that has been changed or that does not match the name on the account.
- The lack of a restrictive legend on deposited shares seems inconsistent with the date the customer acquired the securities or the nature of the transaction in which the securities were acquired.
- There is a sudden spike in investor demand for, coupled with a rising price in, a thinly traded or low-priced security.
- The company was a shell company when it issued the shares.

- A customer with limited or no other assets under management at the Company receives an electronic transfer or journal transactions of large amounts of low-priced, unlisted securities.
- The issuer has been through several recent name changes, business combinations or recapitalizations, or the company's officers are also officers of numerous similar companies.
- The issuer's SEC filings are not current, are incomplete, or nonexistent.

10.16.1 REQUIRED PROCEDURE

Obviously Eligible: In cases where the customer is well known to the Rep/Company, where a modest amount of widely traded securities are offered, and where the customer is known to be unaffiliated with the issuer, Company personnel may proceed with the transaction subject to the Designated Principal's supervision and approval. Notes in the account and transaction records should show the principal's approval and comments as to the Rep's/Principal's confidence in eligibility.

Not Apparently Eligible: In cases where the Company is offered a block (large or otherwise) of a little-known security by a customer whose relationship with the issuer is unknown, Reps must make inquiries to determine whether the proposed resale may be illegal. For all such offers to sell blocks of unregistered securities, the Rep must obtain Designated Principal pre-approval. This procedure also applies to deposits of unregistered securities or large blocks of BB or Pink Sheet securities. If the Rep and Designated Principal have reason to be suspicious about the transaction, they will bring it to the attention of the CCO and AML Compliance Officer for further review and follow-up. All documentation of attempted and completed transactions must be maintained with customer records.

Importantly, Company personnel may not simply rely on a seller's representations or its counsel's opinions to satisfy its eligibility concerns. Nor may the Company rely on a third party to undertake the necessary inquiry into eligibility. While outside counsel, clearing firms transfer agents, issuers and issuer's counsel may provide valuable input into the process, it is the Company itself which must make the determination based on its inquiry. Also, the fact that securities have been issued by a transfer agent without a restrictive legend or have been put into trading status by a clearing firm, does not mean those securities may be resold immediately and without limitation.

Rule 144 is not to be confused with Rule 144A which provides a safe harbor from the registration requirements of the Securities Act of 1933 for certain private (as opposed to public) resales of restricted securities to qualified institutional buyers (see related procedures elsewhere in this Manual). Secondary transactions in Restricted Equity Securities under Rule 144A are reportable to ORF: see FINRA Rule 6622 and the Order Processing/Reporting section in this Manual. All secondary market transactions in TRACE-Eligible Securities (debt securities), unless otherwise exempt, must be reported to TRACE. Please refer to the sections on "Trade Reporting" and "TRACE Reporting" for details.

11 CUSTODY AND CLEARING

11.1 CUSTOMER FUNDS AND SECURITIES

Name of Supervisor ("designated Principal"):	FinOp Operations and Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous, in daily course of business
How Conducted:	Review Cash & Securities Control Systems and respective blotters
How Documented:	Initial system reports Initial reviewed records Verify LF108 Letter of Authorization to Transfer Funds is on file, if needed.

WSP Checklist:	FINRA Rules 2150, 3110, 4311, 4522. Rules 3140; 3150; Notices 05-47, 05-72, 08-46, 08-76, 11-26. SEA Rule 15c3-3; 8c-1; 17a-13; 15c2-1; SEC Release 34-70072
Comments:	

Notice 05-47 provides specific guidance on the treatment of a day on which securities markets are unexpectedly closed (i.e., whether that day is considered a 'business day' vis-à-vis such subjects as net capital, reserve formula, possession or control, Reg. T extensions, margin calls, sell order extensions, day trading requirements, bookkeeping entries on the liquidation of customers' money market funds or on the sweep of customers' balances into money market funds, FOCUS reporting, and securities lending). In the event of an unexpected closing of markets, the FinOp, Designated Principal and Designated Principal must ensure proper treatment of all items detailed in the Notice, where applicable to the Company's business.

11.2 POSSESSION OR CONTROL

Pursuant to SEA Rule 15c3-3, Broker-Dealers that physically possess or control their customers' securities must promptly obtain and thereafter maintain physical possession or control of all fully paid securities and excess margin securities carried by the Broker-Dealer for the accounts of customers.

The Company operates under the "(k)(2)(ii)" exemption of this Rule, because it meets the following condition:

The Broker-Dealer is an introducing Broker-Dealer who clears all transactions with and for customers on a fully-disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and properly maintains and preserves such books and records.

The Company shall not be in violation of the above if, for example, as a result of normal business operations temporary lags occur between the time when a security is required to be in the possession or control of the Company and the time it is placed in its physical possession or control, provided that good faith steps are taken to establish prompt possession or control.

The Company's associated persons are required to fully understand and comply with the following (please refer to Section 16: Record Keeping and Reporting for detailed information on the requirements under SEA Rules 17a-3 and 4):

- The Company is not permitted to receive customer checks payable to the Company for settlement of investment transactions or deposit to a client account. However, the Company may from time to time receive checks payable to the clearing firm, escrow agent or product sponsor. The SEC has recognized that, on occasion, customers will mistakenly make their checks payable to the introducing firm (LFF); however, the burden of demonstrating mistakes rests with the introducing firm. Introducing Broker-Dealers such as LFF that rely on subparagraph (a)(2)(iv) should maintain procedures to prevent their customers from transmitting funds to the introducing firm. Such checks should be forwarded promptly to the proper processing area where they will be copied for the client file, logged in on the Checks Received and Delivered Blotter and forwarded to the clearing firm or escrow agent by no later than noon the following business day. Under recent FINRA and SEC no-action relief, checks related to subscription-way mutual fund or variable annuity business and payable to the issuer/sponsor may be held for up to 7 business dates from the date the complete application package is received by the OSJ to permit the Company to complete their suitability and best interest review. Checks received, which are payable to the Company, will be immediately returned to the client with written instructions on how to properly remit payment.

- Accepting cash from a client is not permitted. In the event cash is mistakenly received from a customer, it must be recorded in the cash receipts blotter before being returned promptly to the client. The respective RR or appointed operations staff must then notify the client of its policy to not receive cash. The Company's AML procedures manual should be consulted for additional procedures, if any.
- Checks in payment of customer transactions may not be written on a Registered Representative's own personal or business account.
- The Company is permitted to receive customer securities for settlement of investment transaction or deposit to a client account. Certificates received from clients should be forwarded promptly to the proper processing area where they will be copied for the client file, logged on the Securities Received and Delivered Blotter and forwarded to the clearing firm for deposit by no later than noon the following business day. Certificates, which are not in good order or do not include required endorsement or documentation to permit deposit, will be returned to the client by noon the following business day with an explanation as to the documentation required.
- With regard to redeeming securities, there may not be a sharing in the profits and losses of a client or an agreement to purchase a security from a client at some future date; and
- Misappropriation, stealing, or conversion of customer funds is prohibited and constitutes serious fraudulent and criminal acts. Examples of such acts include unauthorized wire or other transfers in and out of customer accounts, borrowing customer funds, converting customer checks that are intended to be added or debited to existing accounts, or taking the cash values of insurance contracts or other liquidation values of securities belonging to customers.

Callable Securities.
Since the Company operates under the (k)(2)(ii) exemption, the clearing firm ensures that customers are provided written notice on the allocation of callable securities to be redeemed or selected as called in a partial redemption or call. Customers can access the clearing firm's procedures on its website or in hard copy, by request.

Free Credit Balances. Since the Company operates under the (k)(2)(ii) exemption, the clearing firm applies amended Rule 15c3-3(j) which includes customer disclosure, notice, and affirmative consent requirements (for new accounts) for programs where customer cash in a securities account is "swept" to a money market fund as described in Rule 2a-7 under the Investment Company Act of 1940 or an account at a bank whose deposits are FDIC-insured.

The clearing firm cannot convert, invest, or transfer to another account or institution credit balances held in a customer's account unless one of the following criteria is satisfied:

It has a specific order, authorization, or draft from the customer, OR

It is transferring the free credits or interest held in a customer's securities account subject to a Sweep Program. In this case, the clearing firm must:

- Obtain written affirmative consent to include free credits in the Sweep Program from each new customer.
- Provide notices required by FINRA.
- Provide information on the customer's balance on a quarterly basis.
- Give the customer 30 days' notice of a change in sweep options.

11.3 PAYMENTS/FUNDS TRANSMITTALS

Name of Supervisor ("designated Principal"):	OSJ and Designated Principals, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; on a daily basis Periodic during office inspections
How Conducted:	Daily customer account reviews Periodic office inspections, including records of funds transmittals, if any Meet with Representatives

How Documented:	Initials on blotters and logs
WSP Checklist:	FINRA Rule 3110 and 11860. MSRB RG-19 (c), Notice 09-64, 10-49, 12-05, 14-10
Comments:	

The Designated Principals assigned to supervise account transaction activity, in the course of his or her duties, will review transactions in customer accounts for compliance with the payment rules. FINRA Rule 11860, "COD Orders," has certain requirements that must be met—see "Orders," herein. It is a violation of FINRA regulations and Company policy to accept or execute any order for a customer without reasonable assurance of ability to pay and/or ability to deliver securities sold or pledged within the expected time frames.

Neither LFF nor any Registered Representative may loan cash or securities to a client or arrange or facilitate credit for clients except for margin loans in accordance with Company procedures (see below under Margin Accounts) or except under approved circumstances described in the Section below entitled "Loans To and From Customers" and as allowed under FINRA Rule 3240.

It is a Company policy that the Registered Representative responsible for causing the Company or any other Representative or customer to incur a loss or liability shall be required to reimburse the injured party and all assets, commissions, dividends, interest or other property of the Representative may be utilized by the Company to make good on the loss or liability.

FINRA requires the following transmittals of funds to be subject to written procedures and monitored by appointed staff and designated principals:

- From customers and third-party accounts (*e.g.*, a transmittal that would result in a change of beneficial ownership);
- From customer accounts to outside entities (*e.g.*, banks, investment companies, etc.);
- From customer accounts to locations other than a customer's primary residence (*e.g.*, post office box, "in care of" accounts, alternate address, etc.); and
- Between customers and registered representatives, including the hand delivery of checks.

The Company receives funds transmittal requests from its clients; following Designated Principal, or designee, approval, these requests are forwarded to its clearing firm for processing, approval and execution.

11.4 FRAUD PREVENTION

The Company has several procedures in place to deter conversions and misappropriations of customer funds by Registered Representatives, employees and others:

- Proceeds from sales are only made out to the name(s) on the account title and mailed directly to the address of the account. Only a properly executed Letter of Authorization (LOA) signed by the customer or pre-approved standing instructions will allow the Company to alter this procedure.
- While personnel are not expected to identify a fraudulent Letter of Authorization, familiarity with a customer's style of written communications and signature may lend itself to identifying red flags. Representatives and processing personnel should be attentive and poised to follow up on any perceived discrepancies. Any such issues must be brought to the attention of the Designated Principal for further action.
- When receiving an e-mailed funds transmittal request, the request *must* be verified with the customer via direct contact (in person or on the telephone).
- In instances where communications with the customer are not at his/her primary address, e-mail address or phone number: in instances where these lines of communication are recognized as different, the RR or

other associated person receiving a request should consider it as a possible red flag and attempt to contact the customer by other means in order to validate the source of the request.

- All checks are mailed from the clearing firm directly to the client and not delivered by the Representative.
- Customers are encouraged to send funds directly to the main office or clearing firm.
- Registered representatives are encouraged to remind their customers to notify the Company should their e-mail accounts be compromised. Any personnel receiving such information must contact their supervisors to discuss how to proceed. Action may be taken to prevent abuse and to protect customer accounts.
- Slowing down the transfer/withdrawal process may be necessary in circumstances calling for additional scrutiny and inquiry. Personnel should know that fraud prevention is essential to protecting both customers and the Company, and therefore delays in processing will be forgiven in the name of risk prevention.

11.5 CARRYING AND CLEARING ARRANGEMENTS

The Company as Introducing Firm. The Company is an "Introducing Firm" on a fully disclosed basis and its customer transactions are executed through, and its customer accounts are held at, it's clearing (carrying) firm, which is also a FINRA member. Certain transactions are not put through the clearing firm, but rather, go directly to product sponsors or private issuers.

Allocation of Responsibilities. The FinOp or other designated management will ensure that the Company's clearing/carrying agreement meets all requirements under FINRA Rule 4311, including the allocation of the following responsibilities: (1) opening and approving accounts, (2) acceptance of orders, (3) transmission of orders for execution, (4) execution of orders, (5) extension of credit, (6) receipt and delivery of funds and securities, (7) preparation and transmission of confirmations, (8) maintenance of books and records, and (9) monitoring of accounts. If the agreement is on a fully disclosed basis, the clearing/carrying firm must have responsibility for safeguarding customer funds and securities and for preparing and sending statements to customers. Any material changes to allocated responsibilities must be pre-approved by FINRA; the clearing/carrying firm will seek such approval.

It is important that the Company provide its clearing/carrying firm will all data pertinent to the proper performance of the clearing/carrying firm's responsibilities and vice versa. The Designated Principal or other designated principal is responsible for addressing and correcting perceived shortfalls in the information exchange.

Notification to Customers. When opening an account for a customer that will be subject to the Company's clearing/carrying agreement, FINRA Rule 4311(d) requires that the customer be notified in writing of the existence of the clearing/carrying arrangement and the responsibilities allocated to each party. It is the clearing/carrying firm that must provide the content of such notification language. This notification is generally provided on or with the NAF at account opening. Should the clearing/carrying firm change or the allocated responsibilities under the existing agreement materially change, the Company must ensure that customers are notified of such.

Customer Complaints. It is the responsibility of the clearing/carrying firm promptly to report all customer complaints to the introducing firm and FINRA. The clearing/carrying agreement must contain provisions expressly authorize and direct the clearing/carrying firm to do this.

Clearing Firm Exception Reports. The Company should make use of available reports from the clearing/carrying firm to assist in its transaction and account monitoring. The clearing/carrying firm, at the commencement of the relationship and annually thereafter, must provide the Company a list of all available exception or other reports. After receiving the list, the Company must promptly request the reports it requires. On or before July 1 of each year, the Company's President and CCO should expect to receive from the clearing

a written list of reports offered to, requested by and supplied to the Company as of the date of the notice; FINRA will also receive this notice. The CCO, or Operations Manager shall be responsible for responding to all communications from LFF' clearing firm with respect to any list or description of reports (exception and other types of reports) which the clearing firm offers to LFF to assist it with its supervisory functions and responsibility under the clearing agreement.

Callable Securities. As an introducing firm, the Company is required to identify, to its clearing/carrying firm, any accounts of itself or its associated persons that will be subject to specific requirements relating to the allocation of callable securities, as set forth in FINRA Rule 4340. The CCO, FinOp or their designee will ensure that information on such accounts is provided to the clearing firm and updated as needed.

Clearing Firm Deposits; Net Capital Computation. FINRA and SEC rules govern proprietary accounts of introducing brokers and dealers held at clearing (carrying) firms (formerly called PAIB accounts, now known as PAB accounts); deposits to such accounts are generally required by the terms of the clearing/carrying agreement. These accounts are subject to the requirement for PAB accounts as included in SEA Rule 15c3-3(c)—establish a separate reserve account, perform separate reserve computations and obtain and maintain physical possession or control of non-margin securities—and, if meeting those requirements, are considered allowable assets for net capital purposes.

Deficits in Introduced Accounts. The Company is required to deduct from its net capital deficits in unsecured and partly secured introduced accounts. The FinOp should review its clearing/carrying agreement for clarification. If the Company is required to take such charges, the FINOP will do so in accordance with SEA Rule 15c3-1(c)(2)(iv)(B) and FINRA's interpretation described in Notice 05-38. See the Section entitled "FinOp Responsibilities and Net Capital Requirements" for further details.

11.6 THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC)

The Securities Investor Protection Corporation (SIPC) was established to restore public confidence in the securities industry and to protect customers' assets held by members. SIPC provides up to $500,000 protection per customer for claims of cash and securities with a limit of $250,000 for claims of cash. The Company is currently a member of SIPC.

Membership is composed of all persons registered as brokers or dealers with the SEC as well as all members of any national security exchange. The protection is per "separate customer" and the SIPC account is funded by brokerage firms based on their gross sales volume. In general, a different name should appear if it is to be considered a separate customer.

Only bona fide customers (persons who have stock or cash in their account because of or in anticipation of executing trades in the securities market) are eligible for protection under SIPC. Persons, such as providers of services, whose claims for cash or securities are by operation of law and are subordinated to claims of creditors of a SIPC member firm, and persons who are associated with a firm, such as a partner or broker, are examples of persons ineligible for protection.

The Company will not refer to SIPC membership in communications when such references mislead investors about the applicability of SIPC protections. For instance, SIPC rules prohibit references to SIPC membership or protection in communications regarding commodities, including forex. The principal(s) designated to review and approve communications with the public will ensure proper use or omission of SIPC language. Please see Section COMMUNICATIONS WITH THE PUBLIC for rules related to advertising SIPC membership.

Under FINRA Rule 2266, the Company must advise all new customers, in writing, at the opening of an account, that they may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. The Company also must provide SIPC's Web site address *(www.sipc.org)* and inform customers that they may contact SIPC directly at (202) 371-8300. In addition, the Company must provide customers with the same information, in writing, at least once each year.

The Company is required to report on the form provided by SIPC, all gross income from securities activities on a semi-annual basis. The FinOp will maintain copies of the completed assessment reports in the Company's files, along with appropriate work papers and supporting documentation. The FinOp will ensure that the Company's auditor includes the required 'supplemental report' with annual financial audited financial statements, as required under SEA Rule 17a-5(c)(4) (unless exempt). In addition, the Company must file a copy of its annual audit with SIPC.

11.7 FIDELITY BOND

The Company, as a SIPC member, is required to maintain blanket fidelity bond coverage.

FINRA Rule 4360 describes the Fidelity Bond requirements of the Company. The Company's Fidelity Bond must:

- provide against loss covering at least the following: fidelity, on premises, in transit, forgery and alteration, securities and counterfeit currency.
- require the insurance carrier to promptly notify FINRA if the bond is cancelled, terminated, or substantially modified; and
- provide for per loss coverage without an aggregate limit of liability.

All associated persons must be covered, except directors or trustees not assuming the normal duties of officers or employees. The amount of coverage required depends on the Company's required minimum net capital and must be the greater of 120% of the Company's required minimum net capital or $100,000; defense costs for covered losses must be in addition to this coverage.

The bond may have a deductible provision not exceeding 25% of the coverage amount. To the extent the deductible amount exceeds 10% of the coverage provided in the bond, a deduction must be taken from net capital for the excess deductible.

The FinOp is charged with reviewing the Company's Fidelity Bond coverage annually, by the anniversary of the date of policy issuance, to determine the adequacy of coverage. He or she must make adjustments when necessary. When determining required coverage, the FinOp must consider the highest net capital requirement that existed during the preceding 12-month period (12 months ended 60 days before policy's anniversary date). As described in the section on FinOp responsibilities, the FinOp will ensure that the proper deduction is taken from net capital to account for the deductible, when required. FinOp must notify FINRA in writing it the Company's Fidelity Bond coverage is cancelled, terminated, or substantially modified.

FinOp is responsible for keeping records to evidence the annual review of coverage, the initial policy and renewals, net capital deductions, and any notifications made to FINRA.

11.8 INVESTMENT BANKING- NOT APPLICABLE

The Company is not currently engaged in Investment banking activities such as originating, pricing or structuring of:

- Business debt and equity offerings (private placement or public offering)
- Mergers and acquisitions

- Tender offers
- Financial restructurings
- Asset Sales
- Divestitures or other corporate reorganizations
- Business combination transactions

No associated person may conduct Investment Banking activities unless the CCO determines:

- the Company is approved considering the type of offering.
- associated persons are appropriately licensed and trained.
- the Company has adequate supervision and procedures.
- the President enters into an agreement with the issuer.

12 INVESTMENT PRODUCTS

For a comprehensive description of the Company's supervisory system, this section should be read and understood in the context of the entire WSP Manual. The respective designated Principals of Level Four Financial, LLC shall ensure that all requirements related to New Account Forms, appropriateness of investments, Registered Representative supervision, confirmations, and other applicable and appropriate supervisory procedures as expressed elsewhere in this Manual are met when selling these particular investment products.

Recommendations of the following investment products to customers must also take into consideration certain product-specific elements as detailed in each product "Recommendations" sub-section below. Please review Section 7 for more specific details regarding Regulation Best Interest obligations for recommendations to natural persons and FINRA Rule 2111 Suitability requirements for recommendations to non-natural persons including but not limited to institutions.

12.1 MUTUAL FUNDS

Mutual funds, for purposes of these policies and procedures, refer to open-end investment companies. The offering and distribution of shares in mutual funds by the Company are subject to the terms and conditions of the mutual fund dealer agreement between the principal underwriter of the respective mutual fund and the Company or its clearing firm, as selling Broker-Dealer. These dealer agreements help ensure the integrity of mutual fund sales and distribution, and thus protect the customer. The CCO or other designated person must review all mutual fund dealer agreements to ensure that they adequately delineate the respective responsibilities of the parties in a manner reasonably designed to help ensure that the Company's mutual fund sales and distribution process protects investors.

The following procedures relate generally to mutual funds sales. The Designated Principal is responsible for reviewing mutual fund transactions daily in order to ensure that these general procedures are followed and that associated persons comply with their obligations under respective dealer agreements. Note: UIT sales are referenced in the Non-Conventional Investments section, below.

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily

How Conducted:	Review retail communications. Review order tickets or applications, daily transaction report, and customer monthly statements Review for suitability and best interest with particular attention to: Funds with high-risk objectives and purchasing multiple funds in different families that may result in higher sales charges. Prospectus Review Review refund process and calculations. Review orders for indication whether customer will sign a letter of intent or qualify for rights of accumulation. Review Orders for indication whether customer was delivered a Mutual Fund Share Class/Breakpoint Letter or Switch Disclosure Letter when required Review for switching. Supervise RR activity and take note of any preferred lists or circulated commission information.
How Documented:	Retain records of reviewed and/or approved communications with the public. Initials on order ticket, applications, daily transaction report and other transaction related records. Copies of Prospectus Prospectus Receipt Form, if used, or other evidence of delivery Records of refunds delivered, if any. Verify Mutual Fund Share Class/Breakpoint Jot Form on file, if needed. Verify Switch Letter Jot Form on file, if needed.
WSP Checklist:	FINRA Rules 2210, 2212, 2341, 2342; SEA Rule 482 ('33 Act); Rule 34b-1 (Inv. Co. Act); Notices 95-56, 95-80, 02-85, 03-38, 03-47, 03-48, 04-72, 05-04, 11-49, 12-29. Member Alert 11-22-05, Investor Alert 6-1-13.
Comments:	See Section COMMUNICATIONS WITH THE PUBLIC for general communications guidelines. If refunds due, FinOp must also review for correct Net Capital calculations and customer funds segregation.

12.1.1 Mutual Fund Communications

Section COMMUNICATIONS WITH THE PUBLIC addresses both general and specific guidelines and requirements related to communications that concern mutual funds (registered investment companies). All designated Principals are required to ensure compliance with these procedures.

Materials not created by the applicable fund family will be sent to the fund family for review, if required by the Company's selling agreement and will be filed with FINRA Advertising for review.

Copies of the materials showing evidence of review and submission will be retained in the Company's Advertising/Sales Literature or Outgoing Correspondence file depending on the nature of the material being reviewed.

12.1.2 RECOMMENDATIONS

FINRA and SEC Rules require that Registered Representatives inquire as to the suitability and best interest of a mutual fund's transaction for a customer. The Representative should consider the customer's investment profile before making recommendations on particular funds. If the customer is making a selection of funds, the Representative must ensure that each fund, as well as all the funds in the selection, is suitable or in the customer's best interest, and that the proportions are also appropriate.

Recommendations for mutual funds entail not only identifying mutual funds that are appropriate for each customer, but also determining the share class within each mutual fund that is most advantageous to the customer. In making a determination, the Registered Representative should:

- Understand the advantages and disadvantages of different mutual funds and their share classes.
- Consider differences among mutual funds and share classes based on factors such as the customer's investment objectives, amount to be invested, and the customer's time horizon for the investment.
- Consider that C shares generally should not be recommended to customers who make large purchases and qualify for sales charge discounts based on breakpoints, letters of intent, or rights of accumulation.

The Designated Principal is responsible for reviewing the appropriateness of mutual fund transactions with particular attention to the following:

- **Funds with high risk objectives –** Is the investment consistent with the customer's investment objectives:
- **Purchases of multiple funds in different families may result in higher sales charges –** Is diversification among funds justifiable and does the customer understand the potentially higher fees?
- **Large purchase of C shares that may qualify for lower sales charges if purchased as Class A shares –** Is this really the best share class for the customer and has the customer receive disclosure of the fees?
- **Purchase of the same fund (or funds within a family) by several of a Registered Representative's customers –** Is this fund (or family of funds) really the most suitable for each customer or is the Registered Representative simply recommending this fund (or family of funds) to all of his customers without making a customer-specific appropriateness determination?

If the Designated Principal's review of a mutual fund transaction raises questions concerning the suitability or best interest of the recommendation, the Designated Principal will reach out to the Registered Representative with the aim of verifying that the transaction is indeed suitable or in the customer's best interest and that the customer has acknowledged the transaction's costs. The Designated Principal is responsible for documenting his reviews and following up on any issues identified during these reviews. Customers with a transaction in excess of $25,000 and subject to a heightened suitability or best interest document review should have been delivered the Mutual Fund Share Class/Breakpoint Disclosure or similar LFF approved document.

12.1.3 DISCLOSURE OF FEES AND EXPENSES

When reviewing correspondence related to mutual funds, the Designated Principal should watch for the following and investigate further any perceived violations:

- Selling dividends.
- Representing a back-end load fund as "no-load";
- Representing a fund with an asset-based sales or service fee exceeding .25 of 1% as "no-load";
- Representations regarding yield and performance.
- Recommendations that include switching or appear to recommend unsuitable diversification among funds;
- Distribution of dealer-use-only material or institutional communications to retail investors.
- Excerpts out of context from the prospectus that may be misleading; and/or
- Required disclosures as included in FINRA Rule 2210(d)(5) and other rules about the fund's investment profile, charges, hedging strategy, tax consequences and other pertinent factors.

The Representative must provide the customer with a current prospectus of all mutual funds under consideration. A copy of the fund prospectus will be sent to each purchaser of a mutual fund.

Materials provided by fund distributors for dealer use only may not be provided to customers and must not be displayed in a public area such as a reception area. Dealer-use-only material is often provided as educational material for dealers and their Representatives. All dealer-use-only material will be marked as such with limited distribution.

In accordance with recent FINRA interpretations it is the Representative's responsibility to make sure that the customer is aware of ALL fees and expenses associated with a particular investment product, particularly mutual funds. It is inappropriate to use sales presentations or materials that give the impression that certain sales charges or "loads" do not apply without a full and fair disclosure of fee and expense requirements that do apply. For example, the term "no load" by itself, with no disclosure of "trails" or other fees, would be inappropriate. The customer must be advised to review the prospectus and keep it for reference.

Any fund or combination "fund of funds" structure in the aggregate must observe a maximum aggregate limit on asset-based sales charges of 0.75% of average net assets and service fees of 0.25% of average net assets. Aggregate front-end and deferred sales charges in any transaction are limited to 7.25% of the amount invested (6.25% if either the acquiring fund or any underlying fund pays a service fee). Representatives may not sell securities of funds that impose a front end or deferred sales charge on reinvested dividends.

12.1.4 SALES CHARGES: VOLUME DISCOUNTS AND NAV SALES

Mutual funds may offer discounts, called **breakpoints**, on the front-end sales charge if an investor makes a large purchase, commits to regularly purchasing the mutual fund's shares, or already holds other mutual funds offered by the same fund family. To determine the appropriate discounts, an investor is often allowed to aggregate his purchases with holdings of other family members. A breakpoint can be reached:

- In a single purchase of Class A shares,
- Over a period of 13 months, with a Letter of Intent, or
- From the time of the initial purchase, under Rights of Accumulation.

A Mutual Fund Breakpoint Discounts Disclosure Statement is provided in the Company's New Account letter. The disclosure provides sales charge, breakpoint discount, and additional information including FINRA resources available to the customer. A record is kept of the delivery of such notice to customers.

Class A shares usually impose a front-end sales charge; Class B and C shares normally do not. Large purchases of Class A shares are normally subject to breakpoint discounts (see discussion of share classes, below).

Nearly all open-end funds at the "time of initial purchase permit a purchaser to execute a "**Letter of Intent**" stretching usually over a 13-month period. This letter of intent, while not obligating the purchaser to make additional commitments, nevertheless permits them to buy additional shares of the same fund(s) within 13 months at the reduced sales charge. Letters of intent vary widely between fund managements as to the offering price paid on each purchase, the amount of the breakpoint and methods of adjusting if the *complete* purchase is not made. In addition, many investment companies permit letters of intent to be backdated to capture previous transactions for the purposes of fulfilling the LOI.

Aggregating purchases of a particular fund or family of funds by one investor (and sometimes family-related purchases) may qualify for **rights of accumulation**. In these cases, a lower sales charge may apply based on the total dollar amount invested. Some funds permit members of immediate families to group their orders in order to achieve breakpoints or to complete letters of intent. General provisions of this grouping are found in the prospectus of the various funds and must be consulted prior to making an offering to see if grouping is permitted and to what extent.

In addition, some funds allow for purchases at net asset value (**NAV**) when:

- The amount of the purchase or aggregated purchases under a Letter of Intent or Rights of Accumulation exceed a specific amount, generally $1 million.
- The client is reinstating previously redeemed shares of the same fund.
- The Representative is purchasing shares for himself or a direct family member.
- The transaction is being made in a fee-based advisory account.

Before recommending a mutual fund, the Representative must ensure that a customer pays the appropriate sales charge and receives the appropriate available discount, whether by reaching breakpoints on a single purchase, under LOIs or via rights of accumulation, or by qualifying for purchases at NAV. To do this, Representatives must understand the terms of offerings and reinstatements, as well as the entire scope of the customer's mutual fund investments. Representatives are required to gather complete information, including values in the customer's accounts—and in related and linked accounts-- held both directly with the investment company and at other brokerage firms, as well as the dollar size of any pending transactions, the dollar size of anticipated transactions, and amounts previously invested in the specific fund and other related funds, valued as specified in the prospectus.

Before recommending 'a share class, Representatives must consider the customer's anticipated holding period and all costs associated with each share class including front-end sales charges, annual expenses and contingent deferred sales charges (CDSC), which are described in further detail below. In addition, FINRA offers an online resource for comparing the expenses of exchange-listed mutual funds, called "FINRA Mutual Fund Expense Analyzer." Representatives are encouraged to make use of this tool and may advise customers to consider using the analyzer.

The Representative must be sure that customers making large purchases fully understand breakpoints and the implications of buying "B" or "C" shares rather than "A" shares. Class A shares typically charge a front-end sales charge and also may be subject to an asset-based sales charge, but it generally is lower than the asset-based sales charge imposed by Class B or Class C shares. Class B and C shares typically do not charge a front-end sales charge, but their asset-based sales charges are typically higher, and they normally impose a CDSC, paid by the investor when s/he sells the shares. Therefore, even though investors do not pay a front-end sales charge for Class B or Class C shares, the potential CDSC's and the higher ongoing fees significantly affect the return on mutual fund investments, particularly at higher dollar levels.

The Registered Representative, when in doubt about a customer's suitability or if it is in his or her best interest to purchase "B" or "C" shares or the customer's foregoing breakpoint advantages, should consult with the Designated Principal for review and approval of recommendations.

Records of transaction recommendations should include notes on discussions with the customer about share classes and discounts, etc., especially if the customer elects to purchase class B or C shares instead of A shares. Customers should always be made aware of available discounts. Mutual fund purchase records must indicate rights of accumulation if available and the customer's desire to aggregate purchases to qualify for a lower sales charge. Representatives must review the prospectus

and advise clients if the LOI option is available and would benefit the client. The mutual fund order ticket should indicate if the customer will execute a letter of intent. In addition, Representatives must ensure that customers who are taking advantage of a reinstatement privilege that allows for a waived or reduced sales charge are informed of these options.

A customer must always be informed of the next available quantity discount breakpoint at which the sales charge is reduced. RR's may use, or recommend that customers use, FINRA's online resource for researching available breakpoints, called "Mutual Fund Breakpoint Search Tool." Should a customer refuse to take advantage of an available breakpoint, the Representative should make note of such refusal in the customer's file. Purchases of multiple Class A share funds in different families with total investment more than $25,000, which may result in higher sales charges (breakpoint) require the use of the Mutual Fund Share Class/Breakpoint Letter, or similar LFF approved document.

Selling mutual fund shares just below the breakpoint to receive the higher sales charge is prohibited under FINRA Rule 2342. Such sales can be a serious violation and have been the subject of strong penalties imposed by the SEC and FINRA. Therefore, where a customer is purchasing funds fairly close to a breakpoint, it is incumbent on each Registered Representative to explain where the breakpoint takes place and how additional money could be saved and/or additional shares could be purchased with a smaller sales charge. Where the amount of money involved would reach a breakpoint if only one fund were purchased (rather than a few funds), this must be pointed out even if more than one fund was recommended. In this way the customer may then weigh the advantages of the reduced sales charge versus that of diversification among funds.

With respect to sales at or just above the breakpoint, the Registered Representative should determine that the fund accepts dollar orders or orders for fractional numbers of shares. Care must be taken to ensure that the fund does not automatically convert a dollar order to an order for a specific full number of shares, which could result in a purchase price below the breakpoint. It is the Registered Representative's responsibility to review his or her copy of each customer confirmation for a mutual fund transaction involving a breakpoint to make certain that the customer received the benefit of the breakpoint. Any problems or discrepancies must be brought to the immediate attention of the Designated Principal.

FINRA guidance indicates that sales under a genuine "asset allocation" program offered by the Company in which the size of the purchase is determined by asset-based investment strategies will not be automatically labeled as "breakpoint" sales, even though the customer might have gotten a lower commission if he/she had a greater concentration of assets in a particular fund or funds. The record must show that the customer was informed of the options and chose not to take advantage of the "breakpoint." All customers purchasing multiple funds in excess of $25,000 in different families that may result in higher sales charges will be delivered the Mutual Fund Share Class/Breakpoint Letter" or other, similar document.

In some cases, mutual fund orders will go directly to the mutual fund company, and not through the clearing firm; in these cases, it is imperative that Registered Representatives comply with these breakpoint procedures.

Supervisory Review. All accounts reviewed by the Designated Principal will include evidence of review (initials on reports or notes generated). If the Designated Principal determines that a breakpoint or waiver of the sales charges has not been applied but is applicable, the transaction will be processed at the appropriate sales charge unless there is sufficient documentation to support the trade as is.

Refunds to Customers. The Company must make prompt refunds to those customers who were identified during the Designated Principal's review of trade activity (or during a self-assessment process) as having been overcharged, as well as other customers who come forward seeking refund's on their own and are owed a refund based on the Company's assessment. Refunds must be made in accordance with the following FINRA guidelines:

- Refunds should be made in cash sent to the customer, or through cash deposits made to an existing customer's account with notice to that customer (in some cases, within two days of determining the proper refund amount);
- Refunds should be equal to the amount of the sales load overcharge plus interest at a simple rate of at least 2.5%, for overcharges that occurred between January 1, 2001, and the present. For transactions that took place prior to that time, members should use a comparable interest rate; and
- Refunds should be made regardless of the performance of the mutual fund purchased by the customer.

The Designated Principal must review records of refunds and refund requests in order to ensure proper processing and that these guidelines have been met, when warranted. This Principal must also ensure proper recordkeeping of all refund-related documentation in accordance with SEC Books and Records Rules (records should be maintained in an easily accessible place for the first two years). In addition, the FinOp must ensure that Net Capital Computations include refunds payable as liabilities, and that funds necessary to refund customers are segregated correctly and in timely fashion, in accordance with the Customer Protection Rule (see Notice 03-47 for guidance).

12.1.5 "TRAILS" AND OTHER CONTINGENT DEFERRED CHARGES

FINRA rules carefully regulate the amount of sales and other charges that can be collected by the Company and its Registered Representatives "from the sale" of mutual fund shares. The rules define a "sales charge" to include all charges or fees that are paid to finance sales or sales promotion expenses, including front-end, deferred and asset-based sales charges, excluding charges and fees for ministerial, recordkeeping or administrative activities and investment management fees. A "deferred sales charge" is any amount properly chargeable to sales or promotional expenses that is paid by a shareholder after purchase but before or upon redemption. Class B and C shares normally carry a Contingent Deferred Sales Charge ("CDSC"): while the investor holds the shares, the CDSC normally declines and eventually is eliminated after a certain number of years. After the CDSC is eliminated, Class B shares often "convert" into Class A shares. When they convert, they will be subject to the same, lower asset-based sales charge as the Class A shares. Representatives may no longer sell securities or funds that carry a CDSC unless the CDSC is calculated so that shares not subject to the CDSC are redeemed first and other shares are then redeemed in the o order purchased (FIFO redemption).

The rules also define "service fees" as payments by an investment company for personal service and/or the maintenance of i investor accounts. These fees, known generally as "trails" are paid directly by the issuer to the Broker-Dealer as a percentage of average annual net assets of the particular investment. FINRA rules presently limit the amount of "trails" to .25 of 1% of average annual net asset value.
FINRA personnel carefully review the prospectus and selling literature of each fund (and any updates or amendments) prior to use to make sure that the rules are being observed and proper disclosures are made. The Company and its Registered Representatives are generally entitled to rely on such pre-cleared material for an accurate description of all sales and other charges.

Registered Representatives and other persons involved in the sale of mutual fund shares should exercise extreme care in the use "of the term "no load," especially where there are "trails" involved. " If the total

charges (including sales charges and "trails") exceed .25 of 1% of net assets per annum the investment cannot be described as "no load" under FINRA rules.

12.1.6 REPURCHASES AND REDEMPTIONS

Mutual funds may at all times be redeemed by tendering shares directly to the issuer (with or without a charge as set forth in the prospectus) in exchange for the net asset value (NAV) per share.

12.1.7 SWITCHING

Shares of one load (front or back-end) mutual fund cannot be exchanged for those of another without the Designated Principal's written approval. An exception to this rule is made in cases where funds share the same management and there is only a nominal charge for the exchange. Registered Reps, prior to recommending or accommodating a switch in a customer's account, must do the following:

- Verify that the change of funds is suitable in light of the customer's financial circumstances and consistent with the customer's stated investment objectives by assessing the customer's current and past trade activity, fund objectives, and investment preferences, and comparing the features of the proposed product to those of the existing investment to determine whether the customer will benefit from the switch (if the RR determines that switch may disadvantage the customer, the switch must not be accommodated);
- Try to minimize the customer's cost by switching within the same family of funds.
- Apprise the customer that such switch may result in shrinkage of the customer's capital through additional sales charges and the possibility of capital gains tax liability; and
- A Switch Letter, or similar LFF approved document must be utilized for any exchange within three years of purchase of a fund. Funds that have a load and/or a contingent deferred sales charge (CDSC) are applied to this requirement outlined above. Send the Switch Disclosure Letter or similar LFF approved document to the client.

The Financial Professional, at the time of the recommendation, should be covering off on any possible consequences relating to a switch with the client. The Switch Letter disclosure, which generally outlines possible consequences switch should be delivered. The letter will be retained with or in at least one of the following: the record of the order; the customer file; or a file designated for switch letters. The Designated Principal will ensure switch letters are delivered to the customer for switch transactions and that switches are justified. After reviewing switch letters (or the lack thereof), current and past trade activity, fund objectives and investment preferences, if the Designated Principal determines a switch is not in the best interest of the customer, the transaction will not be approved. In reviewing the customer account, if the Designated Principal determines that switches made in the customer's account were unjustified and/or costly, the customer will be notified, and additional information will be requested. If deemed appropriate, the customer will be provided with relief. The Designated Principal will maintain records of his or her review and will evidence this review by initialing and dating reports and/or notes generated.

12.1.8 CHANGE IN BD OF RECORD

When the Company is named as BD of record in mutual fund accounts held directly with the product issuer ("check and application," "application way," or "direct application" accounts), the Company (or RR) receives fees or commissions resulting from the customer's transactions in the account. In these situations, the use of negative response letters to change the BD of record is NOT permitted. The Company (and its RR's) must seek a customer's affirmative consent prior to changing the BD of record in the customer's application way account. The Designated Principal, in his or her review of customer

account documentation, must note the attempted use of negative response letters by RR's and must immediately halt such use, and require affirmative consent efforts. Records of customer consent to changes in BD of record should be maintained with customer account documentation.

When a registered representative with an established customer base changes his/her BD, the representative will typically attempt to transfer the customer's assets to an account at his/her new firm or to change the BD of record if the account is held directly with the mutual fund company. In cases where the product is proprietary to the representative's former BD or where the Company does not have a selling agreement with the mutual fund company, the distributor may not permit these assets to be transferred into the customer's account at the new firm or for the BD of record to be changed.

In these situations, the representative would no longer be permitted to service the investment or receive trail compensation from the mutual fund company. In these cases, the representative may consider liquidating and replacing such investments with similar investments available through the Company. The registered representative must consult the CCO, or other designated Principal, to determine whether it would be feasible for the Company to enter into a selling agreement with the applicable issuer/sponsor, if available, prior to making any recommendations for the customer to liquidate their investment.

If the Company determines that it is unable or unwilling to enter into a selling agreement with the mutual fund, the registered representative must advise the customer of any options the customer may have to continue to hold the investment at the representative's prior firm, before recommending that the customer liquidate or surrender the investment.

12.1.9 SELLING DIVIDENDS

"Ex dividend" mutual funds reflect that a dividend has been announced. FINRA Rule 2341 specifically prohibits the practice of recommending the purchase of mutual fund shares just prior to their going "ex dividend" unless there are specific, clearly described tax or other advantages to the purchaser. No Registered Representative shall represent that any capital gains distributions are part of the income yield. No Registered Representative shall withhold placing a customer's order for any mutual fund so as to personally profit from such a withholding. If the Designated Principal notes any patterns of purchases just prior to funds going "ex dividend" he or she shall contact the Representative to ascertain that the customers understand the benefits and consequences of such purchases.

12.1.10 SELLING COMPENSATION

FINRA severely restricts promotional payments or consideration. Please see FINRA Rule 2341(k) governing mutual funds sales practices and what respective Company personnel must not engage.

Company personnel should be aware of the SEC's Rule 12b1-1, amended to prohibit investment companies (funds) from compensating the Company for promoting or selling fund shares by directing brokerage transactions to it and from indirectly compensating selling brokers, such as the Company, by participation in step-out and similar arrangements in which the selling broker receives a portion of the commission. The ban includes any payment, including any commission, mark-up, mark-down, or other fee (or portion of another fee) received or to be received from the fund's portfolio transactions effected through the Company. Company personnel aware of payment or receipt of any such compensation should alert the Designated Principal, who must investigate and take corrective action, if required.

In addition, all cash or non-cash compensation or reimbursements to be provided directly or indirectly by sponsors to the Company or to selected Representatives in connection with the sale of such product

shall be paid or provided directly to the Company and not to the Representatives. These payments or benefits shall be treated as cash compensation subject to full prospectus disclosure and to the limitations described above. If special compensation arrangements are made with individual dealers, which arrangements are not generally available to all dealers, the arrangements and the identities of the dealers must also be disclosed in the current prospectus. In all matters of compensation for investment company shares, the designated Principal (or senior compliance staff) must ensure compliance with FINRA Rule 2341, the full contents of which are not included herein.

12.1.11 LATE TRADING

Please see the Section titled, "Mutual Fund Pricing/Late Trading," in Section 12, above.

12.1.12 ALTERNATIVE MUTUAL FUNDS

Alternative or "alt" mutual funds are publicly offered, SEC-registered funds that use investment strategies that differ from the buy-and-hold strategy typical in the mutual fund industry. Compared to a traditional mutual fund, an alternative fund typically holds more non-traditional investments and employs more complex trading strategies. The following procedures apply when the Company or RRs are conducting business in alt mutual funds, in addition to all procedures in this Section.

Product Approval: As with all products offered, the Designated Principal must have approved of alt funds offered and sold to customers.

Product Knowledge: RRs offering alternative mutual funds must be aware of their unique characteristics and risks and must attempt to inform customers of such. Alternative mutual funds seek to accomplish the fund's objectives through non-traditional investments and trading strategies. Alt funds might invest in assets such as global real estate, commodities, leveraged loans, start-up companies and unlisted securities that offer exposure beyond traditional stocks, bonds and cash. The strategies alternative mutual funds employ tend to fall on the complex end of the spectrum. Examples include hedging and leveraging through derivatives, short selling and "opportunistic" strategies that change with market conditions as various opportunities present themselves. Some alt funds employ a single strategy (single-strategy funds); others may employ multiple strategies (multi-strategy funds) such as a combination of market-neutral strategies and various arbitrage strategies. Still others are structured as a fund containing numerous alternative funds, a special type of "fund of hedge funds."

While not "hedge funds," these funds can have similar profiles. However, alt mutual funds offer protections that hedge funds do not, including:

- limits on illiquid investments.
- limits on leveraging.
- diversification requirements, including limits on how much may be invested in any one issuer.
- daily pricing; and
- the liquidity of fund shares.

Reps should educate the customer on the following factors, both generally and specifically for the security offered:

- Investment structure – More diversification
- Strategy risk factors – Turnover or credit risk
- Investment objectives – Vary with manager.
- Operating expenses – More expensive (@1.5%)

- Performance history – New; limited histories

FINRA's 2013 Investor Alert on this subject is worth reviewing and may be provided to customers for educational purposes.

Recommendations: When recommending alt mutual funds to customers, RRs must meet all suitability and best interest requirements in this Manual. As part of the Company's product approval process, reasonable based suitability of alt mutual funds must be assured and documented as described herein. Special attention should be paid to the higher risk associated with these products: the customer's risk tolerance must coincide with the profile of the recommended fund.

12.2 VARIABLE PRODUCTS

Name of Supervisor ("designated Principal"):	Designated Principals and Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily and periodically as required
How Conducted:	Review and approve of new account documentation for suitability, best interest and compliance with internal policies, suitability, best interest and sales practices; Review and approve retail communications, including hypothetical illustrations; Review correspondence; Periodic review of account information to confirm proper disclosure, customer information reviews, sufficient documentation and prospectus delivery; Review of customer account activity and quarterly 1035 exchange reports to detect improper replacements.
How Documented:	New account forms; LF188 Annuity Purchase Disclosure form, retail communications approvals; correspondence files; trade activity records; account documentation (including investor profiles, risk tolerance, financial and tax status records, investment objectives); compensation records, and 1035 exchange reports, where applicable. Sales Practice Investigation Reports.
WSP Checklist:	FINRA Rules 2111, 2320, 2330, 3110, 4511, 4512. Notices 94-36, 96-86, 99-35, 00-44; 04-72, 09-32, 09-50, 09-60, 09-72, 10-05, 11-02, 11-19. Member Alert, May 2004
Comments:	

12.2.1 GENERAL COMPLIANCE CONSIDERATIONS

Registered variable contracts are issued by insurance companies and are insurance contracts subject to regulation under state law. Because owners of variable contracts assume certain investment risks, the contracts are also considered securities and are registered as such under the Securities Act of 1933. As securities, the sales and distribution of variable contracts are fully subject to FINRA's sales practice rules and the SEC's Best Interest Rule. The contracts are funded by a separate account of a life insurance company registered as an investment company under the Investment Company Act of 1940. The distributor of the contracts is a Broker-Dealer under the Securities Exchange Act of 1934.

The SEC and FINRA have spent considerable time and attention addressing sales practice issues related to variable annuities. Notice to Members 99-35 (May 1999) provides guidance to assist Broker-Dealers and their RR's in developing appropriate procedures relating to variable annuity sales to customers and Notice to Members 96-86 (December 1996) reminds members that sales of variable contracts are subject to FINRAs suitability requirements.

The SEC provides comprehensive information to consumers in its public website at www.sec.gov/investor/pubs/varannty.htm. The RR should be familiar with each of these publications to ensure that he/she has the full scope of appropriate background to make good recommendations to clients. FINRA also provides information in its Investor Alerts section at www.finra.org/investors/protectyourself/investoralerts/index.htm.

Rule 2330 governs transactions involving deferred variable annuities. If an exchange of one variable annuity for another is involved, the RR must have a reasonable basis to believe that the transaction as a whole is suitable for the particular customer and must consider a number of additional factors. These factors include whether (i) the customer would incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits, be subject to increased fees, (ii) the customer would benefit from product enhancements and improvements; and (iii) the customer has had another deferred variable annuity exchange within the preceding 36 months.

12.2.2 RECOMMENDATIONS, SUITABILITY AND BEST INTEREST STANDARDS

All sales of individual variable life insurance products and variable annuity products must be approved by the representative's DP. With respect to all transactions effected by representatives under his/her jurisdiction, the DP or designee, if directed to do so in writing by the DP shall evidence review of the transaction by signing or initialing the application; and the signing of the application shall further serve as evidence of the OSJ principal's determination that the variable transaction was appropriate, absent a statement to the contrary written on the copy of the application by the OSJ principal. Copies of all applications approved or not, as well as the LF188 Annuity Purchase Disclosure form, or other similar LFFLF' approved document shall be maintained as part of the Firm's books and records in accordance with Article II, Section G of this Manual.

Variable products may be inappropriate for older customers. The DP may presume that a variable life product is inappropriate if the insured is age 75 or older. If the applicant exceeds the age set forth above for the given product type, the Designated Principal may approve the sale after the RR submits additional information and/or an explanation as to why the sale would be appropriate, notwithstanding the applicant's advanced age. The Designated Principal must not approve under any circumstances, a variable annuity with a surrender charge that would be assessed on account of minimum distribution requirements relating to a qualified plan or IRA.

Additionally, to the extent that the Designated Principal can ascertain whether the client proposes to fund the purchase of the variable contract using values from existing life policies or annuity contracts (whether through contract loans or surrenders), the Designated Principal should consider this as a cause for heightened scrutiny as to the appropriateness of the transaction. Under these circumstances, the Designated Principal should require a written explanation from the representative as to the appropriateness of the financing plan.

If the Designated Principal disapproves the transaction, the Rule allows for the customer to be informed of the reason for disapproval. If the fully informed customer still wants to pursue the variable annuity transaction, despite being educated about the reasons for principal disapproval and affirms to the Designated Principal, the Designated Principal may authorize the processing of the transaction as a non-recommended transaction.

Variable annuity business must be approved by the Designated Principal within 7 business days of being received in "good order". If the annuity application packet is not in good order, the OSJ office will secure the funds that may have accompanied the application in a locked cabinet for a period to allow the representative to contact the client for follow up and to achieve "good order" status for

processing. The funds will not be held longer than 5 business days before being returned to the client's possession.

New York State Best Interest Requirements: Since the Company and/or certain RRs are licensed insurance agents or producers in the state of NY, compliance with NY Regulation 187 is required. This Regulation imposes a best interest standard when making recommendations to consumers who are purchasers or owners of variable insurance products that are delivered or issued for delivery into the state of New York, including recommendations made after the issuance of the original contract or policy whether or not compensation is received.

RRs and Designated Principals should review NY Regulation 187 as amended to determine whether a transaction is subject to the standards set forth in the Regulation and to ensure that such standards are met when applicable.

12.2.3 APPROPRIATENESS OF SHARE CLASS AND RIDERS

Variable annuities are offered with various riders and share classes, which contain different commission structures and a variety of options to customers. Registered representatives must ensure that customers understand any restrictions and costs associated with each share class and/or rider when discussing the benefit of each.

Some variable annuities include the option of purchasing C- or L-shares. These share classes typically include a shorter surrender schedule than other available share classes, however, they may include higher M&E expenses and/or higher commission payouts to the registered representative.
When reviewing or recommending purchases of C- or L-shares, special consideration should be given to the following:

- C- or L-share purchases require clear disclosure to the client of other lower cost share classes available.
- C- or L-share purchases by clients with an investment time horizon of 10+ years or selecting lifetime income riders (ex: GMIB) may not be suitable.
  - Additional documentary evidence is required to demonstrate appropriateness of the recommendation.
  - Factors to consider.
    - Secondary investment time horizon
    - Potential shorter-term liquidity needs that may vary from the primary investment time horizon.
    - Amount of additional M&E fees incurred by the client over other available share classes.
    - Specific client requests to minimize the length of the surrender period and acknowledgement of additional M&E costs.
    - Conflicts of interest- Additional compensation to registered representatives as part of L-share purchases.
  - Increases documentary requirements.
  - Requires review of transaction patters over time

FINRA Rule 2211 provides interpretive guidance regarding communications with the public about variable life insurance and variable annuities. *It is important to note that these guidelines apply to not only sales literature and advertisements, but also to individualized communications such as personalized letters and computer-generated illustrations, whether printed or made available on screen.* The Company's Representatives, in conducting sales of these products, must comply with the restrictions noted in FINRA Rule 2211, including those related to claims about guarantees,

performance reporting, product comparisons, use of rankings, investment features and hypothetical illustrations of rates of return. In his or her review of documentation of sales activities, the Designated Principal will make an effort to detect and halt non-compliant communications with the public.

12.2.4 HIGH RATES OF EXCHANGES

FINRA has made it clear in Notice 07-06 and FINRA Rule 2330 that suitability determinations or recommendations may not be made on the basis that a variable product switch will yield greater compensation for the representative or the Company. Regulation Best Interest implicitly requires that the retail customer's interest be placed over broker sales commissions and compensation.

In approving any sale of a variable life i insurance product or variable annuity contract intended to "replace" any other security or investment product with a sales load (including existing variable life coverage, existing fixed universal life coverage, an existing variable annuity, and mutual funds), the DP must ensure that the required the LF188 Annuity Purchase Disclosure, or other similar LFF approved document has been executed by the client. The DP must review the application to determine that all replacement questions are answered; if replacement questions are not completed, the DP must return the application to the RR for completion. The DP is responsible for knowing or ascertaining how often a supervised representative is replacing products.

The DP must exercise a heightened level of scrutiny with respect to replacements if the RR has a particularly high rate of replacements or rollovers. Should high rates of exchanges be perceived for any given representative, the DP will report such to compliance for investigation.

12.2.5 VARIABLE ANNUITIES PROJECTED RETURNS

A variable annuity is an insurance contract that is subject to state insurance laws as well as federal securities laws and rules. Generally, variable annuities have two phases: the "accumulation phase," when customer contributions are allocated among the underlying investment options, and the "distribution phase," when the customer withdraws money through various annuity payment options. One of the principal features of variable annuities is the tax-deferred treatment of earnings during the accumulation phase.

As part of the marketing process, members often attempt to illustrate the benefits of the tax-deferral feature through a hypothetical comparison of a variable annuity investment to a generic taxable account. Current tax laws provide that earnings from a variable annuity are taxable only upon withdrawal as ordinary income. In contrast, earnings from a taxable account are generally taxed annually and at rates that vary depending upon the nature of the earnings and the individual's tax bracket. For example, capital gains and dividends may be taxed at different tax rates depending upon various factors, including the individual's tax bracket.

Brokers/agents need to consider the following factors when preparing hypothetical illustrations that are designed to depict the tax-deferral feature of variable annuities:

a. Members must use identical gross investment rates of return for the hypothetical taxable account and variable annuity. The variable annuity portion of the illustration must reflect the charges associated with the annuity. Alternatively, the disclosure accompanying the illustration must specifically identify the applicable charges, state that the charges have not been reflected in the illustration, and explain that had they been reflected, the return of the variable annuity would be lower.

b. Members must use and identify the *actual* federal tax rates applied in the hypothetical taxable illustration. The illustration may also reflect an actual state tax rate for communications used in that state only. If federal or state tax rates change, members may need to update their illustrations to be accurate and not misleading.
c. Members should use tax rates that reasonably reflect the tax brackets of the likely recipients of the communication. Members also should consider whether it is reasonable to assume that a customer would remain in the same tax bracket for extended periods of time (e.g., thirty years).
d. Members should disclose that lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the accounts shown. Customers should also be advised to consider their personal investment horizon and income tax brackets, both current and anticipated, when making an investment decision as these may further impact the results of the comparison.

12.2.6 COMMUNICATIONS WITH THE PUBLIC AND 1035 EXCHANGES

LFF requires that its Designated Principals in charge of reviewing variable annuities routinely review their marketing communications with a view to ensuring that:

a. Illustrations designed to show the comparative tax benefits of variable annuities are based upon tax rate and investment return assumptions that are consistent, fair and reasonable at all times while the communication is in use, and
b. The tax rate assumptions in such illustrations are accurate in all respects as of both the date the material is prepared and throughout the period during which the material is in use. Such illustrations must also fully and fairly disclose all underlying assumptions as well as the fact that changes in tax rates and tax treatment of investment earnings such as 1035 Exchanges and how this may impact the comparative results.

12.2.7 VARIABLE CONTRACT DELIVERY

The broker/agent shall ensure that the insured receives the purchased VA contract in a timely manner, and that no contract will be considered as being written based after receipt of the premium. The contract must be first agreed upon and accepted by the insurance company before receipt of payment.

Any RR who receives a signed application and/or receives payment must forward the application and/or payment the same day to the home office who will forward to the respective insurance company.

The following information shall be furnished to an applicant for a contract of variable life insurance prior to execution of the application:

a. A summary description of the insurance company and its principal activities.
b. A summary explanation in non-technical terms of the principal variable features of the contract and of the manner in which any variable benefits reflect the investment experience of a separate account.
c. A brief description of the investment policy for the separate account with respect to the contract.
d. A list of investments in the separate account as of a date not earlier than the end of the last year for which an annual statement has been filed with the commissioner of the state of domicile; and
e. Summary financial statements of the insurance company and the separate account based upon the last annual statement filed with the commissioner, except that for a period of four months after the filing of any annual statement the summary required may be based upon the annual statement, immediately preceding the last annual statement, filed with the commissioner. The insurance company may include any additional information as it deems appropriate.

12.2.8 TWISTING/SWITCHING

LFF does not allow twisting, a form of churning, where similar annuity and insurance products are traded for another company's similar product. No contract will be approved to replace an existing policy without sound reason for the change. Designated Principals approving variable annuity applications should watch carefully to avoid approval of such switching of contracts.

As with mutual funds, it is a violation of FINRA rules for any RR to affect the purchase and sale of securities that result in excessive commissions. This can happen when a RR switches from one annuity to another, a fund to an annuity, or an annuity to a fund, thereby generating new commissions and charges.

12.2.9 BONUS CREDITS

Some insurance companies offer variable annuity contracts with "bonus credit" features. This "bonus credit" is paid to the client in amounts typically ranging from 1%-5% of purchase payments, making the feature an attractive selling point.

Insurance companies offering bonus credits generally charge higher fees or include other features favorable to the issuer to account for the bonus payment, such as:

- Higher surrender charges.
- Longer Surrender periods.
- Higher mortality and expense risk charges and other charges.
- Bonus payment(s) may be retracted upon any withdrawal from the annuity; and
- Bonus payments may only apply to an extremely limited number of premium payments, at time even just the premium payment.

Even though these charges may seem insignificant, it is likely that they could have a substantial long-term effect on the cost of the product and/or its return. For this reason, it is essential that the RR thoroughly evaluate the upside and downside of any product with "bonus credit" features **prior** to recommending the product or describing the bonus feature to the client. Any presentation of a "bonus" contract must be balanced and present the pros and cons of such a transaction. Additional documentation may be required based on individual circumstances of the transaction and may or may not be required to be signed by the client.

Generally, bonus credits should not be used to offset surrender charges in a 1035 exchange. Any transaction that has these factors will be subject to escalated review by supervisory principals/ compliance and will require approval by two supervisory principals.

12.2.10 LIQUIDITY

Considering that variable life insurance and variable annuities frequently involve substantial charges and/or tax penalties for early withdrawals, the Company should not make any representation or implication that these are short-term, liquid investments. Presentations regarding liquidity or ease of access to investment values must be balanced by clear language describing the negative impact of early redemption. With respect to variable life insurance, discussions of loans and withdrawals must explain their impact on cash values and death benefits.

In addition, a long-term investment holding period is an essential component to client appropriateness for variable annuities. At a minimum, the RR must ensure that other assets are available to meet the client's liquidity needs if the event arises.

Guidance for Assessing Liquidity Needs:
Assessing a customer's liquidity needs entails more than simply computing liquid net worth. Obtaining answers to the following questions will help the Registered Representative better understand the customer's true need for liquidity:

- Is the customer unemployed (and not retired)?
- If the customer became unemployed, would he or she need to make withdrawals from the variable product before regaining employment?
- Does the customer have adequate health insurance to cover medical expenses?
- Does the customer currently live on fixed income or anticipate doing so within the next 5 years? If yes, how much annual income does the customer require to meet fixed expenses?
- What will be the source of liquid assets available to the customer after purchasing the variable product?
- Are the customer's liquid assets sufficient to meet anticipated and unanticipated expenses, including unforeseen medical expenses, over at least the next five years?
- Will the customer's income decrease in the near future as the result of an event other than retirement?
- Does the customer have any planned major expenses that would require him or her to take withdrawals from the annuity?
- Is the customer likely to invest in a business opportunity in the near future for which he or she does not have funds set aside?
- Does the customer have a dependent with a medical condition that may require a significant expense in the near future?
- If the customer is retired, or in the process of retiring, will he or she need any of the money invested in the variable product to live on over the next several years?
- Is the customer 65 years or older? If so, how is the variable product consistent with the customer's liquidity needs, liquid resources, and investment time horizon?

Important: When recommending a variable product transaction that constitutes more than 50% of the liquid net worth for a customer 65 years or older, the Registered Representative must prepare and submit with the application a detailed explanation justifying the recommendation.

12.2.11 TRAINING

Rule 2330 requires the development and documentation of specific training policies or programs reasonably designed to ensure that all registered representatives who effect, and Designated Principals who review, transactions in Deferred Variable Annuities comply with the Rule. This training is conducted in conjunction with the Company's firm element program and/or annual compliance meeting. Records are maintained of all persons required to participate, as well as the course or materials used in training.

12.3 EQUITY-INDEXED ANNUITIES

Equity-indexed annuities (EIAs) are financial instruments in which the issuer, usually an insurance company, guarantees a stated interest rate and some protection from loss of principal, and provides an opportunity to earn additional interest based on the performance of a securities market index. Additional features of EIAs are described in Notice 05-50: sales and supervisory personnel are encouraged to review this Notice. Some EIAs are not registered under the Securities Act of 1933 based on a determination that they are insurance

products that fall within that statute's Section 3(a)(8) exemption and therefore are not considered to be securities; other EIAs are securities registered for public sale with the SEC.

Registered EIAs. When offering *registered* equity-indexed annuities, Company personnel are required to adhere to all applicable procedures and guidance contained in this Manual, including those concerning suitability, best interest, sales materials, supervisory oversight and order documentation. In general, many of the procedures described in the Variable Annuities Section above, apply to sales of registered EIAs. In addition, personnel are required to adhere to the general and specific standards in this NCI section.

Unregistered EIAs. While the Company, itself, does not offer unregistered EIAs as investments to its customers, it may permit some RRs to offer these exempt insurance products away from the firm.

The Company requires that when such a product is offered outside the Company—or when a RR recommends that a customer liquidate or surrender a registered security such as a mutual fund, variable annuity, or variable life for the purpose of funding the purchase of an unregistered EIA—the EIA must be treated as a security from a supervisory and regulatory perspective. Therefore, this outside activity is considered "selling away" and must conform to FINRA Rule 3280 standards, as described under the "FIRM POLICY on Outside Business Activities and Private Securities Transactions ("Selling Away")" section, above.

In that regard, RRs intending to conduct private securities transactions in EIAs must promptly notify the Company in writing. If the RR intends to receive compensation from such outside transaction, s/he must receive prior written approval from the Designated Principal (see "Selling Away" section) and the transaction must be supervised in accordance with the applicable procedures in this Manual and specifically in this NCI section. RRs must not offer or sell EIAs as investments or switch customers from securities products into EIAs without informing the Company in writing. Doing so is a violation of Company policy and will be subject to disciplinary action.

The Company adheres to the guidance in Notice 05-50, where FINRA suggests that all Broker-Dealers adopt special supervisory procedures for the sales of EIAs. To follow are certain specific guidelines regarding the sale of EIAs; these guidelines also apply to oversight of 'selling away' transactions.

While unregistered EIAs are not registered under the Securities Act and are therefore not deemed securities, the Company requires that these products be treated as securities from a supervisory and regulatory perspective. The Company adheres to the guidance in Notice 05-50, where FINRA suggests that all Broker-Dealers adopt special supervisory procedures for the sales of EIAs.

Approved Products. The Company's designated Principal has approved the sale of certain registered and/or unregistered EIAs by complying with its "New Products" procedures and the due diligence guidelines described in this section. Registered Representatives should consult their supervisors to learn which such products are approved for sales. When Representatives are offering and selling unregistered EIAs as investments, they must do so as Registered Representatives of the Company—and all activity must be supervised in accordance with these and other procedures.

12.3.1 SALES AND MARKETING MATERIALS

When presenting the advantages of EIAs, associated persons must balance promotional materials with disclosures of the corresponding risks and limitations of the product (see "Due Diligence" and "Promotional Materials," above). All correspondence and sales materials used in offering EIAs must be subject to the review and approval procedures outlined above in "Correspondence" and "Communications with the Public." All offering materials provided by issuers must be reviewed by the Designated Principal prior to their distribution. The Designated Principal must be careful in

reviewing such materials, since many will have been drafted by insurance agents and will not meet FINRA regulatory standards (for instance, including exaggerated claims of principal protection and high returns). In the case of selling away transactions, where an EIA transaction is deemed a securities transaction, these principal review and approval requirements must be met.

12.3.2 SALES/SUITABILITY/BEST INTEREST

The many, varied features of EIAs make the suitability and best interest analysis required under FINRA and SEC Rules particularly complex. While EIAs may be appropriate for some retail investors, they are not appropriate for all investors. For example, features that contribute to their complexity such as caps and participation rates associated with a particular product, minimum guarantees and fees and expenses, including surrender charges, premium bonuses, and multiple premium payment arrangements, must be considered in any appropriateness determination.

As with all investments, especially NCI's, it is imperative that RRs must attempt to establish the specific appropriateness analysis of each customer transaction. When evaluating a transaction in an EIA for a customer, each Representative must attempt to confirm the following:

- The customer understands the type of product they are purchasing, including fees, charges and risks, such as loss of principal.
- The customer has received a prospectus (if available) or other offering materials and has acknowledged receipt.
- The customer's investment objective is long-term, and they would not have a need to liquidate the contract in the short-term to meet income or expense needs;
- The customer's age does not exceed the limitations allowed by the contract issuer and that elderly individuals understand the long-term nature of the contract and the risks involved.
- The customer does not have a physical or mental disability that might hinder their ability to assess the risks associated with these contracts and that such disabilities do not disqualify them for the insurance benefits; and
- The customer's needs and objectives include a need for insurance as provided under these contracts.

Representatives must explain the various features of EIAs with their customers. Answers to the following customer questions must be known and explained to the customer prior to finalizing sales in EIAs:

- What is the guaranteed minimum interest rate?
- What charges, if any, are deducted from my premium?
- What charges, if any, are deducted from my contract value?
- How long is the term?
- What is the participation rate?
- For how long is the participation rate guaranteed?
- Is there a minimum participation rate?
- Does my contract have a cap?
- Is averaging used? How does it work?
- Is interest compounded during a term?
- Is there a margin, spread, or administrative fee? Is that in addition to or instead of a participation rate?
- Which indexing method is used in my contract?
- What are the surrender charges or penalties if I want to end my contract early and take out all of my money?
- Can I get a partial withdrawal without paying charges or losing interest?
- Does my contract have vesting?

- Does my annuity waive withdrawal charges if I am confined to a nursing home or diagnosed with a terminal illness?
- What annuity income payment options do I have?
- What is the death benefit?

12.3.3 DOCUMENTATION

All documentation required for Variable Annuity sales is also required for EIA sales, when applicable. To reiterate, the following forms must be completed and maintained in each EIA, when applicable:

- Customer account information or New Account Form.
- Product Application.
- Replacement form, if applicable.
- Product Disclosure Forms.
- Switch (investment change) Letter, if applicable and

Any additional forms required by the issuer.

12.3.4 SUPERVISION

The Company supervises the sale of EIAs in much the same way as it supervises the sale of Variable Annuities—both supervisory and sales personnel should reference that section in this Manual to be familiar with expectations. As with other securities sales, all sales of EIAs require Designated Principal review and approval. Designated Principals should pay particular attention to appropriateness and replacement issues when reviewing EIA sales for approval.

12.4 DIRECT PARTICIPATION PROGRAMS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	In course of conducting transactions
How Conducted:	Review of Offering Material, correspondence, customer account information (suitability/best interest forms)
How Documented:	Offering material; Due diligence files; Correspondence Approval noted by Principal initials or signature.
WSP Checklist:	FINRA 2231, FINRA Rules 2310, 5110, 6620 series 11580 and 11581; SEA Rule 10b-5; Notice 96-14, 01-08, 04-50, 08-35, 08-57, 09-09, 09-33, 13-18
Comments:	

The Company may offer direct participation programs (DPPs). DPPs are programs which provide for flow-through tax consequences regardless of the structure of the legal entity or vehicle for distribution, including, but not limited to, oil and gas programs, real estate programs, agricultural programs, cattle programs, condominium securities, Subchapter S corporate offerings and all other programs of a similar nature, regardless of the industry represented by the program, or any combination thereof. DPP's are excluded from the definition of "new issue" under FINRA Rule 5130, which describes restrictions on offerings of new issues. FINRA Rule 2310 governs the underwriting terms and arrangements of DPP's, whether registered or unregistered, but which are not listed on a national securities exchange.

Representatives and their supervisors must examine carefully the appropriateness of these investments since they may not be appropriate if an individual does not meet certain accredited or sophisticated investor

requirements. These securities may be offered in public offerings, and also via a direct placement process, similar to private placements. Unlike mutual funds and annuities, direct participation programs are not extremely liquid investments. Thus, Representatives should view these as more long-term investments. Final approval of all DPP transactions must be given by the Designated Principal. It is important to know that approvals may not be rendered for a particular placement of an issuer. An approval of one offering does NOT constitute approval of ANY offering of the issuer. Rather, each private offering must be separately approved. The burden of proof of approval shall be with the RR.

Training: All RRs conducting business in private placements shall be required to attend an educational training course provided by LFF. This course will;

- Ensure that each representative has the appropriate qualification examinations. Because TICs are typically structured as direct participation programs ("DPP's), associated persons who sell them generally must have passed the Series 7 or the Series 22 (Limited Representative-Direct Participation Program securities).
- In addition, most states require the Series 63 State Agent's license.
- educate the representative on the rules and regulations pertaining to private offering, (1031 exchange; if valid);
- the course will provide education with regard to the negative possibilities and downside risks involved in private placement transactions;
- provide a thorough review of all disclosures and appropriateness requirements to ensure that the client's needs are met through this investment, including the risks from over-concentration against tax deferral, and the investment potential of the underlying real estate asset(s);
- educate the representative that private placements are illiquid securities and FINRA is not aware of any secondary market for private placements.
- that the tenant-in-common (TIC) & Delaware Statutory Trust (DST) forms of ownership may require unanimous consent to sell a TIC interest (if applicable); and
- as fees charged in connection with TIC & DST exchanges increase, the money saved as a consequence of tax deferral will be offset. (if applicable)

Once a representative has completed the course, the representative will receive from the DP a letter of approval or denial based on the general opinion of the supervisor as to the ability of the representative to properly and thoroughly conduct private placement transactions. All representatives are prohibited from conducting such business activity until such approval is granted and evidenced by the receipt of such written supervisory approval letter.

The DP shall maintain a file evidencing the approval of a representative. Once a year, the DP shall conduct a continuing education class for the representative(s) approved to offer private placements. All approved representative(s) are required to attend the continuing education class on an annual basis. Upon completion of the training class, the RR will receive a certification that will last for 12 months. After the certification expires, the RR will be required to attend another training class. If the representative does not attend, the representative will be reprimanded from offering private placements until they attend the continuing education class. A file shall be maintained evidencing all representatives that have attended the continuing education class and signed by the DP.

12.4.1 PROSPECTUS AND DISCLOSURES

The current prospectus or other offering memorandum of each DPP should be delivered to the customer prior to, or at the time of, the sales presentation. The customer should be encouraged to read the prospectus prior to making an investment decision and should be reminded that there is no assurance that the program's objectives will be met. Outdated prospectuses should not be used and amendments

to prospectuses should be provided promptly to customers. Information and objectives provided outside of the prospectus should not conflict with those in the prospectus.

Registered representatives are required to disclose all pertinent facts regarding the liquidity and marketability of the DPP during the term of the investment, including whether the sponsor has offered prior programs and if so, whether;

- the prior program included a date or time period when it might be liquidated; and
- the program was indeed liquidated on or about the published dates or time period.

(This prior program information is not required for certain DPPs that are either listed or reasonably expected to be listed on a national securities exchange.)

The Designated Principal must ensure that the communications procedures herein on review, approval, filing and record keeping are followed when required, for instance, in the event the Company broadly distributes free writing prospectuses. Such materials may require filing with FINRA's advertising review unit.

12.4.2 RECOMMENDATION REQUIREMENTS

In recommending to a customer the purchase, sale or exchange of any direct participation program security Registered Representatives must have reasonable grounds for believing that the recommendation is appropriate for such customer upon the basis of the facts disclosed by such customer as to his or her other security holdings and as to his financial situation and needs, among other criteria defined by FINRA Suitability Rule 2111 and SEC Regulation Best Interest.

If applicable, customers purchasing these investments must also meet the State's minimum suitability standards that are outlined in each respective prospectus.

12.4.3 INVESTOR REPRESENTATIONS AND WARRANTIES

As a general investor recommendation standard, it will be the policy of the Company to require that prospective subscribers for DPP investments make certain written representations and warranties including, but not limited to, the following: (i) the subscriber is acquiring the investment for the subscriber's own account, for investment only, and not with a view toward the resale or distribution thereof; (ii) the subscriber possesses sufficient knowledge of business, finance, securities and investments, and sufficient experience and skill in investments based on actual participation, to evaluate the risks and merits of an investment in the investment; (iii) the subscriber has no need for liquidity with respect to this investment; and (iv) the subscriber's DPP investment will not exceed 20% of the subscriber's net worth (or joint net worth with the subscriber's spouse).

Each prospective purchaser of a DPP investment will be required to make certain representations and supply information in order to establish his or her appropriateness. Accordingly, each prospective purchaser must rely on his or her own judgment and advisors in making a decision to invest.

Purchaser Representative: The Company encourages each Representative to ask prospective investors to consult a qualified financial and tax advisor and an attorney in connection with an investment in DPPs. Special consideration and attention should be given to the limited liquidity of, and risks associated with, these investments. Each prospective investor must consider the investment in light of his or her individual investment objectives a and expected future financial and tax position.

12.4.4 DUE DILIGENCE PROCEDURES

Prior to participating in a public or private offering of a direct participation program the Designated Principal shall have reasonable grounds to believe, based on information provided by the sponsor through a prospectus or other materials, that all material facts are adequately and accurately disclosed and provide a basis for evaluating the program. Further, the Company shall make a reasonable effort to determine that the organization and offering expenses in connection with the distribution of the public offering, as defined in FINRA Rule 2310(b)(4)(C), are fair and reasonable and will not participate in any offering where these expenses are found to be unfair or unreasonable (see below).

In determining the adequacy of disclosed facts, the Designated Principal or designee shall obtain information on material facts relating, at a minimum, to the following, if relevant in view of the nature of the program:

- Items of compensation,
- Physical properties,
- Tax aspects,
- Financial stability and experience of sponsor,
- The program's conflicts and risk factors, and
- Appraisals and other pertinent reports.

In the case of private offerings, the Designated Principal or designee will review the facts and make sufficient inquiries, including the following, to test for possible integration:

- Is there more than one offering being conducted at one time?
- Are the offerings a part of a single part of financing?
- Do the offerings involve issuance of the same class of security?
- Are the offerings made at or about the same time?
- Is the same type of consideration to be received?
- Are the offerings made for the same general purpose?

The Designated Principal or designee will adequately review and make sufficient inquiries into the possible disqualification of the issuer and other sellers to the Regulation D exemption. The Designated Principal or designee should make the following inquiries:

- Is there more than one offering under Reg D—Rule 505 exemption being conducted at one time?
- When was the last offering under Reg D—Rule 505 exemption conducted?
- What was the total amount raised in the last offering under Reg D—Rule 505 exemption?
- How many non-accredited investors purchased an interest in the last offering under Reg D—Rule 505 exemption?

The Designated Principal will adequately review the results of the inquiries and document them in a due diligence file. The due diligence file will be maintained with the other records of the Company and must be made available to all RR's offering such securities (these RR's must understand the above-named issues and characteristics).

The Company or any person associated with it may rely upon the results of an inquiry conducted by another member or members provided that:

- The Company or the associated person has reasonable grounds to believe that such inquiry was conducted with due care;

- The results of the inquiry were provided to the Company or associated person with the consent of the member or members conducting or directing the inquiry; and
- No member that participated in the inquiry is a sponsor of the program or an affiliate of such sponsor.

The Designated Principal will conduct periodic reviews of Representative activity in DPP sales to ensure that all necessary requirements and procedures are adhered to.

12.4.5 ROLLUP

FINRA Rules prohibit the Company from "participating in a "limited partnership rollup transaction" unless in conformity with the Rules. A "rollup" is a transaction in which limited partners of Partnership A are solicited to vote to "roll up" the partnership into Partnership B or some other entity in which they will receive substitute securities. The structure of the transaction can take any number of different forms, whether a sale of assets, exchange of interests, combination into a new entity, etc. The Rules are complex and designed to ensure that the terms and conditions of the "rollup" are fair and properly disclosed to the partners. Compensation to participating Broker-Dealers is subject to stated limits.

Any proposals for the Company or any of its Registered Representatives to engage or participate in a "rollup" must be carefully reviewed in advance by the Designated Principal and the Compliance Department to determine that the transaction complies with the Rules.

12.4.6 SECONDARY MARKET TRADING

Many DPP investments are quoted and traded on the "secondary market." FINRA has established a quotation system for such trades. Transactions in non-exchange listed DPPs must be reported as any other OTC security: see the section on "Trade Reporting" herein for details. See Notice 97-8 for a complete discussion of procedures.

The Company, when it participates in the transfer of limited partnership securities in secondary market transactions, must use the standardized Limited Partnership Transfer Form under the Uniform Practice Code (See Notice 96-14 for the form). This requirement does not apply to limited partnership securities that are traded on a national securities exchange or are on deposit in a registered securities depository and settle regular way.

LFF will have signed acknowledgement and understanding from investors that the investor has paid particular attention to the contents of sections that apply to their investment objectives, including risk factors and degree of risk, liquidity restrictions, lack of diversification in investment, suitability, tax aspects, conflicts of interest, commission/sales charges, possible leverage and administrative and other fees.

12.4.7 VALUATION OF DPP UNITS FOR REPORTING PURPOSES- NOT APPLICABLE

12.4.8 COMPENSATION IN PUBLIC OFFERINGS- NOT APPLICABLE

12.4.9 COMMUNICATION CONCERNING REIT PROGRAMS- NOT APPLICABLE

12.5 MUNICIPAL SECURITIES

Name of Supervisor ("designated Principal"):	Municipal Securities Retail Principal Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily review of trades; quarterly review of transaction reporting; prompt review of requests/notifications pursuant to MSRB Rule G-37
How Conducted	Trade reviews/approvals; periodic account reviews; review of transaction reporting; correspondence review; review of event notices; review of compliance with SHORT System submissions, when required.
How Documented:	Initials or signatures on trade documentation/reports, customer account documentation reviews, correspondence, and evidence of review and forwarding of event notices; records of SHORT System submissions when required. Verify LF126 529 Plan Due Diligence form and the Form 1529 529 Disclosure are on file, if needed. LFF020 Sole Underwriter – Negotiated Sales Pricing Method Certification if needed.
WSP Checklist:	Government Securities Act Sec. 102-107; SEA Rule 10b-5, 15(5)(4)(E), 15c2-12, and 17a-3. Exchange Act Release No. 45882. Various MSRB Rules, such as those referenced below, and related Notices. FINRA Notices 09-35, 08-21, 03-17, 00-08, 95-48, 10-41, 15-27.
Comments:	

Government securities are securities issued by federal, state and local governments. Special sets of rules control the issuance of such securities, which are generally exempt from the general regulations under the 1933 and 1934 Acts. The issuance, sale and investment advisory services of most government securities are governed by the Municipal Securities Rulemaking Board (MSRB).

The Company considers itself to be in compliance with MSRB Rule G-27 (re: Supervision) by virtue of its having appointed the above-named supervisor and by complying with various, analogous Rules and Regulations of FINRA and SEC. *This WSP Manual does not purport to reiterate every MSRB Rule applicable to the Company's business. The firm is required to maintain a copy of or provide access to the Municipal Securities Regulation Board Manual in each office where municipal securities business is conducted. The MSRB Manual should be consulted by Company Principals, associated persons and regulatory examiners for information on MSRB Rules pertaining to the Company.*

12.5.1 MUNICIPAL REGISTRATION (MSRB)

Firm Registration:

Prior to engaging in municipal securities activities, as a broker/dealer, the Company must ensure that it is registered with the MSRB and SEC, as required under MSRB Rule A-12 and SEC Rule 15Ba1-2. The Company's FINRA membership agreement, MSRB Form A-12 includes the Company engaging in municipal securities brokerage.

Form A-12 includes Company contact information as well as trade reporting information. Form A-12 must be updated within 30 days when there are changes to submitted information. The CCO or

Municipal Principal will ensure any changes are made to the Form as required and will access the MSRB electronic filing system at least annually by the 17th business day following the end of the calendar year to affirm the A-12 information.

Form MA includes information similar to FINRA Form BD and is required by registered Municipal Advisor firms to be updated promptly when changes occur. Annual Form MA updates are required within 90 days of the end of the Company's fiscal year. The Company filed MA-W to withdraw registration as a Municipal Advisor in 2020. To conduct municipal advisory business, the Company would be required to re-register.

Representative Registration:

Each Representative doing business in municipal securities must hold the appropriate license and registration, depending on his/her role. Three categories of registrations exist for Representatives:

- Municipal Securities Sales Limited Representative: for those who effectuate only sales and purchase of municipal securities (Series 7).

Municipal Securities Representative: for those who engage in more than just sales and purchases of municipal securities or who engage in more complex s

- securities (Series 52, or Series 7 if it was 'grandfathered').
- Municipal Securities Representatives qualified by virtue of being a Limited Representative – Investment Company and Variable Contracts Products: for those who engage only in sales and purchases of municipal fund securities (Series 6 -- see sub-section below).

Principal Registration:

Principals overseeing municipal securities business and RRs must hold the appropriate licenses and registrations as described in Rule G-27(b) and Notice 2011-62. Appropriate Principals must be designated, such as *municipal securities principal* (Series 53), responsible for all supervisory functions as they relate to municipal securities; *municipal fund securities limited principal* (Series 51), responsible for supervisory functions, but only as they relate exclusively to municipal fund securities.

Continuing Education:

MSRB Rule G-3 requires all "covered persons," as defined by the Rule, to participate in continuing education. The requirements shall be comprised of a Regulatory Element and Firm Element, as required by FINRA Rule 1250. The Company will ensure that all "covered persons" engaged in municipal securities activities receive annual training related to municipal securities as part of the Firm Element training or through separate training, as applicable. The Designated Principal shall ensure that the Company has included an assessment of the training needs of its municipal "covered persons" annual through its Needs Analysis, will assign training as needed and will maintain records of the training and its completion by required persons.

12.5.2 SALES AND TRADING PRACTICES

RR's are required to comply with, and the Municipal Retail Principal shall be responsible for supervising, the following sales practices, where applicable (some of these items are elaborated upon in procedures to follow). Note that the Company's affiliated persons or companies may be required to comply with some or all MSRB rules:

- **Supervision**: In accordance with the account opening procedures described in this WSP Manual, new municipal securities accounts must be subject to the Municipal Retail Principal's review and approval. Likewise, all municipal securities transactional activity must be reviewed by the Municipal Retail Principal in accordance with the transaction review procedures in this Manual.

All such reviews and approvals must be evidenced as described herein (e.g., signatures on NAF's, initials/signatures on order tickets and daily/weekly blotters, etc.). Additional areas of supervision include correspondence in the context of solicitation and execution of transactions (including verification that new issue and material event disclosures are made—see below); periodic review of accounts; best execution/order handling; trade reporting reviews; and all other areas specifically addressed in this section and the Manual as a whole;

- **Pricing and Quotations**: Whether acting as principal or agent, compensation must be fair and reasonable, in accordance with MSRB Rule G-30. Prices, mark-ups and mark-downs, and commissions should reflect those of the current prevailing market as made available by MSRB's real-time Transaction Reporting System (RTRS) and via EMMA (see below). RR's/Traders must document the process by which prices for customer transactions are determined. The basis for obtaining the price, such as prices from contemporaneous transactions, those obtained from the RTRS system, or prices figured by a valuation model, should be noted in the corresponding dally transaction records and subject to supervisory review. Under Rule G-13, the Company may not distribute or publish, or cause to be distributed or published, any quotation relating to municipal securities, unless the quotation is bona fide (i.e., it is prepared to execute at the quoted price) and the price stated in the quotation is based on the best judgment of the Company of the fair market value of the securities that are the subject of the quotation at the time the quotation is made. The Company must withdraw or update a stale or invalid quotation promptly enough to prevent a quotation from becoming misleading as to its willingness to buy or sell at the stated price;
- **Best Execution:** In compliance with MSRB G-18, the Company and its RRs are responsible for using reasonable diligence in obtaining best execution for retail customers by considering factors related to the trade, the security and the markets and maintaining records related to its diligence. In further of ensuring best execution, the Company is prohibited from interjecting a third-party between itself and the best market for a specific security. The requirements under G-18 apply whether the Company is acting as agent or principal in a transaction;
- **Fair Dealing**: RR's will comply with MSRB Rule G-17, which provides that, in the conduct of its municipal securities activities, the Company shall deal fairly with all persons and shall not engage in any deceptive, dishonest or unfair practice;
- **Use of Broker's Brokers**: When the Company acts a selling dealer or bidding dealer in bid-wanted and offerings conducted by broker's brokers, it must meet pricing duties under MSRB rules (G-13 and G-30) as a means of contributing to the broker's brokers' success in achieving fair pricing. As bidding dealer, "throw-away" bids to broker's brokers are not permitted: they defy the Company's obligation to use best judgment in pricing and, after reported, create a misperception about the true fair value of securities. As selling dealer, the Company may not use bid-wanted solely for price discovery purposes; when acting as principal, it must take steps to ascertain whether a high bid received from a broker's broker is, in fact, a fair and reasonable price for the securities. The Company may not direct a broker's broker to "screen" or "filter" the audience for a bid-wanted or offerings unless there are legitimate (non-anti-competitive) reasons for doing so. When liquidating customer securities, the Company as selling dealer should inquire as to the customer's circumstances and discuss the possible improved pricing benefit to taking more time (i.e., don't use a rush order as an excuse to not achieve best pricing). The Municipal Retail Principal should review Notice 2012-34 for guidance and should convey the importance of these fair pricing rules to Traders;
- **Minimum Denominations:** As required under MSRB Rule G15, the Company will not affect a customer transaction (buy or sell) in a denomination less than the minimum denomination of the issue unless it is determined that the transaction will result in a complete liquidation of a position held by the customer or seller. The Company may rely on customer account information or a written statement from the customer in making the determination as to the customer's position in the issue. Where the Company's customer is the purchaser of securities in a denomination below the minimum, it shall, at or before the completion of the transaction provide the customer with a

written statement (either on the trade confirmation or separate document) informing the customer of this fact and the fact that the future liquidity of the position may be adversely affected, unless they previously own a position in the same security which when combined with the new position, will bring the total position above the minimum denomination;

- **Misuse of Information**: The Company and its RRs may not use information regarding the owners of municipal securities obtained in a fiduciary or agency capacity (such as paying agent, transfer agent, registrar, indenture trustee, safekeeping agent, correspondent of another municipal dealer, etc.) for the purpose of soliciting purchases, sales or exchanges of municipal securities. Also prohibited is using the information for financial gain except with the consent of the issuer, other broker or dealer or the person on whose behalf the information was given (ref: G-24);
- **Telemarketing**: The Company and its RRs must abide by Rule G-39 and the procedures in this Manual relating to telemarketing;
- **Portfolio Analysis**: In presentations of portfolio analysis, include all required disclosures such as the source of valuations and a statement that the valuations should be compared to statements issued to the customer by the clearing firm. RR's should also disclose the nature of any differences in pricing between the statement and the information on the portfolio analysis;
- **Customers who are RR's**: If a customer is employed by another Broker-Dealer or municipal securities dealer, the Company should notify the employer. If the employer requests it, the Company should send duplicate confirmations;
- **Advertising**: Advertisements must adhere to the general ethical standard imposed under G-17 and G-21 that prohibits dealers from distributing any sales material concerning its facilities, services, or skills with respect to municipal securities that is materially false or misleading. Advertisements, when addressing the following topics, must be in accordance with related MSRB guidelines:
  - Historical Data: description of their nature and significance so as to assure that such advertisement is not false or misleading; relates to past performance, may not be indicative of future investment performance;
  - Nature of Issuer and Security: identify specific security and issuer in a manner that is not false or misleading;
  - Capacity of Dealer and Other Parties: Relationship between dealer serving as primary distributor for a municipal fund security and certain of its affiliates or other unrelated entities that may provide investment management, transfer agent or other services to the issuer;
  - Tax Consequences: Discussion of tax implications of investments in municipal (and fund) securities (*e.g.*, exemptions, deductibility, etc.) must not be false or misleading;
  - Underlying Securities: Any details of a registered security that are included in a municipal fund security advertisement must be presented in a manner that would be in compliance with the SEC and FINRA advertising rules applicable where the same registered security is sold directly to an investor.

    All advertisements of municipal securities must be approved in writing prior to first use by a municipal securities principal (or a municipal fund securities limited principal in the case of municipal fund securities) or a general securities principal. The Designated Principal must ensure maintenance of records of all advertisements for three years in a separate file. Advertisements must be filed with FINRA, when necessary;
- **New Issues**: If a customer has a municipal transaction that occurs within the primary offering disclosure period of 25 days after closing (i.e., selling or purchasing new issues), the RR must promptly supply customers with all pertinent information (Official Statement or notice explaining how one can be obtained through the EMMA website). The Municipal Securities Principal may make use of the Municipal Primary Offering Disclosure Report on Report Center to identify these transactions in order to monitor RR compliance with this disclosure requirement. If imposing restrictions on resales of primary issues, the RR should obtain the nature of the limitations from the selling dealers to avoid violating any MSRB Rules. When trading in new issues during a 'retail

order period' (in advance of institutional investors), the Company may not engage in pricing that results in excessive price/yield variances between retail and institutional transactions. If the term "not reoffered" or "NRO" is used in written communications about a new issue (sent at and after the time of initial award of the new issue), price and yield information must also be included;

- **Tax Credit Bonds**: Certain tax credit bonds are also municipal securities and therefore subject to all applicable MSRB rules and these procedures: Recovery Zone Economic Development Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds, New Clean Renewable Energy Bonds, Midwestern Tax Credit Bonds, Energy Conservation Bonds, Qualified Zone Academy Bonds and Build America Bonds.
- **Recommendations**: RR's recommending a specific municipal security transaction must have reasonable grounds for believing that the recommendation is appropriate, based upon information available from the issuer of the security or otherwise and the facts disclosed by or otherwise known about the customer (the RR must make reasonable efforts to obtain information concerning the customer's financial status, tax status and investment objectives per Rule G-19). The specific characteristics and risks of the municipal security recommended must be considered, and, when analyzing the risk profile of a municipal security, Company personnel may not rely solely on credit ratings. RRs must endeavor to understand and assess the relevance of a particular rating to the Company's overall assessment of the security. When making an appropriateness determination involving credit-enhanced securities such as Auction Rate Securities (ARS) and variable rate demand obligations (VRDO), RR's must consider the liquidity characteristics and the credit ratings of the credit enhancer in light of the customer's need for a liquid investment and his/her rating preferences (see below). The information used by the Company to determine appropriateness when making recommendations to customers should be documented; and
- **Disclosures**: The Company shall promptly receive notice of certain events (such as principal and interest payment delinquencies and non-payment related defaults) regarding Muni trades it does for customers recommends and shall make known to its customers the details of these events, The next sub-section is dedicated to this important requirement—see below.
- **Close-out:** Transactions that have been compared or otherwise agreed upon by both the buyer and seller, but which are not yet completed, must be closed out within 10 calendar days after the settlement date. When transactions are not completed on accordance with the requirements of MSRB Rule G-12, the purchaser or the seller as is applicable are required to give notice to the counterparty and to take steps to close-out the transaction within specified periods as set forth in G-12.
- **Customer Short Positions:** While a short position in a municipal security is rare, it may on occasion occur. The Municipal Retail Principal should be mindful of concerns relating to the receipt of substitute interest that can arise when customer long positions in tax-exempt municipal allocate to short positions. In these circumstances, the Municipal Retail Principal shall ensure that all communication with customers does not contain false or misleading statements relative to the tax status of paid or accrued interest.
- **Fails to Receive:** If the Company determines there is a fail relative to a municipal security transaction, the Municipal Retail Principal shall first determine if a customer is long in the securities and shall take steps to resolve the short as outlined in MSRB Rule G-12(h). The Municipal Retail Principal shall notify the FinOp of any fails to ensure appropriate reporting in the Company's financials.

Confirmations: MSRB Rule G-15 requires the Company to disclose the mark-up or mark-down on a transaction where they have bought or sold a municipal security on a principal basis from or to a non-institutional customer and have engaged in trading in the same security during the same trading day where the size of the Company's offsetting principal trades, in aggregate, equals or exceeds the size of the customer's trade, unless exceptions set forth in the Rule apply.

If the confirmations for the non-institutional customers are provided in an electronic format, the confirmation must contain a hyperlink to a webpages on the MSRB's Electronic Municipal Markets Access (EMMA) website that contain publicly available trading data for the specific security that was traded. All printed confirmations where the disclosure of the mark-up or mark-down is required must contain the URL to the applicable webpage.

The designated Principal(s) in their review of marketing, trade, communication and other records related to the Company's municipal activities will seek to ascertain that the Company and its registered persons are in compliance with the Company's procedures, rules and regulations related to such. If the designated Principal identifies a potential derivation from these, they will bring it to the attention of the Municipal Retail Principal and/or the CCO for additional —review and remedial action as applicable.

Useful Questions - As indicated above, RR's and traders, before selling any municipal security, should make sure that they fully understand the security they are selling in order to meet the disclosure, appropriateness and pricing requirements summarized herein. By attempting to gather answers to the following questions, RR's and traders will be better prepared to comply with these requirements and internal procedures:

- What are the security's key terms and features and structural characteristics, including but not limited to its issuer, source of funding (e.g., general obligation or revenue bond), repayment priority, and scheduled repayment rate? Much of this information will be in the Official Statement, which for many municipal securities can be obtained by entering the CUSIP number in the Muni Search box at www.emma.msrb.org. Be aware, however, data in the Official Statement may have been superseded by the issuer's on-going disclosures.
- Does information available through EMMA or other established industry sources indicate that an issuer is delinquent in its material event notice and other continuing disclosure filings? Delinquencies should be viewed as a red flag.
- What other public material information about the security or its issuer is available through established industry sources other than EMMA?
- What is the security's rating? Has the issuer recently been downgraded? Has the issuer filed any recent default or other event notices, or has any other information become available through established industry sources that might call into question whether the published rating has been revised to take such event into consideration?
- Is the security insured, or does it benefit from liquidity support, a letter of credit or is it otherwise supported by a third party? If so, check the credit rating of the insurer or other backing, and the security's underlying rating (without third party support). If supported by a third party, review the terms and conditions under which the third-party support may terminate.
- How is it priced? Be aware that a municipal security can be priced above or below its par value for many reasons, including changes in the creditworthiness of the issuer and prevailing interest rates.
- How and when will interest on the security be paid? For example, most municipal bonds pay semiannually, but zero-coupon municipal bonds pay all interest at the time the bond matures. Variable rate bonds typically will pay interest more frequently, usually on a monthly basis in variable amounts.
- What is the security's tax status, under both state and federal laws? Is it subject to the Federal Alternate Minimum Tax? Is it fully taxable (e.g., Build America Bonds)?
- What are its call provisions? Call provisions allow the issuer to retire the security before it matures. How would a call affect expected future income?

See sub-section, below, for procedures relating to institutional customers.

12.5.3 DISCLOSURE OF EVENTS

For the sake of these procedures, information is considered "material" if there is a substantial likelihood that the information would be considered important or significant by a reasonable investor in making an investment decision.

Knowledge of Material and Other Information: In order to fully comply with MSRB Rule G-47 (disclosing events to a customer at or prior to the time of the trade), the Company, as a municipal securities broker or dealer, must also have complied with amended SEA Rule 15c2-12. This Rule requires the Company to promptly receive notice of certain events, including:

- Principal and interest payment delinquencies;
- Non-payment related defaults if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers or their failure to perform;
- Adverse tax opinions, IRS notices or events affecting the tax status of the security;
- Modifications to rights of security holders, if material;
- Bond calls, if material;
- Defeasances;
- Release, substitution or sale of property securing repayment of the securities, if material;
- Rating changes;
- Tender offers;
- Bankruptcy, insolvency, receivership or similar event of the obligated person;
- Merger, consolidation, or acquisition of the obligated person, if material;
- Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

Prior to the sale of municipal securities to a customer, RR's must review disclosed events on MSRB's EMMA (Electronic Municipal Market Access) portal. EMMA is a publicly-accessible electronic repository of municipal market information, including continuing disclosures submitted by Muni bond issuers, official statements and related pre-sale documents filed with MSRB, advance refunding documents, 529 college savings plan offering documents, notices of failure to provide required financial disclosure, credit ratings and real-time and historic trade data for municipal bonds. For material event disclosures before July 1, 2009, RRs should consult an NRMSIR other than EMMA; for disclosures after that date, EMMA is the sole designated source for this information.

EMMA also includes other information submitted voluntarily by issuers and obligated persons —RRs should review the voluntary information for anything that might be of significance to their customers. Voluntary event-based disclosures include the following categories:

- amendment to continuing disclosure undertaking.
- change in obligated person.
- notice to investors pursuant to bond documents.
- certain communications from the IRS.
- Secondary market purchases.
- bid for auction rate or other securities.
- capital or other financing plan.
- litigation/enforcement action.
- change of tender agent, remarketing agent, or other on-going party.
- Derivative or other similar transaction.
- other event-based disclosures.

Representatives must also review any other material information that is known by the Company or is reasonably accessible to the market. The use of established industry sources like information vendors (e.g., Bloomberg and Reuters) is expected and encouraged; in some cases, internet search tools may be used in pursuit of material information. The degree to which the Company depends on such sources will vary with the type of municipal security at hand: that is, the Company might draw on fewer industry sources to disclose all material information about a "triple A" rated general obligation bond than for a non-rated conduit issue. Conversely, to the extent that a security is more complex, for example because of complex structure or where credit quality is changing rapidly, the Company might need to take into account a broader range of information sources prior to executing a transaction. The Municipal Retail Principal should assist RRs in understanding these obligations and how to meet them; he or she must ensure that the Company has a system in place that allows RRs to access and provide such information.

Disclosure of Information to Customers: As described in Rule G-47, the Company and its RRs must disclose all material information about the transaction and the security to the customer, either orally or in writing, at or prior to the time of the transaction. This obligation includes a duty to give the customer a complete description of the security, including a description of the features that likely would be considered significant by a reasonable investor and facts that are material to assessing the potential risks of the investment. The RR must pass along such information to the customer prior to or at the time of the proposed sale. Time of sale, sometimes referred to as the "time of trade," is when the investor and the RR agree to make the trade. Disclosure is required for all sales: recommended, not recommended, unsolicited, "self-directed," primary and secondary market. Records of having informed the customer may consist of e-mail correspondence or notation to the customer's records or trade records.

Supervision: The Municipal Retail Principal, in his or her periodic reviews of municipal securities activity, will ensure that disclosures are being reviewed, provided and documented. Supervisors may make use of disclosure reports made available on Report Center, via Firm Gateway. The Municipal Retail Principal will also ensure that RR's engaging in Muni transactions have been properly trained in the use of the EMMA portal and other information sources made available by the Company for these purposes. See sub-section, below, for procedures relating to institutional customers.

In accordance with FINRA guidance in Notice 09-35, if the Company discovers that an issuer has failed to make filings required under its continuing disclosure agreements, it must take this information into consideration in meeting its obligations under Rule G-47 and in assessing the appropriateness of the issuer's bonds under Rule G-19. Continuing disclosure requirements apply to underwriters/Primary distributors of 529 plans—throughout the life of the plan--as well.

MSRB offers paid subscriptions to the EMMA continuing disclosure historical data product, which consists of the same data set (including both documents and related indexing information) as provided by the EMMA continuing disclosure subscription service up to the end of the most recent month. Data dating back to June 1, 2009, is available for purchase.

12.5.4 TRANSACTION REPORTING

In accordance with MSRB Rule G-14, if the Company distributes or publishes a report of a sale or purchase of municipal securities, the Designated Principal will know or have reason to believe that the purchase or sale was actually effected and will have no reason to believe that the transaction is fictitious or in furtherance of any fraudulent, misleading, or deceptive purpose. Also, in accordance with Rules G-12 and G-14, the Designated Principal will confirm that all **inter-dealer transactions** are reported in real time for automated comparison to the MSRB, including the contractual dollar price ("Regulatory Dollar Price") at which the transaction was executed.

The Company must file Form A-12 via MSRB Gateway to provide information relative to its trade reporting obligation or exemption and the manner in which trades shall be reported, if applicable. Trade reports must and will be made using the formats and within the time frames specified in Rule G-14, Transaction Reporting Procedures, and according to the standards established by the NSCC. There are three portals available for reporting and the use of each is restricted by the type of transaction being reported. These portals are as follows:

- The message-based trade input RTRS Portal operated by National Securities Clearing Corporation (NSCC) ("Message Portal") may be used for any trade record submission or trade record modification;
- The RTRS Web-based trade input method ("RTRS Web Portal" or "RTRS Web") operated by the MSRB may be used for low volume transaction submissions and for modifications of trade records but cannot be used for submitting or amending inter-dealer transaction data that is used in the comparison process. Comparison data instead must be entered into the comparison system using a method authorized by the registered clearing agency; and.
- The NSCC Real-Time Trade Matching ("RTTM") Web-based trade input method ("RTTM Web Portal" or "RTTM Web") may be used only for submitting or modifying data with respect to Inter-Dealer Transactions Eligible for Comparison; effecting broker symbols (EBS or MPID) are used to match trade criteria.

Transactions effected with a time of trade during the hours of the RTRS Business Day (7:30am to 6:30pm eastern time) must be reported within 15 minutes of time of trade. The following transactions are exempted from this 15-minute reporting requirement:

- A primary market sale transaction executed on the first day of trading of a new issue by a sole underwriter, syndicate manager, syndicate member or selling group member at the published list offering price for the security ("List Offering Price Transaction"); or by a sole underwriter or syndicate manager to a syndicate or selling group member at a discount from the published list offering price for the security ("RTRS Takedown Transaction") shall be reported by the end of the day on which the trade is executed;
- Trades in short-term instruments with an effective maturity of nine months or less, including variable rate instruments, auction rate products, and commercial paper executed by a dealer shall be reported by the end of the RTRS Business Day on which the trades were executed.
- A when, as or if issued transaction that meet all the following conditions shall be reported within 3 hours of the time of trade:
    - the CUSIP number and indicative data of the issue traded are not in the securities master file used by the dealer to process trades for confirmations, clearance and settlement;
    - the dealer has not traded the issue in the previous year; and
    - the dealer is not a syndicate manager or syndicate member for the issue.

If there are fewer than three hours of the RTRS Business Day remaining after the Time of Trade, the trade shall be reported no later than 15 minutes after the beginning of the next RTRS Business Day. The 3-hour exemption for when, as and if issued transactions will expire on June 30, 2008, unless extended by further regulatory action.

Transactions effected with a time of trade outside the hours of the RTRS Business Day shall be reported no later than 15 minutes after the beginning of the next RTRS Business Day. MSRB Notice 2011-58 should be consulted for information on non-business days and related submission requirements; Notice 2012-15 outlines reporting rule and system changes, including dissemination of exact par values on transactions up to $5 million par value, a new error code to alert dealers to trade reports in securities that are classified as corporate or government securities by the CUSIP Service Bureau, and enhancements to the reports available on RTRS Web.

If the Company engages in agency transactions with customers that are executed against the principal account of its clearing firm, the trades shall be reported using the specifications required for "Inter-Dealer Regulatory-Only" trades.

Level Four Financial, LLC's clearing firm, will perform all required inter-dealer reporting on behalf of the Company.

The Company is responsible for the timely and accurate reporting of trade data. Therefore, the Designated Principal will monitor the Company's transaction reporting performance by reviewing reports provided by the clearing firm, emails received from RTRS in the event of inaccurate reporting, if received; and MSRB report cards. The Company will also work with respective contracted parties and/or applicable internal departments to ensure that its reporting responsibilities are met in a timely and accurate manner. Records of transaction reporting reviews will be maintained by the Designated Principal for future reference. The Designated Principal should review MSRB Rule G-14 and the RTRS Reporting Guidelines for more information on these requirements.

Beginning in March 2019, the MSRB is launching a new Price Variance Report that will show notable variances between the prices reported by a dealer to RTRS and the prices reported by other dealers for the same security in the same time period. The MSRB will notify the Company when variances occur relative to its reporting. The Designated Principal shall review the report to determine if modifications to the reported trade are required. If modifications are required, the Designated Principal will notify the Trade Desk or the Clearing Firm, if applicable, to make required changes. The Designated Principal will document his or her review on the Price Variance Report and will retain evidence of the review and any actions taken in the Company RTRS trade review records.

System Outages: Should the Company encounter a system outage or other technology-related problem interfering with its timely or accurate trade reporting, SHORT system reporting, or EMMA submissions relating to new issues, it should report such via MSRB's online service through the Firm Gateway. Regulators may use the reported information as a mitigating factor should such disruptions result in rule violations. The Municipal Securities Principal should coordinate usage of this system when necessary.

12.5.5 BOOKS AND RECORDS

The Company's home office shall keep and preserve the books, accounts, records, memoranda, and Correspondence in conformity with all applicable laws, rules, regulations and statements of policy pursuant to FINRA guidelines, which are applicable to a member firm operating and clearing on a fully disclosed basis through another member. Also, the Company is required to maintain customer accounts showing the following information: name, address, and whether the customer is of legal age, signature of the Registered Representative introducing the accounts and the signature of the Designated Principal accepting the account for the Company. If the customer is associated with or employed by another member, this fact should be noted. In discretionary accounts, the Company shall also record the age or approximate age and occupation of the customer as well as the signature of each person authorized to exercise discretion in such account.

The Designated Principal must ensure that the Company keeps and preserves either a separate file of all written complaints of customers and action taken by the Company, if any, or a separate record of such complaints and a clear reference to the files containing the correspondence connected with such complaint. In addition, the Designated Principal must confirm that investor complaint brochures have been sent to all municipal securities customers upon receipt of complaints, per Rule G-10. The

Designated Principal shall ensure that an electronic record of all written customer complaints is maintained and that records are preserved for a period of 6 years.

The Company, by virtue of its compliance with SEA Rules 17a-3 and a-4, will be in compliance with MSRB Rule G-9 (and G-8, by reference), except that certain records must be maintained for four years instead of three, to accommodate FINRA's examination schedule. However, the Company must also ensure compliance with certain recordkeeping requirements under G-8 that are not included in the SEC books and records rules. The Designated Principal must understand and ensure Company compliance with these requirements.

12.5.6 MSRB RULE G-37 (CONTRIBUTIONS)

MSRB prohibits brokers, dealers and municipal securities dealers from engaging in municipal securities business with issuers if certain political contributions have been made to officials of such issuers and requires disclosures about certain political contributions, including those to bond ballot campaigns, as well as other information, to allow public scrutiny of these contributions and of the municipal securities brokers/dealers.

The rules described in this section apply to associated persons even if they are employed in divisions or departments other than municipal bond departments. For instance, fixed-income personnel making a presentation to potential issuers of municipal securities (including Build America Bonds or other tax credit bonds) would be considered "municipal finance professionals" of the Company under Rule G-37.

Ban on Business: MSRB Rule G-37 prohibits the Company and its municipal finance professionals (for these purposes, any associated persons doing municipal business) from engaging in any municipal securities business with an issuer for two years after a political contribution to an official of such issuer has been made by the Company, any such associated person, or any political action committee controlled by either of them ("dealer-controlled PAC"). Contributions to unaffiliated PACs' must be analyzed by the designated Principal to a) determine if the PAC Rule G-37 and "Pay to Play" compliant, and thus not subject to the ban on business; or b) if such contributions by the Company or its MFP's could be viewed as an indirect contribution (a conduit to an issuer official). The indicators listed in MSRB's interpretation (Notice 2010-57) must be addressed and considered in this analysis.

An exception exists for contributions made by municipal finance professionals, when they are entitled to vote and when such contributions, in total, do not exceed $250 to each official of such issuer, per election, including federal elections.

Prohibition on Soliciting and Coordinating Contributions: In addition, the rule prohibits the Company and certain municipal finance professionals from soliciting or coordinating contributions to officials of issuers with which they are engaging in or seeking to engage in municipal securities business, as well as of payments to political parties of states or localities where they are engaging in or seeking to engage in municipal securities business.

Reporting: The rule requires the Company to report all non-de-minimis ($250/year/person/official, party or ballot initiative) contributions to officials of issuers, payments to political parties of states and political Subdivisions, and contributions to bond ballot campaigns. Rule G-37(e) describes the specific information that must be reported. The Company also has to report on this form the list of issuers with which it did business during the previous quarter, among other information. If the Company has no reportable information (no contributions; no business) then it does not have to report.

The Municipal Principal or designee will ensure that required reporting is completed on Form G-37 by the last day of the month following the end of any calendar quarter in which any of the following occurs:

- Reportable political contributions or payments to issuers, political parties or bond ballot campaigns were made;
- The Company engaged in "municipal securities business"; or
- The Company used consultants to obtain or retain municipal securities business (Form G-38t).

The term "municipal securities business" includes negotiated underwritings as manager or syndicate member; private placements; acting as financial advisor to an issuer (on a negotiated basis); and acting as a remarketing agent (on a negotiated bid basis). A "consultant" is any person used by a dealer to obtain or retain municipal securities business through direct or indirect communication by the person with an issuer on behalf of the dealer with the understanding of receiving payment from the dealer or any other person.

***Bond Ballot Campaigns*:** MSRB Notice 2013-09 describes additional reporting requirements relating to contributions made by dealers and dealer personnel to bond ballot campaigns, and any municipal securities business awarded as a result of the corresponding bond ballot measures. When applicable, the Company must report, and maintain records relating to:

- Contributions that represent in-kind contributions, including the value and nature of the goods or services provided, including any ancillary services provided to, on behalf of, or in furtherance of the bond ballot campaign and the specific date on which such contributions were made;
- The full issuer name and full issue description of any primary offering resulting from voter approval of a bond ballot measure to which a contribution required to be disclosed has been made. Such information is required to be reported in the same calendar quarter in which the closing date for the issuance that was authorized by the bond ballot measure occurred. This requirement has a two-year look back provision for MFPs and non-MFP executive officers; and
- The amount and source of any payments or reimbursements related to any bond ballot contribution received by the Company or its MFPs from any third party.

***Meetings/Conferences*:** With the release of MSRB Notice 2007-13, the MSRB has issued an interpretation that a dealer sponsoring a meeting or conference where an issuer official is invited to attend or is a featured speaker should be mindful of the parameters of Rule G-37, including the prohibition on soliciting and coordinating contributions. For example, if the issuer official (or his/her staff) solicits contributions in connection with the event, or dealer personnel solicit or coordinate contributions, such activities may constitute fundraising activities. If a determination is made that the event is a fundraising event for the issuer official, then expenses incurred by the dealer for hosting the event may be deemed a contribution, thereby triggering the two-year ban on municipal securities business with that issuer as prescribed by Rule G-37. MSRB members are reminded that the dollar amount of an expense incurred by the dealer for hosting the event is not a factor in whether or not the provisions of Rule G-37 will apply. If the event is determined to be a fundraising event, then *any* expense incurred by the dealer may be deemed a contribution to the issuer official, thereby triggering the two-year ban on municipal securities business with that issuer.

Certain reporting exemptions exist under G-37, including one for firms that have not engaged in municipal securities business for eight consecutive quarters. When such an exemption applies, the Municipal Principal will ensure that proper reporting on Form G-37x is completed.

Internal Procedure: Given the limited exception to and the complexity and broad application of this rule, it is therefore Company policy to restrict such activity unless prior written prior approval is given by the Municipal Principal. In order to avoid even the appearance of an impropriety and to comply fully with the intent of MSRB Rule G-37, the Company has adopted the following procedure:

All employees, brokers, associated persons, executive officers and municipal finance professionals associated with the Company are required to give prior written notification of all potential political contributions to any officials of a municipal issuer, payments to political parties of states and political subdivisions, and contributions to bond ballot campaigns, regardless of amount by submitting LF131 Political Contribution Activity Request, or similar LFF approved form. The notification must contain at a minimum, the name of the official/state/subdivision/bond ballot campaign, the amount of the proposed contribution, and a description of the relationship with the recipient if applicable. Associated Persons may make contributions to national political candidates as long as the recipient is not otherwise associated with a state or local political office[2] and the request is principal reviewed and approved. Associated Persons should consult with the Municipal Principal if there is a question about the propriety of a potential contribution.

The Municipal Principal will have complete discretion to either approve or deny the proposed contribution. This decision will be in written form and will be given to the requester within a reasonable amount of time, not to exceed ten business days. Copies of both the request and the decision will be kept as part of the routine books and records, regardless of whether the request was approved or denied. If a contribution request is approved, reporting to MSRB will be completed as required (see above). In addition, all requested information relating to contributions, including in-kind contributions and prior contributions, must be provided to the Company upon request.

12.5.7 ADMINISTRATION: CONTRACTS AND FEES/ASSESSMENTS

Contacts: MSRB Rule A-12 requires each member of the MSRB to maintain an e-mail account to electronically receive communications from the MSRB and appoint a primary contact person to receive such communications. Unless the Company is registered *only* as a municipal advisor (not a Muni broker or dealer), this person must be a registered municipal securities principal (Series 51 or 53). The information reported includes the primary contact's name, e-mail address and telephone number along with the name, title, and phone number of the preparer of the form, among other identifying information. If desired, the name, e-mail address and phone number of an Optional Contact person may be provided as well. The Designated Principal shall ensure that information regarding contacts is verified and updated, if necessary, by the 17th business day following the end of the calendar year. If changes occur in contact information during the year it should be reported promptly.

Fees and Assessments: The Company, as a municipal securities dealer is required to pay certain fees, including: the initial registration fee under A-12; annual fees under Rule A-11; and underwriting fees and transaction fees under Rule A-13. The FinOp, in coordination with the Company's financial officer will ensure payment is made when required.

Changes in Status, Name or Address: MSRB Rule A-12 requires the Company to notify MSRB if it ceases to be engaged in municipal securities or advisory business, whether voluntarily or otherwise (e.g., suspended or barred). The Company must also notify MSRB if it has been expelled or suspended from membership or participation in a national securities exchange or registered securities association. The Municipal Securities Principal will ensure that this procedure is followed.

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[2] http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-37.aspx?tab=3#_E7B1D878-1A9D-4F78-A218-A17A79A012F0 MSRB Interpretive Letter May 31, 1995 regarding Campaigns for Federal Office.

12.5.8 PROHIBITION ON PAYMENTS TO NON-AFFILIATED PERSONS SOLICITING MUNICIPAL SECURITIES BUSINESS

MSRB Rule G-38 generally prohibits the Company from making a direct or indirect payment to any person who is not an affiliated person of the firm (i.e., a partner, director, officer, employee or registered person of the Company or its affiliate). While one exception to this rule exists for transitional payments to consultants working for the Company prior to August 29, 2005, the Company currently is not relying on such exception and therefore allows NO payments to be made to non-affiliated persons.

Form G-38t filings are required in *all* calendar quarters in which transitional payments are paid or pending. If an actual or pending payment is not disclosed as required by the rule, then future payments will not be permitted under the rule (regardless of whether or not the solicitation occurred prior to August 29, 2005) and the Company will be deemed to be in violation of Rule G-38. In addition, the rule specifically states that any solicitation activities which have taken place on or after August 30, 2005 are *not* subject to the safe harbor described above and will cause an immediate violation of Rule G-38, even if they occurred based on a contractual arrangement entered into prior to August 30, 2005.

The Municipal Securities Principal is responsible for ensuring timely and accurate filings of Form G-38t. He or she will also ensure that payments are no longer made when each respective Consultant Agreement is no longer effective and subject to continuing payments.

12.5.9 MUNICIPAL FUND SECURITIES (529 PLANS)

The Company offers Municipal Fund Securities, otherwise known as Section 529 College Savings Plans, to its customers. 529 Plans have investment features similar to investment company securities or variable annuity contracts. Because they are issued by a state or local governmental entity, these Municipal Fund Securities are considered municipal securities and, accordingly, the Company is subject to the rules of the MSRB.

In view of the unique characteristics of Municipal Fund Securities, the MSRB has adopted a series of amendments to its existing municipal securities rules. Included in these MSRB rule amendments are modifications to: transaction fee assessments (A-13); professional qualification (G-3); recordkeeping (G-8); transaction reporting (G-14); customer transaction confirmation requirements (G-15); advertising (G-21); customer account transfers (G-26); new issue disclosure (G-32); and CUSIP assignment requirements (G-34). All other MSRB rules apply to transactions in Municipal Fund Securities.

The Tax Cuts and Job Act of 2017 allows 529 savings plans to be used to pay for K-12 tuition, up to $10,000 per taxable year per designated beneficiary. The tuition expense are eligible at public, private, religious elementary, middle or high school and are also tax free at the Federal level.
Rule G-3 Amendments. Under MSRB rule modifications, the Company's investment company/variable contracts limited representatives (Series 6) satisfy the MSRB qualification standard for sales of Municipal Fund Securities. Supervision of sales of municipal fund securities must be conducted by one of the following categories of principal: "municipal fund securities limited principal" (having passed the Series 51 exam in addition to holding the 24 or 26 license); "municipal securities principal" (Series 53); or "general securities sales supervisor" (Series 8 or Series 9/10). A principal holding the Series 24 or 26 licenses is not qualified to supervise municipal fund securities without having passed the Series 51 exam.

Compliance with MSRB Rules. The unique nature of municipal fund securities may result in otherwise familiar MSRB rules being applied in unfamiliar ways or may present a challenge to the Company's Representatives having no other experience in effecting municipal securities transactions. In either case, it is imperative that the Company's Representatives be familiar with applicable MSRB rules. The MSRB in May 2002 provided interpretive guidance regarding the application of its rules to dealers effecting transactions in municipal fund securities. Its "Application of Fair Practice and Advertising Rules to Municipal Fund Securities" notice seeks to provide guidance on the basic customer protection obligations that dealers (such as the Company) have when effecting transactions in municipal fund securities. At the core of the MSRB's customer protection rules is Rule G-17, which provides that, in the conduct of its municipal securities activities, each dealer shall deal fairly with all persons and shall not engage in any deceptive, dishonest or unfair practice.

The Company requires all Representatives engaged in the sale of municipal fund securities to be familiar with, and comply in all respects with, the MSRB rules described in the aforementioned notice, including, but not limited to: Rule G-17 (customer protection); Rule G-19 (suitability); Rule G-21 (advertising); Rule G-30 (prices and commissions); and Rule G-47 (time of trade disclosure). The designated Municipal Principal, in his or her review of municipal fund securities activities must verify and attempt to ensure compliance with applicable MSRB Rules and Company procedures.

Disclosure/Suitability/Best Interest. When offering 529 Plans to his or her customers, each Representative must ensure the customer's understanding of the varying Plans, including either Prepaid Tuition Programs or Savings Plans. IRS code applies many restrictions on these securities, including, among others: maximum contribution, applicable gift taxes, qualifying beneficiaries, and penalties for inappropriate use of distribution proceeds. In addition, states apply their own restrictions and benefits, both tax and non-tax. Representatives are required to provide informational material to their customers, intended to fully disclose the various benefits and financial/tax consequences of an investment in these securities. Clients are required to sign Form 1529 529 Client Disclosure and RRs are required to complete the LF126 529 Plan Due Diligence Form.

Rule G-47 requires a broker or dealer, in connection with any transaction in municipal securities, to disclose to its customer, at or prior to the sale of the security, all material facts about the transactions known by the dealer. In addition, all material facts about the security that are reasonably accessible to the market must also be disclosed to the customer at this time. This duty applies to the dealer regardless of whether or not they recommended the transaction to the customer.

Since many states offer favorable tax treatment or other valuable benefits to their residents in connection with investments in their own 529 college savings plan the MSRB has determined that the following disclosures be provided to out-of-state purchasers of these products. These disclosures are required to address the following issues:

- Any favorable tax treatment or other benefits offered by a state for investing in their 529 college savings plan may only be available to residents of that state;
- Any state specific benefits offered with respect to a particular 529 college savings plan should be one of many factors that should be considered in making an investment decision; and

The customer should consult with the home state and his or her financial, tax, or other adviser to learn more about how certain state benefits (including any limitations) would apply to their specific circumstances.

The out-of-state disclosure obligation may be met if:

- The disclosure appears in the program disclosure document.

- The disclosure is incorporated with the program disclosure document in such a manner that it is reasonably likely to be noted by an investor.

When recommending transactions relating to a Section 529 college savings plan, the following, additional factors should be considered by RR's:

- The potential tax consequences to a customer whose investment objective may not involve use of such funds for qualified higher education expenses;
- The relative tax advantages of investing in 529 plans in the customer's state of residence. These advantages must be understood and explained to the customer; to recommend purchases of out-of-state 529 plans may disadvantage the customer. Disclosure of in-state tax and non-tax benefits must be disclosed to customers purchasing out-of-state plans;
- K-12 tuition allowance as noted in the Tax Cut and Jobs Act of 2017 considerations.
- Information about the designated beneficiary relevant in weighing the investment objectives of the customer, such as the age of the beneficiary and the number of years until funds will be needed to pay qualified higher education expenses of the beneficiary;
- The fact that the person making the investment in a Section 529 college savings plan retains significant control over the investment and is considered the *customer* for purposes of MSRB rules, including assessing suitability under Rule G-19 and best interest under SEC Regulation Best Interest;
- The same municipal fund security of an issuer may be sold with different commission structures (i.e., A shares with a front-end load; B shares with a contingent deferred sales charge — back-end load; and C shares with an annual asset-based charge)--a customer's investment objective are a significant factor in determining which share class would be suitable for the particular customer; and
- Recommending roll-overs from one Section 529 college savings plan to another may result in the loss of federal tax benefit; roll-overs recommended year after year not resulting in this tax disadvantage may be viewed as churning.
- Many Section 529 college savings plans are sold with different classes and commission structures which may affect the overall performance and/or appropriateness of the product.

Sales Material. For registered investment companies as well as other securities representing investments in pools of securities, such as municipal fund securities, any sales material prepared or used by the Company that refers to (1) the performance of the investment company securities or investment company families that underlie a municipal fund security, (2) the investment objectives or investment strategies of such an investment company, (3) the experience or capabilities of the investment advisor or portfolio manager of such an investment company, (4) the potential benefits or risks associated with investing in such an investment company and with any service provided to investors in the investment company, or (5) the fees and expenses associated with investing in such an investment company, must comply with FINRA Rule 2210.

Municipal fund securities sales materials must comply with the general provisions under MSRB Rules G-17 and G-21, as summarized in Section 15.4.1, above, as well as the specific modifications to G-21 related specifically to municipal fund securities. These modifications include specific requirements regarding the calculation and display of performance data for municipal fund securities in a manner consistent with Rule 482 adopted by the SEC's Securities Act, in connection with the advertisement of mutual fund performance. Supervisory personnel should review MSRB Notice 2005-31 for specific information, in order to ensure compliance. The nature of these changes to G-21 concerns required disclosures accompanying advertisements, including:

- General disclosures;

- Historical performance data;
- Calculation and display of performance data;
- Disclosures accompanying performance data;
- Nature of issue and security;
- Capacity of dealer and other parties;
- Tax consequences and other features;
- Underlying registered securities;

In general, disclosures are required in the format required under SEA Rule 482. The Company requires compliance with the review/approval and filing requirements detailed in Section 11 to the extent they apply to municipal fund securities. The Designated Principal should ensure that these procedures are met prior to allowing distribution of retail communications.

All such advertising and sales literature must have been filed with FINRA Advertising Department within 10 days after its first use or publication by any Broker-Dealer who has distributed material in connection with the offer for sale of securities issued by such companies. Prior to use of any such advertising or sales literature, the Company and its Registered Representatives shall ascertain by inquiry addressed to the registered investment Company that this requirement has been complied with and that such material is cleared for use. In addition, the Designated Principal must approve of the use of such materials by Company representatives.

Supervision. Currently, supervision of sales activity in this area is conducted in accordance with the Company's Mutual Fund sales supervision guidelines, outlined above. Because the investment characteristics of these securities are so similar to securities of an investment company under the Investment Company Act, solicitation of them calls for the same type of supervision applied to investment company securities (while continuing to enforce applicable MSRB rules). Please refer to the section above entitled "Mutual Funds" for a detailed description of the supervisory oversight applicable to 529 Plans.

Transaction Reporting under G-14. While firms that only transact business in 529 Plans are not required to report transactions, the Company is required to report that it is exempt from reporting generally required under Rule G-14. The designated Principal shall ensure that he/she has reported the exemption via Form A-12.

12.5.10 SUBMISSIONS TO SHORT SYSTEM- NOT APPLICABLE

12.5.11 MUNICIPAL ADVISORY BUSINESS- NOT APPLICABLE

In the event the Company changes its business activities as previously disclosed to the MSRB and/or SEC, the Company is required to notify the MSRB and SEC of those changes within 30 days by amending their registration forms. In addition, the Company must file a withdrawal notice with the MSRB and SEC if it, voluntarily or involuntarily, ceases doing business as a municipal advisor or is expelled or suspended from membership or participation in a national securities exchange or registered securities association. Filings to withdrawal will be made on Form A-12 and Form MA-W. The Company filed MA-W in 2020 to withdraw registration as a Municipal Advisor.

Municipal Advisory activity under MSRB Rule D-13 as defined in Section 15B (e)(4)(i) and (ii)' the Exchange Act) includes:

- Providing advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to:
  - Structure;
  - Timing;
  - Terms; and
  - Other similar matters concerning such financial products or issues; or
- Solicitation of a municipal entity or obligated person

12.5.12 INSTITUTIONAL CUSTOMERS

When conducting business with institutional clients, all applicable procedures must be followed; however certain Rules have specific requirements (or lack thereof) for business done with sophisticated municipal market professionals (SMMPs). MSRB Rules D-15 and G-48 set forth the definition of a SMMP and the Company's obligations with regard to transactions with these institutional customers.

Definition. The term "sophisticated municipal market professional" or "SMMP" shall mean a customer of a broker, dealer or municipal securities dealer and shall include any person or entity that:

- Meets the definition of an institution under FINRA Rule 4512;
- The Company has a reasonable basis to believe is capable of evaluating investment risks and market value independently, both in general and with regard to particular transactions and investment strategies in municipal securities; and
- Has affirmatively indicated that it is exercising independent judgment in evaluating the recommendations of the Company and its Registered Representatives.

As part of the reasonable basis analysis required by clause (1), the Company should consider the amount and type of municipal—securities owned or under management by the institutional customer--a written statement from the customer would *not* satisfy the Company's reasonable basis obligation. The RR on the account should record in the account documentation his/her reasonable basis determination and notation as to when and how the affirmation was received (orally or in writing). The customer's affirmation may be on a trade-by-trade basis, on a type-of-municipal-security basis (e.g., general obligation, revenue, variable rate, etc.), or for all potential transactions for the customer's account.

Suitability. Under MSRB Rule G-48 the Company has no obligation to conduct a customer-specific suitability analysis when transacting business with SMMPs. However, since the Company is also a FINRA-member firm, it will continue to perform such analysis when making recommendations to institutional customers.

Event Disclosure. When the Company—does a secondary market transaction—recommended or non-recommended--with an SMMP, it does not have a Rule G-47 affirmative disclosure duty. However, in the case of an inter-dealer transaction with an SMMP, the Company's intentional withholding of a material fact about a security, when the information is not accessible through established industry sources, may be considered a violation of Rule G-17.

Fair Pricing. Rule G-30 requires that, when executing a transaction in municipal securities for or on behalf of a customer as agent, the Company make a reasonable effort to obtain a price for the customer that is fair and reasonable in relation to prevailing market conditions. When the Company effects a non-recommended secondary market agency transaction with an SMMP, it is not required to take further actions to ensure that the transaction is effected at a fair and reasonable price, if its services

have been explicitly limited to providing anonymity, communication, order matching, and/or clearance functions and the Company does not exercise discretion as to how or when a transaction is executed.

Quotations. As for Rule G-13 (bona fide quotations), if an SMMP makes a "quotation" and it is labeled as such, then it is presumed not to be a quotation made by the Company as disseminating dealer; rather, the Company is held to the same standard as if it were disseminating a quotation made by another dealer. In either case, the Company's responsibility with respect to such quotation is reduced. Under these circumstances, the Company as disseminating dealer must have no reason to believe that either: (i) the quotation does not represent a bona fide bid for, or offer of, municipal securities by the maker of the quotation or (ii) the price stated in the quotation is not based on the best judgment of the maker of the quotation of the fair market value of the securities. If, however, the Company has reason to believe that the quotation does not meet the bona fide or fair market value requirement, it must take action. Indicators would include complaints from counterparties; a pattern of stale/invalid quotes; or a pattern of trades with prices favorable to the SMMP and that depart materially from the market. Traders should consult the Designated Principal in such instances.

12.6 OPTIONS

Name of Supervisor ("designated Principal"):	Registered Options Principal ("ROP")
Frequency of Review:	Continuous; in the daily course of business Upon approval of advertising or sales literature
How Conducted:	Options Contract Review Account Approval Trade Reviews Advertising/Communications Reviews
How Documented:	Contracts Account Approvals Trade Approvals Initialed Ad/Sales Literature Records
WSP Checklist:	Reg. T; FINRA Rules 2360, 2111, 2130, 2220, 3160, 4210, 4220, 4230; IM-1022-1; Notices 01-01, 01-11, 03-19, 05-22, -31, -56, 07-03, 08-10, 08-28, 08-41, 08-73, 08-78, 09-18, 09-47, 09-60, 09-53/65, 10-36, 10-45, 11-35, 12-44, 13-20, 13-39
Comments:	ODD: *http://www.optionsclearing.com/components/docs/riskstoc.pdf* Includes most recent Supplement

Company personnel conducting and/or supervising options activities are required to adhere to all general supervisory procedures under Rules 3110, 3120 and FINRA Rule 3130, when applicable, in addition to FINRA Rule 2360, which governs options business.

If the Company has a single ROP, it will promptly notify FINRA in the event such person is terminated, resigns, becomes incapacitated or is otherwise unable to perform his or her duties. Representatives must then refrain from engaging in any options-related activities requiring ROP approval, such as the opening of new options accounts, until such time as a new ROP has been qualified. Should the Company fail to qualify a new ROP within two weeks following the loss of its sole options principal, or by the earliest available date for administration of the Series 4 examination, whichever is longer, it will cease doing an options business; provided, however, that it may effect closing transactions in order to reduce or eliminate existing open options positions in its own account as well as in the accounts of its customers. The CCO is responsible for prompt notification and subsequent replacement of the Company's sole ROP, if applicable and should the need arise as described above.

12.6.1 SUPERVISION OF OPTIONS TRADE ACTIVITY

The Company does not permit uncovered call option writing unless prior approval is received on an exception basis by the ROP and CCO..

The Company maintains Main Office capability to access, retrieve and review, on an ongoing basis, data on all customer options accounts in such a way as to permit determination of:

- the compatibility of options transactions with investment objectives and with the types of transactions for which the account was approved;
- the size and frequency of options transactions;
- commission activity in the account;
- profit or loss in the account;
- compliance with the provisions of Regulation T of the Federal Reserve Board.

Daily options trading activities are reviewed by the Designated Principal on a trade surveillance tool with Registered Options Principal ("ROP") periodic reviews. Any daily evidence of non-compliance must be recorded and escalated to the designated ROP. Designated Principals are required to consult with the ROP on matters of presumed importance for further action, if necessary. The designated ROP, in accordance with FINRA and other regulations, performs periodic oversight of options transactions. The OSJ and ROP evidence their reviews of options trading activity by manual or electronic means, according to the nature and form of the relevant reviews. The ROP shall regularly report to the CCO and other senior management as to the implementation of these supervisory procedures.

At the branch office level, any branch office having over three Registered Representatives shall not transact any options business unless the supervising Designated Principal is either a ROP or a General Securities Sales Supervisor.

12.6.2 TYPES OF OPTIONS AND LIMITS

The Firm shall reasonably rely on its clearing firm to enforce the position limits set forth by the regulatory authorities and in FINRA Conduct Rule 2360 regarding undue concentration in any options class or classes.

12.6.3 OPENING OF ACCOUNTS/UPDATING ACCOUNTS

The Company does not permit uncovered option writing.

Note: The following procedures exclude anti-money laundering procedures with respect to the opening of accounts which are included in the Company's Anti-Money Laundering Compliance Program which is maintained under separate cover. Level Four Financial, LLC shall not accept an order from a customer to purchase or write an option contract, or approve the customer's account for trading of such option, until the Company's appointed personnel has furnished to the customer the appropriate options disclosure document(s) (if required herein) and the customer's account has been approved for trading.

When opening a new account, RRs are required to attempt to obtain the following for individuals:

- Investment objectives (e.g., safety of principal, income, growth, trading profits, speculation);
- Employment status (name of employer, self-employed or retired);
- Estimated annual income from all sources;

- Estimated net worth (exclusive of family residence);
- Estimated liquid net worth (cash, securities, other);
- Marital status; number of dependents;
- Age; and
- Investment experience and knowledge (e.g., number of years, size, frequency and type of transactions) for options, stocks and bonds, commodities, and other financial instruments.

For its institutional accounts, the Company must attempt to determine their qualifications and investment sophistication, as outlined in other procedures in this Manual. Certain information may be required, including:

- Investment objectives (e.g., safety of principal, income, growth, trading profits, speculation);
- Estimated annual income from all sources;
- Estimated net worth/asset base; and
- Investment experience and knowledge (e.g., number of years, size, frequency and type of transactions) for options, stocks and bonds, commodities, and other financial instruments.

If a customer refuses to provide any of this information, the RR must note this on the customer's records at the time the account is opened. The ROP will consider the information provided together with any other information available in determining whether and to what extent to approve the account for options trading.

Account records may also contain the following information, where applicable to the type of customer:

- Source or sources of background and financial information (including estimates) concerning the customer;
- Although discretionary brokerage accounts are prohibited, review of trading authorization agreements must include the name, relationship to customer and experience of person holding trading authority. Registered Representatives are not permitted to accept discretionary trading authority over their client accounts unless the client is employee related;
- Date disclosure document(s) furnished to customer;
- Nature and types of transactions for which the account is approved (e.g., buying covered writing, uncovered writing, spreading, discretionary transactions);
- Name of registered representative;
- Name of Registered Options Principal or General Securities Sales Supervisor approving account;
- Date of approval; and
- Dates of verification of currency of account information.

Based upon gathered account information, the designated ROP shall approve or disapprove in writing the customer’s account for options trading. If the Company has branch offices, the Designated Principal, if not a ROP or General Securities Sales Supervisor, may approve the opening of the options account subject to the subsequent review and approval, within 10 business days of the designated ROP. Records of new account approval (or disapproval) shall be maintained in accordance with the Company’s standard account opening procedures.

The background and financial information shall be sent to the customer for verification within fifteen (15) days of the Company’s approval for options trading by the clearing firm. If the customer does not respond to the Company with corrections to the account information, it will be deemed to be verified. Also, within fifteen (15) days of the Company’s approval for options trading, the Company shall obtain from the customer a written agreement that states, among other things, that the customer is aware of and agrees to be bound by the rules of the Options Clearing Corporation. In addition, the customer

should indicate on such written agreement that he or she is aware of and agrees not to violate the established position limits.

Representatives or other appointed personnel are“ required to deliver the options risk disclosure ”document entitled "Characteristics and Risks ’f Standardized Options" or “ODD” at or prior to the time a customer's account is approved for options trading. The options risk disclosure document discusses the effect that corporate actions, such as a stock dividend, stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, reclassification or similar event in respect to an underlying security, or a merger, consolidation, dissolution or liquidation of the issuer of the underlying security, may have on the terms of an options contract. Supplements to ODD must be distributed to each customer who enters into a transaction in an options contract to which such supplement pertains (only standardized options; not conventional options or OCC cleared OTC options); delivery is required no later than the time a transaction confirmation is delivered and mass mailings to all options customers are permitted.

12.6.4 TRADING FOR THE CLIENT’S ACCOUNT

Once a client has been approved for trading by the ROP, the account is established through an opening transaction, i.e., the purchase or sale of an option. This position can be closed out either through exercise or through a closing transaction, i.e., the repurchase of an option sold or the sale of an option previously purchased. The Company may not accept restricted stock to cover short positions, to exercise puts or to meet exercise notices unless the stock has been deemed suitable for trading under Securities Act rules (i.e., freed of restrictions). Representatives must not sell call options to any account that is the issuer of the call’s underlying security.

Representatives must adhere to all established position and exercise limits, whether mandated by FINRA Rules or in-house policies/special supervisory direction. FINRA may direct the Company to liquidate certain customer positions if it deems aggregate positions to have exceeded established limits and may prohibit further options trading until notified.

The designated ROP is responsible for ensuring compliance with any such trading limitations and directives; the CCO will supervise the Company’s cooperation with FINRA in the event a hearing is required under FINRA Rule 2360(b)(6).

FINRA may impose temporary prohibitions on uncovered short positions in options contracts when it deems such action necessary to protect investors and maintain a fair and orderly market. The ROP with the clearing firm is responsible for communicating any such bans to the Company’s representatives and will supervise compliance with such bans. The ROP with the clearing firm, to ensure compliance with these and other restrictions herein and will take action to reverse/correct any inadvertent non-compliant trades or activities. Should representatives be discovered to have willfully avoided compliance with trade limits and restrictions, the ROP and CCO will investigate and impose disciplinary action if deemed necessary.

12.6.5 DISCRETIONARY ACCOUNTS

Registered Representatives are not permitted to assume discretionary trading authority over their client accounts unless the client is employee related and the account is pre-approved by the ROP.

12.6.6 EXERCISE PROCEDURES

All of the Company's options trades are cleared through its clearing firm via CMTA (clearing member trade assignment). The Company does not allocate exercise notices and therefore does not have procedures related to allocation. The Company, in its agreement with its clearing firm or other party, expects it to properly allocate exercise notices and complete all required disclosure/reporting associated with such allocations.

12.6.7 REPORTING AND AGGREGATION- NOT APPLICABLE

12.6.8 MARGIN PROCEDURES

Customer accounts shall be checked by the clearing firm to ensure that all options purchases are current and option straddles, short options covered by exchangeable or convertible securities and conventional options meet the requirements for margin maintenance. No uncovered short call options are permitted.

12.6.9 CONFIRMATIONS AND STATEMENTS

Applicable rules and regulations require that customers receive a written confirmation of each options transaction, showing the following:

- Type of option,
- Underlying security or index,
- Expiration month,
- Exercise price,
- Number of options contracts,
- Premium,
- Commission,
- Trade and settlement dates,
- Whether the transaction was a purchase or a sale (writing),
- Whether it was an opening or closing transaction,
- Whether it was on a principal or agency basis,
- Date of expiration (for options issued by other than OCC),
- Distinguishing symbols indicating whether exchange listed or other.

The confirmations do not have to specify the exchange on which the options contracts were executed. The ROP will ensure timely delivery of accurate confirmations unless the Company is not required to send them.

The clearing firm must provide customers with statements showing security and money positions, entries, interest charges and any special charges during the statement period. For customers with activity during the preceding month, statements must be sent monthly; for those with no recent activity but whose accounts show options positions or money balances, statements must be sent quarterly. For customers with general (margin) accounts, statements must show mark-to-market prices and market values for the options and other security positions, the outstanding debit or credit balance in the account, and the margin account equity. Statements must refer customers to previously delivered confirms showing all commissions and charges and inform them that such information will be made available upon request; they must also request that customers promptly advise the Company of any material changes to investment objectives or financial situation.

12.6.10 OPTIONS RELATED CUSTOMER COMPLAINTS

A separate complaint file shall be maintained and kept current for all options-related customer complaints that shall contain all necessary and reasonable information for the ROP to conduct an investigation and take any appropriate action. At a minimum, the complaint file shall maintain the

identification of the complaint, date complaint was received, identification of the representative servicing the account, a general description of the complaint and a record of action taken, if any.

12.6.11 OPTIONS COMMUNICATIONS

The Company does not permit any form of advertising of options transactions. If the policy changes to permit including options transactions marketing in any sales literature or correspondence in the future, procedures will be added prior to this taking place.

12.7 FIXED INCOME SECURITIES

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily trade review Spot-check periodically
How Conducted:	Review of order tickets and trade blotters Observation of representatives' activities Monthly account reviews for suitability/best interest, excessive trading, etc. Review of offerings materials and advertising Transaction reviews for excessive mark-ups and markdowns Compliance with rules on confirmation requirements Review order records for written justification Review TRACE reporting when applicable.
How Documented:	Order records Trading reports including review notes, if any; Verify LF160 High Risk Taxable Fixed Income discloses on file, if needed;
WSP Checklist:	SEA Rules 10b-5, 10b-10, 14(e)(3), 15c3-1, 15c3-3(b) (3) and (4), Notices 92-16, 95-48, 03-12, 03-22, 04-30, 04-39, 04-51; 05-28, 05-77, 06-01, 07-28, 08-42, 08-43, 08-57, 08-75, 09-24, 09-57, 10-14, 10-23, 11-20, 11-53, 12-26, 12-29, 12-52, 12-56, 13-35, 14-23, 16-03; Trade Reporting Notice 8-1-13; FINRA Rules 2010, 2020, 2111, 2121, 2150, 2216, 5270, 5310 and 6700 series; SEC Release 34-54768.

Certain investments have characteristics of fixed-income products but are more complicated from a safety/return and/or additional regulations perspective. See "Non-Conventional Investments, Including Structured Products and Derivatives" for procedures on structured products, including Principal Protected Notes and Reverse Convertibles. For procedures on MSRB governed municipal bonds, see "Municipal Securities".

12.7.1 SALES AND TRADING PRACTICES

Associated persons are required to understand and inform their customers about the risks as well as the rewards of fixed-income products, including bonds and bond funds, they recommend and offer. Personnel offering fixed income products must meet the following sales practice obligations:

- Understanding the terms, conditions, risks, and rewards of bonds and bond funds they sell (performing a **reasonable-basis suitability analysis**), including the following factors (in addition to tax consequences and other features described in the prospectus). For bonds: the type, term, yield, interest payment profile, call and redemption features, and underlying collateral of the bond, as well as credit worthiness of the issuer and costs of the transaction. For bond funds, the types of bonds the fund will purchase; the general terms, conditions, and risks of such bonds; and the costs and fees associated with purchasing and selling shares in the fund.
- Making certain that a particular bond or bond fund is appropriate for a particular customer before recommending it to that customer (performing a **customer-specific suitability/best**

interest analysis), as described in Section 7 of this Manual. RR's are reminded to not rely solely on a customer's financial status (net worth) as a determinant of appropriateness; and

- Providing a **balanced disclosure** of the risks, costs, and rewards associated with a particular bond or bond fund, especially when selling to retail investors. Such disclosure should describe respective credit risk, interest rate risk, inflation risk, commissions/mark-ups and downs (but not necessarily the amount), fluctuation in net asset value and application of ongoing fees and expenses (the latter two pertaining to bond funds).

The Designated Principal is responsible for ensuring that RR's have been adequately trained prior to offering these securities (for instance, through CE training and specific product education materials) and for supervising employees who sell bonds and bond funds, in accordance with this Manual. In his or her daily reviews of sales activity, the Designated Principal must attempt to identify and thereafter prevent violations of the above-named sales practices. RR's unsure of a given product's investment features should consult the Designated Principal for guidance prior to discussing the product with customers.

High Yield Bonds. Deserving special attention within this category of bonds are High Yield Bonds, which may have speculative characteristics and carry a risk premium in the form of a higher current yield. While investors often find the higher yield attractive, such investments can present significant risks and therefore appropriateness is a key issue.

The Company, should it offer high yield bonds, will include in its training and continuing education of registered employees the importance of ensuring that customers (a) understand the special risks presented by high-yield bonds and (b) possess the risk tolerance to justify such investments. In addition, the Company is committed to ensuring that all supervisory personnel are aware of the issues surrounding high-yield products and that appropriate customer account information is recorded and used as a basis for any such recommendations.

Designated Principals, in their review of customer files and transaction logs will make efforts to detect inappropriate and unsuitable concentrations of high-yield bonds (as well as any other potentially unsuitable transactions). The Designated Principal is required to maintain appropriate records indicating the dates of any such reviews, notations as to any findings and documentation of all appropriate remedial actions taken, where necessary. *Below investment grade taxable fixed income securities transactions require LF160 High Risk Taxable Fixed Income disclosure signed by the client.*

12.7.2 TRACE REPORTING

The Company is required to report primary and secondary market transactions in eligible fixed income securities (i.e. agency debt, corporate bonds, securitized produces, and treasuries" to FINRA through the Trade Reporting and Compliance Engine or "TRACE," as set forth in the FINRA Rule 6700 Series.

The Company's clearing firm will conduct all necessary TRACE reporting on behalf of the Company and is obligated to review such reporting for compliance. The Designated Principal must have knowledge of the securities required to be reported and the time frames for reporting required under TRACE Rules. Personnel designated to comply with TRACE rules are encouraged to frequently visit FINRA's online announcements, notices and guidance in order to understand changing obligations: see http://www.finra.org/Industry/Compliance/MarketTransparency/TRACE/index.htm.

The Designated Principal will review the clearing firm's trade activity and TRACE Report Cards to ensure that TRACE reporting mechanisms are in place and operational and required TRACE reporting is conducted

12.7.3 PRICING, MARKUP AND MARKDOWN GUIDELINES

For fixed income transactions, registered representatives are responsible for obtaining a price for the customer that is fair and reasonable in relation to prevailing market conditions. FINRA's 5% guideline applies generally to equity transactions and does not necessarily apply to fixed income securities. FINRA has advised that it is appropriate to use a 3% guideline on mark-ups and mark-downs for fixed income transactions as specifically referenced in FINRA Rule 2121. The Company shall periodically monitor FINRA's Markup/Markdown Analysis Report available on the FINRA Gateway to periodically review markup summary (including median and mean percentage markups) as well as the Designated Principal sample reviews using FINRA's Bond Facts Tool or FINRA's Market Data Bond Center tool to identify if markups and markdowns may be excessive in order to take steps to promptly address.

12.7.4 GOVERNMENT SECURITIES

In conducting its government securities business, the Company's employees will comply with all applicable requirements under the Government Securities Act Amendments of 1993, sections 102 to 107 (relating to FINRA's authority to apply sales practice rules to transactions in government securities the risk assessment rules outlined in Notice 95-48 (relating to recordkeeping and reporting designed to provide warning of situations that can affect significantly the functioning of the markets and investors in general), and the general sales practice guidelines discussed below.

While certain municipal securities such as tax credit bonds (e.g., Build America Bonds) may be sold, all personnel conducting such business must follow the municipal securities rules and procedures, including those on: uniform and fair practice, political contributions, automated clearance and settlement, the payment of MSRB underwriting and transaction assessment fees, professional qualifications of registered representatives and principals, supervision and approval and books and records. See the relevant section herein for procedures.

12.7.5 CORPORATE BONDS

The Company conducts sales of the following types of corporate bonds: secured bonds, unsecured bonds, high yield bonds, income bonds, guaranteed bonds, and zero-coupon bonds. The Company does not conduct underwriting of corporate securities.

The designated principal of the Company shall ensure that all requirements related to New Account Forms, appropriateness of investment, Registered Representative supervision, and other applicable and appropriate supervisory procedures as expressed below and elsewhere in this Manual are met when selling these various corporate bond instruments.

In addition, the Company may have reporting requirements under the "TRACE" rules, discussed below.

12.7.6 MBS/CMOS

Mortgage-Backed Securities or Collateralized Mortgage Obligations, MBS or CMOs, are multi-class bonds backed by a pool of mortgage pass-throughs or mortgage loans, including REMIC's. MBS/CMOs may be collateralized by 1) Ginnie Mae, Fannie Mae or Freddie Mac pass-throughs, 2) un-securitized mortgage loans backed by the FHA or guaranteed by the Department of Veteran Affairs, 3) un-securitized conventional mortgages, or 4) any combination of the above.

The designated Principal of the Company shall ensure that all requirements related to New Account Forms, appropriateness of investment, Registered Representative supervision, and other applicable and appropriate

supervisory procedures as expressed elsewhere in this Manual are met when selling these various MBS/CMO instruments. Please refer to the supervisory table at the beginning of this Section.

In structuring an MBS/CMO, an issuer will generally distribute cash flow from the underlying collateral over a series of classes, or tranches, which will comprise the bond issue. Each MBS/CMO can be seen as a set of two or more tranches, each possessing an average life and cash flow pattern designed to meet particular customer investment objectives.

Product Identification

In order to assure that investors are aware that an MBS/CMO is being discussed, the Company, in all retail communications and correspondence regarding this type of security, shall clearly describe the product as a "collateralized mortgage obligation." The Company shall not simply use the proprietary names for MBS/CMOs as they do not adequately define the product.

To prevent confusion and the possibility of misleading the customer, communications to the public should not contain comparisons between MBS/CMOs and any other investment vehicle, including Certificates of Deposit.

In addition, Representatives should avoid making the following claims when describing MBS/CMOs:

Safety Claims. A communication made by the Company should not overstate the relative safety offered by the MBS/CMO. References to liquidity should be balanced by disclosures that, upon resale, an investor may receive more or less than his or her original investment.

Claims about Government Guarantees. Communications with the public should accurately state the guarantees associated with MBS/CMO securities. For example, in most cases it would be misleading to state that MBS/CMOs are "government guaranteed" securities: rather, a government agency issue should be characterized as "government agency backed." Private issue MBS/CMO advertisements should not contain references to guarantees or backing but may disclose the rating.

If the Company offers the MBS/CMO at a premium, retail communications and correspondence must clearly indicate that the government agency backing applies only to the face value of the MBS/CMO, and not to any premium paid. There should also not be an implication that either the market value or the anticipated yield of the MBS/CMO is guaranteed.

Simplicity Claims. The Company shall present a full, fair and clear disclosure of MBS/CMOs to the investor since they are complex securities. A communication should not imply that these are simple securities that may be suitable for any investor seeking high yields. All MBS/CMOs do not have the same characteristics and it would be misleading of the Company to indicate otherwise.

Predictability Claims. It would be misleading if there were assurance given regarding the anticipated yield and average life of an MBS/CMO. Retail communications and correspondence must disclose that the yield and average life will fluctuate depending on the actual prepayment experience and variability of current interest rates.

Educational Material

The Company, in order to adequately ensure that customers are sufficiently informed about MBS/CMOs, shall offer to retail investors educational materials that cover the following topics:

- A discussion of MBS/CMO characteristics as investments and their attendant risks;
- An explanation of the structure of an MBS/CMO, including the various types of tranches;

- A discussion of the relationship between mortgage loans and mortgage securities;
- Features of MBS/CMOs, including credit quality, prepayment rates and average lives, interest rates (including effect on value and prepayment rates), tax considerations, minimum investments, transaction costs and liquidity; and
- Questions an investor should ask before investing and a glossary of terms that may be helpful to an investor considering an investment.

Promotion of Specific CMOs

Retail communications and correspondence that promote a specific security or contain yield information must conform to the standards described in FINRA Rule 2216. Included in these standards are specific requirements for disclosure of terms of the security (including Title, Coupon Rate, Anticipated Yield/Average Life, Specific Tranche—Number and Class, Final Maturity Date and Underlying Collateral) followed by the following required disclosure statement:

"The yield and average life shown above consider prepayment assumptions that may or may not be met. Changes in payments may significantly affect yield and average life. Please contact your representative for information on CMOs and how they react to different market conditions."

The disclosure must also include language stating that the security is "offered subject to prior sale and price change."

The Rule describes other requirements related to necessary disclosures, including typeface size, justification of prepayment assumptions, sales charges reflected in yield, identification as an accrual bond, when applicable. Radio and TV ad content is subject to this Rule, as well.

The designated Principal must review retail communications and correspondence related to CMOs in order to assure compliance with the standards outlined in FINRA Rule 2216.

12.8 LONG-TERM OR BROKERED CD'S

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon new account opening; daily trade reviews.
How Conducted:	Review of customer suitability/best interest forms; disclosure by Rep and evidence of acknowledgement; review of correspondence and notes to files. Review of trade activity records.
How Documented:	Notes to files (or disclosure document).
WSP Checklist:	Rules of Conduct, Notices 93-87, 02-28, 02-69
Comments:	

CD products exist that are more complex and riskier and are sometimes referred to as "long-term" CDs. These CDs generally have a maturity of several years (in some cases, 20 years) and sometimes carry a higher yield. However, they may also have any number of additional features that affect the rate of return and degree of risk for purchasers: for example, they may have variable interest rates, may be callable by the issuing bank, sometimes trade in a secondary market, and are subject to transaction costs not typically associated with a traditional CD. Importantly, these long-term CDs carry market risk to their principal value, unlike traditional bank CDs. While FDIC insurance protection applies to the owner of the brokered CD, it is important that both the Company and the customer keep accurate records of the ownership interest in the brokered CD.

The registered representative is responsible for knowing the different types of CD's available to customers, and the features and risks of each of them. Upon recommending a CD to a customer, the registered

representative should explain all the features, risks, interest rates, and the maturity of the CD with the customer prior to purchasing.

12.9 LIMITED PARTNERSHIPS/ HEDGE FUNDS- NOT APPLICABLE

12.10 SECURITY FUTURES- NOT APPLICABLE

12.11 COMPLEX AND NON-CONVENTIAL INVESTMENTS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in the daily course of business Spot reviews of NCI transactions and customers
How Conducted:	Due diligence oversight Product review and approval for offering; on-going reviews of products Trade Reviews Sales materials and correspondence review Confirmation of training
How Documented:	Results of due diligence review List of approved NCI's and other products Initial/signature on account docs, trade tickets and sales materials/correspondence. Verify Disclosure Form has been signed by client The LFF172 ETP Disclosure Document, LF172-C, Cryptocurrency Disclosure Document, LF192 Alternative Investment Disclosure Form, LF193 Private Fund Fee & Expense Disclosure Statement, LF186 Structured Products Account Approval Form, or LF188 Annuity Purchase Disclosure forms are on file if required. Records of training Notes on non-compliance and resulting disciplinary action, if any, in personnel files.
WSP Checklist:	Notices 03-71, 05-18, 05-50, 05-59, 09-31, 09-53/65, 09-73, 10-09, 10-51, 11-02, 12-03, 20-03, 21-03,21-25
Comments:	See "TRACE Reporting" section for details on reporting requirements or some NCI's, such as asset-backed securities.

The Company conducts transactions with customers in certain investments that are alternatives to conventional equity and fixed-income investments. These products are "complex," in that they present an additional risk to investors because their characteristics add a further dimension to the investment decision process beyond the fundamentals of market forces. Their complexity arises from qualities such as embedded derivative-like features or a structure that produces different performance expectations according to price movements of other financial products or indices. The intricacy of these products can impair the ability of registered representatives or their customers to understand how the product will perform in a variety of time periods and market environments and may lead to inappropriate recommendations and sales.

Examples of complex products that may be offered by the Company include: asset-backed securities, index-linked notes, UITs, publicly-traded (application way) LP's, tenants-in-common ("TIC") interests, equity-linked notes, equity-indexed annuities, multi-callable step up notes, redeemable secured notes, auction rate preferred securities, principal protected index-linked CDs, distressed debt, principal protected notes and other structured products, derivatives, private credit and private equity products, inverse exchange-traded funds (ETFs), emerging market debt securities, commodity futures-linked securities and reverse convertibles (collectively referred to as non-conventional investments (NCIs) or complex products) and products with a cryptocurrency component (CRYPTO).

To follow are general procedural guidelines applicable to all complex products; later in this section are specific considerations, if any, regarding respective types of securities offered.

12.11.1 PRODUCT APPROVAL AND DUE DILIGENCE

Only Company approved alternative products may be offered to customers by RR's. No unapproved products must be offered or sold to customers. PRIOR to recommending a complex or alternative product, including products available thru the clearing firm's alternative investment group, RRs are required to consult their Designated Principal to document approval. See "New Products," above, for a description of the Company's required new product approval process. In addition to the general new product vetting process, the following are factors to consider when reviewing complex products:

- For whom is this product intended? Is the product proposed for limited or general retail distribution, and, if limited, how will it be controlled?
- Conversely, to whom should this product not be offered?
- What is the product's investment objective and is that investment objective reasonable in relation to the product's characteristics? How does the product add to or improve the Company's current offerings? Can less complex products achieve the objectives of the product?
- What assumptions underlie the product, and how sound are they? How is the product expected to perform in a wide variety of market or economic scenarios? What market or performance factors determine the investor's return? Under what scenarios would principal protection, enhanced yield, or other presumed benefits not occur?
- What are the risks for investors? If the product was designed mainly to generate yield, does the yield justify the risks to principal?
- How will the Company and registered representatives be compensated for offering the product? Will the offering of the product create any conflicts of interest between the customer and any part of the Company or its affiliates? If so, how will those conflicts be addressed?
- Does the product present any novel legal, tax, market, investment or credit risks?
- Does the product's complexity impair understanding and transparency of the product?
- How does this complexity affect suitability and best interest considerations, or the training requirements associated with the product?
- How liquid is the product? Is there an active secondary market for the product?

Other factors include:

- The creditworthiness of the issuer;
- The creditworthiness and value of any underlying collateral;
- Where applicable, the creditworthiness of the counterparties;
- Principal, return, and/or interest rate risks and the factors that determine those risks (the risk/reward profile, including whether, for instance, with regard to structured products, the potential yield may not be an appropriate rate of return in relation to the volatility of the reference asset based upon comparable or similar investments, in terms of structure, volatility, and risk in the market as determined at the time the structured product is issued);
- All features, such as the payoff structure, the characteristics of the reference asset, including its historic performance and volatility and its correlation with specific asset classes, any interrelationship between multiple reference assets, the likelihood that the complex product may be called by the issuer, and the extent and limitations of any principal protection;
- The tax consequences of the product;
- The availability of volume discounts, when warranted (such as with UITs)

- The costs and fees to the customers associated with purchasing and selling the product.

Once a type of complex product is approved, the Designated Principal and/or other appointed personnel must perform appropriate due diligence on specific product offerings to ensure an understanding of the nature of each product and its associated potential risks and rewards (i.e., determine "reasonable basis suitability"). As the firm only allows these transactions on an unsolicited basis, the firm is not conducting due diligence on these products.

12.11.2 CUSTOMER RECOMMENDATIONS AND FAIR DEALING

RRs must be convinced the products are appropriate for offering by consulting with the Designated Principal.

Prior to offering any NCI to a customer, whether retail or institutional, RRs must understand the investment products offered. The features and risks of each NCI must be understood by RR's prior to recommending them to customers—and must be conveyed to retail customers in all such transactions (note: for institutional customer, who do not have familiarity with the products, a suitability/best interest obligation exists and this information must be provided).

Appropriateness of complex product recommendations must be determined on an investor-by-investor basis, with reference to the specific facts and circumstances of each investor. To this end, RRs must analyze a customer's investment profile prior to making recommendations in complex products. RR's must be aware that financial status alone is not sufficient to determine appropriateness. Given the complexity of certain NCI's, all relevant factors must be weighed before recommendations are made—with particular attention to investment experience and risk tolerance. For instance, structured products may have very different risk-reward profiles than their referenced assets. Where an instrument is structured such that there is a risk of losing all or a substantial portion of the principal in return for above-market rate current income, the volatility of the referenced asset upon which total return of the investment depends will be an important factor in determining whether it is appropriate for a customer. RRs are strongly encouraged to record notes on the specific considerations assessed in customer transactions of this sort—this will assist in establishing the appropriateness of each transaction.

RRs are encouraged to consider whether there is another, less costly or complex product that would achieve the customer's objectives. For instance, by comparing a structured product with embedded options to the same strategy through multiple financial instruments on the open market, a RR may discover a simpler way of meeting the customer's needs.

The Company has the following requirements for customer purchases of complex products:

- RRs have a reasonable basis for believing, at the time of making the recommendation, that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction and is financially able to bear the risks of the recommended position in the complex product.

- The customer may be required to sign a disclosure document in connection with the purchase of an initial transaction, which explains the product features and risk in plain English and includes an attestation that the customer has read the materials provided, understands the risks and wants to invest in the product. Disclosure documents utilized by the firm for this purpose include, but are not limited to:

    - LF192 Alternative Investment Disclosure Form
    - LF193 Private Fund Fee & Expense Disclosure Statement
    - LF186 Structured Products Account Approval Form
    - LF188 Annuity Purchase Disclosure

- LF172 – Exchange Traded Products Risk Disclosure
- LF172-C – Cryptocurrency Portfolio Addendum

- RRs must have a conversation with their retail customers prior to each purchase of a different complex product, explaining the features of the product, how it is expected to perform under different market conditions, the risks and the possible benefits, the costs of the product and scenarios in which the product may perform poorly. RRs should consider whether, after this discussion, the retail customer seems to understand the basic features of the product, such as the fundamental payout structure and the nature of underlying collateral or a reference index or asset.

The Designated Principal, in his or her periodic review of NCI business, will ensure compliance with these procedures and will attempt to confirm that an appropriateness analysis has been conducted when required; findings to the contrary will be investigated and disciplinary action may result.

Representatives and supervisors are expected to heed FINRA Rule 2111.01 (general Principals of fair dealing) and the SEC's Regulation Best Interest when making recommendations or accepting orders for new financial products.

12.11.3PROMOTIONAL MATERIALS

Due to the complexity of NCI products, it is imperative that customers be presented with enough informational material to understand the products and to determine if such investments are desirable. All materials provided to the public (including, among others, preliminary prospectuses where securities are part of a shelf distribution) must conform to applicable FINRA and SEC standards, as summarized in related sections of this Manual. Supplementary sales materials should be no less accurate, fair and balanced than the original materials.

When describing NCI's specifically, materials must not claim that certain NCI products, such as asset-backed securities, distressed debt, derivative contracts, or other products, offer protection against declining markets or protection of invested capital unless these statements are fair and accurate. All sales materials and oral presentations regarding NCIs, and structured products in particular, must present a fair and balanced picture regarding both the risks and benefits. For example, marketing materials should not portray structured products as "conservative" or a source of "predictable current income" unless such statements are accurate, fair, and balanced. In addition, FINRA Rule 2210 prohibits exaggerated statements and the omission of any material fact or qualification that would cause a communication to be misleading. When promoting the advantages of NCI's, associated persons must balance promotional materials with disclosures of the corresponding risks and limitations of the product (see " Product Approval and Due Diligence," above). All communications used in offering NCI's must be subject to applicable review and approval procedures outlined above in "Communications with the Public." All offering materials provided by issuers must be reviewed by the Designated Principal prior to their distribution.

12.11.4REGISTRATION AND TRAINING

All personnel who wish to offer NCI's must be properly registered. Because of the varying characteristics of these different products, certain registration requirements and/or additional required firm training may be applicable. All RR's are required to inquire with the Designated Principal about their respective qualifications prior to offering or transacting in NCI's. The Designated Principal in his or her review of RR activity must be assured of adequate RR licensing.

Appointed personnel must train associated persons about the characteristics of and risks associated with particular NCI's before associated persons are permitted to offer such products or supervise such business. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, product specific training, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

12.11.5SPECIFIC PRODUCT CONSIDERATIONS

Tenants-in-Common (TIC) Interests.
Because TIC interests are deemed investment contracts by federal securities regulators, they are securities and the Company must follow all related FINRA Rules governing securities transactions. Even if not considered a security under the Company's state securities laws, these interests must be treated as securities under federal securities laws. TIC exchanges—where real property is sold, and a TIC interest is purchased for the purpose of delaying capital gains taxes—are complicated and require due diligence and product knowledge. To follow are guidelines that should be followed by RR's and their supervisors when recommending TIC exchanges or TIC purchases.

Due Diligence: In the case of TIC exchanges, the Designated Principal should obtain a "clean" legal opinion that a TIC "should" or "will" qualify for exchange under Section 1031. If no such legal opinion is required, the Designated Principal must attempt to ascertain the specific tax status risks of the TIC exchange and inform investors of the risks involved. Transactions require prior approval.

Sales/Recommendations: When recommending TIC exchanges, Representatives must consider the following when determining the appropriateness of prospective buyers:

- The risks from over-concentration against the benefits of tax deferral and the investment potential of the underlying real estate asset(s);
- Whether the fees and expenses associated with TIC transactions outweigh the potential tax benefits to the customer;
- The fact that TIC transactions in many cases may not provide complete tax-free exchanges for investors (*e.g.*, in situations where the investor's debt ratio on the replacement property decreases, the difference may result in a taxable event for the investor);
- The illiquidity of these products; and
- The effect of fees on each TIC exchange.

By analyzing these factors in respect of each prospective purchaser's financial/investor profile, the Representative and Designated Principal will be able to determine if a recommendation is warranted; absent such comfort no RR must recommend these types of investments and no Designated Principal must approve them.

Documentation: The standard account documents required by the Company must be completed and/or provided to investors in TIC interests.

Promotional Materials/Marketing: If TIC interests are sold by the Company via private placement, the Company and its Representatives must not offer or sell such interests via general solicitation or general advertising, including communications published in any newspaper or similar media or any seminar or meeting whose attendees have been invited by any general solicitation or advertising. The Designated Principal, or designee, must review advertising and live presentation materials to ensure compliance with this

restriction, as well as compliance with all communications rules and procedures—see Section COMMUNICATIONS WITH THE PUBLIC.

Referral Fees: The Company must ensure that its RR's do not pay referral fees or otherwise share transaction-based compensation from TIC transactions with persons that would be deemed to be unregistered Broker-Dealers (for instance, non-FINRA member real estate agents).

Training: RR's and supervisory personnel involved in TIC transactions must familiarize themselves with Notice 05-18, in which FINRA provides meaningful guidelines and interpretation related to TIC interests and exchanges.

REITs.

Due Diligence: Prior to offering a *public* REIT, the Designated Principal shall have reasonable grounds to believe, based on information provided by the sponsor through a prospectus or other materials that all material facts are adequately and accurately disclosed and provide a basis for evaluating the program. Further, the Company shall make a reasonable effort to determine that the organization and offering expenses in connection with the distribution of the public offering, as defined in FINRA Rule 2310(b)(4)(C), are fair and reasonable and will not participate in any offering where these expenses are found to be unfair or unreasonable.

NOTE: Prior to offering a non-traded REIT, CCO pre-approval is required.

In determining whether organizational and offering expenses are fair and reasonable, the Designated Principal shall review the information set forth in FINRA Rule 2310 and shall document his findings in the due diligence file of the offering.

Sales/Recommendations: Both public and non-traded REITs are typically sold on an application-way basis ('check and application'). Customers may also purchase these securities in brokerage accounts. Supervision of such securities sales will be conducted by the designated Principal, above. With regard to both publicly traded and non-traded REITs, prospective buyers must meet the State's minimum suitability standards, if outlined in each respective product offering document (prospectus).

Volume Discounts: Volume discounts must be applied when available. Procedures relating to Breakpoint Sales under the Mutual Funds section, above, must be followed in the context of these securities, including supervisory review to ensure volume discounts;

Valuation Reporting: The designated Principal shall ascertain the Company's reporting requirements, if any, in order to assure compliance with Rule 2340 (re: general securities members must provide valuations of REIT securities provided on customer statements in some circumstances).

Note that REITs are excluded from the definition of "new issue" under FINRA Rule 5130, which describes restrictions on offerings of new issues.

The Company does not permit its RR's to offer or sell non-listed or private REITs in selling away transactions, or as an outside business activity.

12.12 PENNY STOCKS - SEE SECTION MICROCAP SECURITIES.

12.13 UITS.

Due Diligence: UITs are different from open-end mutual funds. The specific characteristics of Company-approved UITs must be reviewed by RR's and their supervisors. Typical risks associated with UITs include market risk, inflation risk and credit risk. RR's must review these risks are described in the product prospectuses and must ensure that customers understand the associated risks.

Sales/Recommendations: UITs are sold in brokerage accounts; fund applications are not used. Certain minimum purchase amounts may be required—the respective product prospectus would describe the minimum, if any. RR's and their supervisors must adhere to these restrictions. Secondary market transactions may also take place in the customers' brokerage accounts.

Volume Discounts: Volume discounts must be applied when available. Procedures relating to Breakpoint Sales under the Mutual Funds section, above, must be followed in the context of these securities, including supervisory review to ensure volume discounts;

Documentation: The standard account documents required by the Company must be completed and/or provided to investors in UITs.

12.14 EXCHANGE-TRADED PRODUCTS.

ETPs are divided into risk-based categories by the firm's custodian, Raymond James, and are subject to the following guidelines in addition to position and sector concentration thresholds that apply to all categories. Category 1 includes traditional ETPs while Category 2A includes alternative ETPs, including target return ETPs. Categories 2B and 3 can consist of both traditional and alternative ETPs, with many of those waiting to meet the minimum eligibility requirements necessary for a due diligence review. Category 2C contains cryptocurrency ETPs, and these products are subject to additional account eligibility requirements. Please see below for more information on account eligibility requirements for various categories.

12.14.1 CATEGORY 3 ETPS.

The Firm does NOT permit its representatives to transact in (solicited or unsolicited) Exchanged Traded Products ("ETP's") deemed to be Category 3 by Raymond James in client accounts. Categories 3 can consist of both traditional and alternative ETPs, with many of those waiting to meet the minimum eligibility requirements necessary for a due diligence review. If any accounts currently hold these assets, no additional purchases are allowed and only sells will be permitted. Please note that any new purchases of Category 3 ETP's will be cancelled. Securities that fall under this category include:

a. All VIX related products
b. 2X or higher, positive or negative, ETFs
c. Commodity Futures based products
d. Overly complex and deemed generally not suitable for retail investors

The CCO in consultation with other members of compliance leadership may grant exceptions to the policy for specific products in the event the firm's affiliated asset management team conducts significant due diligence on a particular product that is deemed by the investment committee to be appropriate for inclusion in strategies or portfolios managed by the respective affiliated portfolio manager."

Representatives may trade in Category 2B and 3 securities in their own accounts (not including familial accounts) if they deem it to be appropriate. All employee accounts must be disclosed in RCI.

12.14.2 CATEGORY 2A & 2B ETPS.

The Firm may approve certain Exchange Traded Products deemed to be Category 2 ETP by Raymond James, however, it is required that clients receive the LFF172 (ETP Disclosure) prior to purchase. Note that, like Categories 3, Category 2B can consist of both traditional and alternative ETPs, with many of those waiting to meet the minimum eligibility requirements necessary for a due diligence review.

When recommending any ETP's, Financial Professionals must comply with the suitability and best interest determination procedures. This includes understanding each customer's respective financial situation, trading experience, and ability to meet the risks involved with these products. The customer's intended holding period is a factor that must be known and considered.

For Inverse ETF's, registered personnel must understand the terms and features of the funds, including how they are designed to perform, how they achieve that objective and the impact on their performance or market volatility and the customer's intended holding period.

Category 2A

- **Order Type**: Unsolicited/ Solicited / Discretionary orders permitted
- **Form Requirement**: Requires LFF172 (ETP Disclosure)
- **Investment Limit**: Category 2A cannot exceed 30% of the client's total household

Category 2B

- **Order Type**: Unsolicited
- **Form**: Requires RJ Form 1883, and LFF172 (ETP Disclosure)
- **Investment Limit**: Per custodial requirements, Category 2B cannot exceed 10% of the client's total household

12.14.3 CATEGORY 2C ETP (CRYPTOCURRENCY ETPS)

This section governs the supervision of transactions in cryptocurrency-related ETPs. The Firm permits such securities only under specific conditions and in compliance with firm policies and procedures. Category 2C cryptocurrency ETPs are subject to additional account eligibility requirements as noted below:

- **Order Type**: Unsolicited orders only
- **Minimum Household Assets**: $1 million+ in Raymond James household assets
- **Account Type**: Commission-based brokerage accounts only
- **Account Eligibility**: Taxable and tax-deferred accounts (non-ERISA)
- **Account Purpose**: Wealth Accumulation or Speculation
- **Risk Tolerance**: Aggressive or High
- **Investment Limit**: Per custodial requirements, Category 2C Cryptocurrency ETPs cannot exceed approximately 5% of the client's total household value at the time of purchase, aggregated across all cryptocurrency ETP positions.

Form Requirement:

- LF192 – Alternative Investment Disclosure Form
- LFF172- Exchange Traded Product Risk Disclosure
- LF172C- Cryptocurrency Risk Disclosure

Training Requirement:

Registered Representatives that sell Category 2C ETPs to their clients, while on an unsolicited basis, are required to take a Cryptocurrency training course in QuestCE. This training is in addition to any training that may be required by the firm's custodian. Failure to take the training may result in cancellation of client trades. Advisors should reach out to compliance@levelfourfinancial.com to request the training course.

Supervision:

For all categories noted above, purchases outside of the above guidelines may be canceled should the firm's supervision team in consult with compliance management deem such action appropriate. All transactions are subject to review by a member of the firm's supervision team.

12.14.4LFF172 EXCHANGE TRADED PRODUCTS RISK DISCLOSURE:

- LFF172 was updated on 8/15/2022 to broaden product applicability to both ETF's and ETN's
- Is required **prior** to purchasing ETP's classified by Raymond James as Category 2 ETP's
- Is required to be current and updated annually
- Is sent via **DISCLOSURE DOCUMENTS & FORM CRS AUTOMATION JotForm**

If a LFF172 is deemed to be required, trading in the account will be restricted until it has been confirmed the form has been sent. It is the Registered Representatives' responsibility to check the Raymond James product catalog to determine how an ETP is classified by RJ prior to recommending the product to their clients.

As with all securities products, including all non-conventional or derivate products, all sales materials and oral presentations used by the Company regarding inverse ETFs must present a fair and balanced picture of both the risks and benefits of the funds, and may not omit any material fact or qualification that would cause such a communication to be misleading.

The Designated Principal is responsible for ensuring compliance with these procedures. He or she will also ensure that Representatives offering such investments are trained about the terms, features and risks of all ETFs that they sell, as well as the factors that would make such products either suitable or unsuitable for certain investors. In the case of inverse ETFs, that training should emphasize the need to understand and consider the risks associated with such products, including the investor's time horizons, and the impact of time and volatility on the fund's performance. Training may be provided upon product approval by the Company and as a part of on-going C/E compliance; records will be kept as is required for all training records.

Cryptocurrency products (Bitcoin Futures/Spot Bitcoin)

Cryptocurrency is a digital currency in which transactions are verified and records are maintained by a decentralized system using cryptography, rather than by a centralized authority. It is further a representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Cryptocurrencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not generally backed or supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional

currencies. The value of cryptocurrency may be derived from the continued willingness of market participants to exchange fiat currency for cryptocurrency, which may result in the potential for permanent and total loss of value of a particular cryptocurrency should the market for that cryptocurrency disappear. Cryptocurrencies are not covered by either FDIC or SIPC insurance. Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of cryptocurrency.

The LF172-C , Cryptocurrency Addendum is required for all purchases with products offered via the Clearing firm's selected investments. These transactions are to be UNSOLICTED ONLY, and will require the LFF109 for ALL purchases.

- These products are NOT to be solicited by any representative of Level Four Financial.
- Any account that these products are placed in should have a risk tolerance of speculative only. If the product is purchased in any account that does not have this as the risk tolerance, the trade may be busted or requested to move to a new account with the proper tolerance noted.
- These products are not allowed in any ERISA or IRA type accounts (retirement).
- These products are not allowed in any margin account, nor can they be margined.

- Is required **prior** to purchasing Cryptocurrency assets classified by Raymond James as Bitcoin Futures and/or Spot Bitcoin
- Is required to be current and reviewed annually
- Is sent via **DISCLOSURE DOCUMENTS & FORM CRS AUTOMATION JotForm**

12.14.5 PRIVATE CREDIT/PRIVATE EQUITY FUND

Alternative investments include private credit and private equity as well as some unlisted stock offerings. Liquidity for such products may be offered by the issuer annually or quarterly, in limited amounts, and may be subject to surrender charges or other restrictions. Redemptions can also be effected on the secondary market, which, however, is very thinly traded and offers deeply discounted prices.

Suitability Considerations for Alternative Investments

RR are only permitted to offer private equity and/or private credit funds available on the CAIS platform through Raymond James. The following factors are generally considered when reviewing such products:

1. Client Eligibility & Target Market
   - Identify whom the product is intended (accredited, qualified purchaser, high-net-worth, etc.).
   - Confirm the client meets all required financial, sophistication, and experience thresholds.
   - Determine to whom the product should *not* be offered, including clients with low risk tolerance, limited liquidity, or short-term investment horizons.
   - Ensure the client can understand the high-risk and speculative nature of the investment.

2. Investment Objective Alignment
   - Identify the product's investment objective and evaluate whether it is reasonable given the product's strategy, structure, and risks.
   - Assess whether the product's objective is aligned with the client's goals, time horizon, risk profile, and liquidity needs.
   - Consider whether less-complex or more conventional products could achieve the same objective.

3. Product Structure & Assumptions

- Review the product's underlying assumptions (valuation methodology, leverage, credit quality, market conditions).
- Determine how sound and realistic those assumptions are.
- Understand the performance drivers—what specific factors determine the investor's return.
- Evaluate expected performance across a range of market and economic scenarios, including adverse conditions.

4. Risks & Complexity
- Identify all material risks, including market, credit, liquidity, operational, and strategy-specific risks.
- Assess whether the product's complexity may impair client understanding.
- Evaluate whether complexity affects the suitability determination, best interest obligations, or the RR's own training requirements.
- Consider scenarios in which principal protection, income generation, or expected benefits may not occur.
- If the product is designed to generate yield, evaluate whether the yield justifies the risks to principal.

5. Liquidity & Redemption Provisions
- Understand the product's liquidity profile, lock-up periods, capital call requirements, and distribution schedules.
- Determine whether an active secondary market exists (if any).
- Confirm the client can tolerate illiquidity over the full investment term.

Prior to recommending the purchase of an alternative investment, RR, must have a reasonable basis for believing, at the time of making the recommendations, that the customer has such knowledge and experience in financial matters that he/she may reasonably be expected to be capable of evaluating the risks of the recommended transaction, and is financially able to bear the risks of the recommended product and that the purchase of the alternative investment is in the best interest of the investor (client). RR should document their best interest analysis either in a CRM system or otherwise. If recommending the purchase of an alternative investment, RR are expected to emphasize the risk factors associated with alternative investments, including without limitation, the illiquid nature of these products.

- Investments in one alternative investment should not exceed 10%
- Investments in alternative investments should not exceed 15% of the investor's liquid net worth

Exceptions to these financial guidelines may be made on a case-by-case basis, and will consider, among other factors, the investor's liquidity, other investments, and investor profile. In addition, client investor objectives must show a willingness to take the risk that can accompany alternative investments.

Investors in certain alternative products must be deemed to be an "accredited investor" An individual may qualify as an accredited investor by meeting the below requirements (please refer to Rule 501 (a) for complete details)

- a natural person whose individual net worth, or joint net worth with that person's spouse, exceeds $1,000,000 excluding the value of the person's primary residence; or
- a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- a trust with assets in excess of $5 million, not formed to acquire the securities offered whose purchases a sophisticated person makes.

Investors in private credit or private equity alternative funds may also be required to be a Qualified Purchaser. An individual may qualify as a qualified purchaser by meeting the below requirements (please refer to Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended for full definition)

- A person who has at least $5 million in investments.
- A $5 million firm or investments owned by close family members
- A trust, albeit not one formed particularly for the investment in question, with at least $5 million in assets.
- An investment manager who manages at least $25 million in assets.
- A corporation with investments worth at least $25 million.

Training Requirement

With respect to certain private fund products (private credit and private equity), prior to effecting a transaction, RR will be required to complete product-specific training prior to selling private equity and/or private credit products.

Procedures

The firm Alternative Disclosure document (LF192) for must be completed by the client and Investment Advisory Representative in connection with the purchase of an alternative product. The LF192 is also reviewed and approved by a firm supervisory principal.

Private Credit/Private Equity Fund

The client/investor will be required to acknowledge receipt of the fund's prospectus or private placement memorandum in connection with the purchase of such product. The application, related subscription documents, the LF192 and LF193 will be submitted through the CAIS platform and processed by the New Accounts/Operations team for review and approval by a firm supervisory principal. Email notifications regarding capital calls will be sent by CAIS to the fund portfolio manager. An official capital call notice from the fund will be distributed through the CAIS platform directly to all interested parties (investors). CAIS will deliver a capital call blotter to the firm and the firm's Operations team will initiate capital call wires as instructed and confirm to CAIS that wire payment has been provided to the fund.

Supervision

Transactions of subscription-way alternative investments are supervised by the firm supervisory principal's team, under the oversight of the Chief Compliance Officer. Review of daily blotters and transaction activity are conducted by firm supervisory principals in order to ensure compliance with firm processes and procedures.

Product Due Diligence

The Firm relies on the independent third-party due diligence performed by Mercer for the evaluation of private equity, private credit, held on the Raymond James CAIS platform. Mercer conducts comprehensive reviews of each issuer, including an assessment of the manager's financial condition, operational infrastructure, investment strategy, performance history, risk-management practices, legal and regulatory background, and overall organizational stability.

12.15 EQUITY-LINKED NOTES

12.15.1 PURPOSE

The purpose of this procedure is to establish supervisory controls governing the offer, recommendation, documentation, and sale of Equity Linked Notes ("ELNs"), which includes, but may not be limited to the Raymond James Analysts' Best Picks ("ABP") Equity Linked Notes, to ensure compliance with FINRA rules, Regulation Best Interest ("Reg BI"), disclosure obligations, and Firm recordkeeping and supervision requirements.

12.15.2 PRODUCT DESCRIPTION

ELNs are structured products whose returns are linked to the performance of one or more underlying equities or equity indices. ELNs may involve risks including, but not limited to, issuer credit risk, market risk, limited liquidity, complexity, and the potential loss of principal. These products are generally intended for investors who understand structured products and can tolerate these risks.

12.15.2.1 Raymond James - Analyst Selection

- The ABP ELNs reference a basket of equities selected from the Raymond James Analysts' Best Picks® ("Best List").
- Raymond James typically selects approximately 19–20 securities from the Best List to comprise the underlying basket, as reflected in the offering documents.
- Raymond James may provide Registered Representatives with an ABP ELN informational flier that may be shared with clients in connection with the offering.
- Registered Representatives must rely solely on the securities and terms disclosed in the preliminary and final offering documents and may not represent that all securities on the Best List are included in the ELN.

12.15.3 REPRESENTATIVES ELIGIBILITY AND TRAINING REQUIREMENTS

Prior to participating in the offer or sale of ELNs:

- Registered Representatives must complete all Firm-required structured products training applicable to ELNs.
- Level Four requires RR offering ELNs to complete training prior to participating in the offer or sale of ELNs. The link to the required training, taken through the Raymond James platform, is maintained on the firm's Intranet "Intranet > Training & Advertising".
    - Training quizzes must be passed with a minimum score of 80%.
    - All videos must be watched in their entirety
    - The ELN attestation must be completed
- Where required by the product sponsor, additional product-specific education may also be required.
- Trades will not be approved by Level Four Supervision until training requirements are satisfied.

12.15.4 INVESTMENT MINIMUMS AND CONCENTRATION GUIDELINES

- Minimum investment per client: $5,000.

The following concentration guidelines apply and must be evaluated as part of the recommendation:

- Clients with less than $1 million in investable assets:
  - Aggregate structured product exposure limited to 8%–10%.
- Clients with $1 million or more in investable assets:
  - Aggregate structured product exposure limited to 8%–15%.

Recommendations outside these parameters require escalation to and approval by the firm's CCO. Order ticket spreadsheets must be sent to newaccounts@levelfourfinancial.com for review and approval by Supervision prior to being sent to Raymond James for execution.

12.15.5 ACCOUNT APPROVAL REQUIREMENTS

Prior to effecting any ELNs transaction:

- The Structured Products Account Approval Form (LFF186) must be completed and signed by the client and Registered Representatives.
- Registered Representatives are required to deliver offering documents to clients in a manner consistent with IPO-style disclosure practices, including:
  - Delivery of the Preliminary Offering Documents prior to order entry.
  - Delivery of the Final Pricing Supplement and Prospectus following pricing.
  - Registered Representatives may also provide clients with direct links to offering materials, which are available at: https://www.raymondjames.com/wealth-management/advice-products-and-services/investment-solutions/fixed-income/fixed-income-offering-disclosure-documentation-information/preliminary-offering-documents
- RR should evidence of disclosure delivery. This can be in email, RR notes with date and time of delivery, or client signature.
- The transaction must be approved by a Supervision prior to sending to RJ for execution.
- The completed order ticket must be submitted to New Accounts for processing and Firm recordkeeping.

Registered Representatives must review the material terms, risks, features, and limitations of the product with the client prior to purchase. Delivery of offering documents is considered part of the Firm's product due-diligence and disclosure process.

12.15.6 ORDER ENTRY, RECORDKEEPING, AND PRINCIPAL APPROVAL

- A completed Equity Linked Note order spreadsheet must be submitted to newaccounts@levelfourfinancial.com Supervisory review, approval, processing and retention in the Firm's records. Note: The ELN order spreadsheet is located on the firm Intranet.
- All Equity Linked Note transactions are subject to Principal review and approval prior to execution.
- Orders will not be processed without required documentation, approvals, and confirmation of training completion.

12.15.7 REGULATION BEST INTEREST AND SUITABILITY

Recommendations of ELNs are subject to Regulation Best Interest, including the Care, Disclosure, Conflict of Interest, and Compliance Obligations.
Registered Representatives must:

- Understand the structure, risks, costs, and potential outcomes of ELNs.
- Have a reasonable basis to believe the recommendation is in the retail customer's best interest.
- Consider the client's investment profile, liquidity needs, time horizon, and overall portfolio concentration.
- Disclose material risks and conflicts associated with structured products.

12.15.8 SUPERVISION AND OVERSIGHT

- Principals will review ELNs transactions for suitability, concentration, documentation, and disclosure.
- The Firm will monitor ELNs activity through supervisory reviews and periodic audits.
- The Branch Manager will verify completion of training as part of the trade approval process, by contacting Raymond James Structured Investments at 727-567-7502 or by emailing the Raymond James Structured Investments Department.

12.16 CASH ALTERNATIVES

Name of Supervisor ("Designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; in the daily course of business Spot-reviews of cash alternatives transactions and customer documentation
How Conducted:	Due diligence oversight Product review and approval for offering. Trade reviews Sales materials and correspondence review Confirmation of training
How Documented:	Results of due diligence review List of approved products Initial/signature on account docs, trade tickets and sales materials/correspondence. Records of training Notes on non-compliance and resulting disciplinary action, if any, in personnel files.
WSP Checklist:	Notice 08-82, FINRA Rules 2111, 2210
Comments:	

The Company may conduct transactions with customers in certain investments that are loosely referred to as "cash alternatives," including: auction rate preferred or fixed income securities, bank CDs, bank money market accounts, banker's acceptances, commercial paper, federal agency short-term securities, fixed rate and step-up callable corporate securities, floating rate funds, guaranteed investment contracts, money market mutual funds, municipal notes, repos and swaps, structured investments, treasury bills, ultra-short bond mutual funds or exchange-traded funds, and variable rate demand notes. Transactions in these products are subject to the general supervisory procedures and requirements (for instance, concerning account opening procedures and recordkeeping obligations) contained throughout this Manual; some products are subject to the specific requirements in earlier, dedicated sections herein. The following procedures must be understood and followed by personnel engaging in any and all cash alternative transactions.

In general, cash alternative investments offer lower rates of return than longer-term equities and fixed-income securities. They also generally provide higher liquidity and greater price stability. Some well-known cash alternatives, such as bank CDs, are insured by the FDIC; others, such as T-Bills, are backed by the full faith and credit of the US government. Other investments are less understood and less secure: the Company has included these procedures to remind its RRs to distinguish between the differing types of cash alternatives and to not overstate their relative safety as an alternative to cash.

12.16.1 DUE DILIGENCE

As with all products, registered representatives must understand the nature of the investment they are recommending, including its risks and rewards. Prior to offering any cash alternative to a customer, whether retail or institutional, the representative must have a reasonable basis for characterizing an investment as a cash alternative. Features considered in this assessment will include, but not be limited to, liquidity, transparency of pricing, creditworthiness of issuer/counterparties, maturity, net asset value, Federal insurance or other guarantees, interest rate risks, market volatility, tax consequences, and brokerage costs/fees.

12.16.2 CUSTOMER RECOMMENDATIONS

As emphasized elsewhere in this Manual, associated persons must reasonably believe that a cash alternative product is an appropriate investment prior to making a recommendation to a particular customer. The fact that an investment may meet established accounting standards for treatment as a cash holding in a financial statement does not conclusively establish that the investment is an appropriate cash alternative for a particular investor. To ensure that a particular investment is appropriate as a cash alternative for a specific customer, RRs must examine the customer's need for liquidity and price stability, and the ability of the investment to meet that need. Registered representatives must examine, and their supervising Principals must confirm upon account or trade approval: (1) the customer's financial status, (2) the customer's tax status, (3) the customer's investment objectives, and (4) such other information useful in making recommendations to the customer.

The Designated Principal, in his or her periodic review of cash alternatives business, will attempt to confirm that appropriateness is considered for each customer and each transaction; findings to the contrary will be investigated and disciplinary action may result.

12.16.3 PROMOTIONAL MATERIALS

Due to the potential to overstate the safety of cash alternatives, it is imperative that customers be presented with enough informational material to understand the products and to determine if such investments are desirable. Sales materials and oral presentations regarding cash alternatives must present a fair and balanced picture regarding both the risks and benefits of investing in these products and the Company must consider the nature of the audience to whom materials are directed. All materials provided to the public must conform to applicable FINRA and SEC standards, as summarized in related sections of this Manual.

When describing cash alternatives specifically, the use of the term "cash equivalent" may be misleading. Statements such as "safe as cash" or that describe investments as carrying no market or credit risk are likewise not likely to accurately describe these products. To present fair and balanced information, the Company's communications that present an investment as a "cash alternative" must disclose, if applicable, that it is not federally guaranteed and that it is possible to lose money with the investment. The Company may not claim that a product is an alternative to cash unless the statement is fair and accurate. When it is appropriate to describe a product as a cash alternative, this description must be balanced with disclosures of the corresponding risks and limitations of the product. In the case of cash alternatives, this includes, but is not

limited to, factors that could reasonably be anticipated to affect the liquidity or price stability of the investment, as well as the ability of the issuer to repay its obligation in full. In the event that market or economic developments affect the continued accuracy of a characterization of a product as a cash alternative, the designated Principal should promptly review Company promotional materials and ensure that necessary changes are made to avoid misleading investors.

All correspondence and sales materials used in offering cash equivalent products must be subject to the review and approval procedures outlined above in "Correspondence" and "Communications with the Public." All offering materials provided by issuers must be reviewed by the Designated Principal prior to their distribution, in accordance with the procedures herein.

12.16.4 REGISTRATION AND TRAINING

All personnel who wish to offer NCI's must be properly registered. Because of the varying characteristics of these different products, certain registration requirements may be applicable. All RRs are required to inquire with the Designated Principal about their respective qualifications prior to offering or transacting in NCI's. The Designated Principal in his or her review of RR activity must be assured of adequate RR licensing.
Appointed personnel must train associated persons about the characteristics of and risks associated with particular NCI's before associated persons are permitted to offer such products or supervise such business. Training must include factors to consider in determining whether investments are suitable or unsuitable to certain investors. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the Designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

12.17 RETAIL FOREX- NOT APPLICABLE

12.18 PRIVATE EQUITY FUNDS- PRIMARY PLACEMENT- NOT APPLICABLE

12.19 NEW PRODUCTS

This Manual includes procedures relating to the products and services offering by the Company. Products substantially different from those described herein may not be offered or sold by Registered Representatives without the pre-approval of the CCO or designee. No new product may be introduced to the marketplace before it has been thoroughly vetted from a regulatory as well as a business perspective.

Request All Company personnel who would like to offer products not currently offered by the Company must request such in writing to the Designated Principal. No requests will be considered if not in writing.

Consider The Designated Principal and/or his designees will first determine if a proposed product should be considered "new" and therefore subject to further analysis. To determine what constitutes a new product, including when a modification of an existing product is material enough to warrant the same level of review as a new product, the following questions may be considered: Is the product new to the marketplace or the firm? Is the firm proposing to sell a product to retail investors that it has previously only sold to institutional investors? Will the product be offered by Representatives who have not previously sold the product? Does the product involve material modifications to an existing product, whether risk to the customer, product structure, or fees and costs? Does the product require material operational, supervisory or system changes? Is the product an existing product that is being offered in a new geographic region, in a new currency, or to a new type of customer? Would the product involve a new or significant change in sales practices? Does the

product raise conflicts that have not previously been identified and addressed? Is the product complex, and therefore difficult for customers to understand, thus raising customer protection concerns?

Analyze Once a proposed product is determined to be "new" based on the answers to these questions, the Designated Principal must then attempt to clearly understand the ramifications of offering such products. Questions relating to the characteristics of the product, suitability and best interest considerations, sales and marketing issues, legal and compliance risks, training requirements and operations/order systems capacity must be asked and answered in order for a full vetting of the product. The Company may rely on the guidance offered in Notice 05-26 when undertaking this product analysis.

For products that are considered complex, the Designated Principal should review FINRA's guidance provided in Notice 12-03 when analyzing the request for approval. The Section herein on non-conventional investments includes reminders about analysis of complex products and the Company's compliance obligations in that context.

Approve/Implement Should a new product be approved, the CCO or designee will do so in writing, will inform Company employees, as necessary, and will provide for all necessary training of supervisory, sales and operations personnel. Importantly, written procedures will be included in this Manual to describe specific policies relating to the new product, such as recommendation or documentation requirements outside the scope of the Company's standard sales practices. In addition, the CCO or designee should determine if transacting in the new product requires regulatory approval. If this is required, Representatives shall not offer new products without first receiving approval from the Company's FINRA district office. The CCO will ensure that Form BD is amended, if applicable.

The Designated Principal must ensure that records of new product requests, consideration, vetting and approval are maintained in dedicated files. Designated Principals shall monitor activities in the new product in the months following approval. Issues to consider should include customer complaints; additional training needs; adherence to compliance parameters; suitability; and ongoing effectiveness of any imposed limitations or conditions. Corrective action should be taken when deemed necessary.

The designated compliance staff will ensure that no new product is introduced to the marketplace before it has been vetted from a regulatory as well as a business perspective. The CCO will have final authority to approve new products; no products without this approval may be offered by Company Representatives.

12.20 EXEMPTED SECURITIES

FINRA Rule 0150 enumerates those FINRA Rules and interpretive materials that apply to transactions and business activities involving exempted securities, other than municipal securities. Please refer to this Rule for a complete listing of applicable rules and materials. In conducting transactions in such exempted securities, the Company's supervisory personnel will comply with all the Rules outlined under FINRA Rule 0150 in the same fashion as described specifically throughout this WSP Manual.

13 FINANCIAL PRINCIPAL RESPONSIBLITIES

Name of Supervisor ("designated Principal"):	Designated Principal Assigned accounting personnel (see below)
Frequency of Review:	Daily, Monthly, Quarterly, as applicable

How Conducted:	Data Entry Documentation Reporting through Web CRD and other applicable means Review of: general ledger accounts and supporting information Creation and review of suspense accounts, when necessary
How Documented:	Firm Records Entries in files FOCUS and Other Reports
WSP Checklist:	SEA Rule 17a-3, 17a-4; FINRA Rules 4511, 4523; Notice 11-19
Comments:	Final review, approval and reporting of financial data conducted by FinOp

The Designated Principal shall ensure that the Company is in strict compliance with all applicable sections of SEA Rules 17-a-3 and 17a-4, as well as FINRA Rule 4511. To comply with Rule 4511, the Company will make and preserve books and records as required under all FINRA, Exchange Act and various exchange rules, when they are applicable to the Company's business. These recordkeeping requirements are described throughout this Manual and later in this Section. The Company will preserve its records in accordance with required time frames under Rule 4511(b) and in an acceptable format per 4511(c) as detailed in sub-sections, below.

Among other responsibilities, the Designated Principal shall be responsible for ensuring that the following procedures are implemented:

- All entries to books and records will be posted in a timely manner;
- Confirmations are prepared (by the clearing firm, if applicable) which contain the disclosures pursuant to SEA Rule 10b-10, as summarized in the "Confirmations" section herein; and
- Bank balances, month-end trial balance proprietary positions, relevant sub-ledger balances and trial balances will be reconciled and duly supervised. Final reconciliation of accounts will be conducted monthly by the Company's FinOp.
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13.1 ACCOUNTING CONTROL AND SUPERVISION

The Company has, as required under FINRA Rule 4523, assigned primary and supervisory responsibility over its general ledger accounts to separate associated persons. These persons must control and oversee entries into each account and determine that the account is current and accurate as necessary to comply with all applicable FINRA rules and federal securities laws governing books and records and financial responsibility requirements. Each assigned supervisor must review each account no less often than monthly to determine that the account is current and accurate; any items that become aged or uncertain as to resolution must be promptly identified for research and possible transfer to one or more suspense accounts. See FINRA Rule 4523 and Notice 11-26 for background information on this requirement.

The President will oversee the activities of the person designated to maintain the general ledger and will review the accounts in the general ledger at least monthly.

Review Process: The FinOp (other Principal or registered Operations Personnel) has been assigned primary responsibility for supervising the Company's general ledger and reviews the information monthly. If the designated supervisor has any questions regarding entries to the general ledger, he/she will contact the person assigned primary responsibility for the entries for additional details and a record of responses will be maintained with the financial records of the Company. If the designated supervisor has concerns regarding a pattern of inaccurate or questionable entries in the general ledger or the ability of the person responsible for

the entries, he/she will bring the matter to the attention of senior management for further review and follow-up action.

The FinOp has not been assigned as the primary supervisor. However, he/she will review the general ledger monthly when completing the Company's net capital computation or when creating FOCUS or other filings. If the FinOp has questions regarding any entries during his/her review, he/she will notify the designated supervisor and request further details to support the entry. Evidence of any inquiries made by the FinOp will be retained with the Company's financial records.

13.2 ELECTRONIC MEDIA

The SEC and FINRA have issued general guidelines as to the use of electronic media for delivery of information to customers and recordkeeping. In accordance with these guidelines, the Company expects to make use of electronic media to the extent appropriate in its business operations. See the Table of Contents for sections pertaining to electronic mail, online transactions and use of electronic media.

In general, required records may be maintained and stored electronically by the Company subject to the following conditions:

- Written records shall be maintained and stored where legally required (i.e., original customer signatures, cancelled checks or certificates, other documentation required to be available for legal, evidentiary purposes);
- The Company shall maintain duplicate "backup" records in electronic form in a secure storage facility to guard against inadvertent erasures, casualties, theft, etc.; and
- Where required by regulatory and Compliance Department policies and procedures, all such records shall be immediately accessible and capable of being downloaded and printed out for examination.

Under "Preservation of Required Records," below, the format of the Company's primary record storage is explained, including specifications relating to electronic storage.

13.3 FINOP RESPONSIBILITIES AND NET CAPITAL REQUIREMENTS

Name of Supervisor ("designated Principal"):	FinOp
Frequency of Review:	Monthly and annually
How Conducted:	Detailed Review of financial reports and accounting records Communicate with senior management on funding and liquidity risk management issues, when deemed necessary
How Documented:	Maintain necessary records including FOCUS reports and other net capital computations, report net capital deficiencies as required.
WSP Checklist:	SEA Rules 15c3-1, 15c3-3, 17a-5 and 17a-11; FINRA Rules 2261, 4110, 4120, 4130, 4150, 4521, 4522, 4523, 4524, 4360. FINRA By-Laws, Schedule A; Notices 03-63, 05-38, 05-45, 05-47, 08-46, 08-66, 09-38, 09-71, 10-08, 10-15, 10-21, 10-44, 10-57, 10-61, 11-21, 11-26, 12.58, 13-41, 13-44, 15-42; SEC Releases 34-70072 and 34-70073
Comments:	See Section Accounting Control and Supervision for description of the recordkeeping oversight responsibilities of the firm's Designated Principal.

The calculation and monitoring of net capital is the responsibility of the FinOp who also is responsible for ensuring the accurate and timely reporting of periodic net capital report. Computations will be performed at least once per month and will be retained for three (3) years. The audited financial statements on Form X 17A-5 (the "Focus Report") contain a net capital computation under Securities Exchange Act Rule 15c3-1; this format can be used for the basic computation. State filings are also required, as are registration amendments and renewals. Some of the FinOp's specific responsibilities include:

- Periodic calculations of net capital and aggregate indebtedness (AI);
- Review and filing of all required financial reports, FOCUS filings and supplemental reports (such as SSOI and Form Custody); periodic review of accounting records;
- Periodic consideration of whether the Company's minimum net capital requirements have changed because of changes in the Company's business;
- Supervising additions to, and withdrawals from, the equity capital of the Company and abiding by temporary SEC orders that limit withdrawals;
- Ensuring that all liability items that qualify are included in the AI calculation, including fines, penalties or orders when imposed;
- Reporting borrowings and subordinated loans for capital purposes (including regulatory capital exposure as to each underlying principal lender in agency lending arrangements);
- Establishing procedures for retention of required financial books and records;
- Determining necessary fees and assessments due under the provisions described in Schedule A of FINRA By-Laws and under the SIPC (Securities Investors Protection Act);
- When applicable, reviewing at least annually the Company's Fidelity Bond to ensure adequate coverage and compliance with the requirements under FINRA Rule 4360 (see the "Fidelity Bond" section herein);
- Following the Company's financial risk management policies and procedures and escalating any perceived issues that may jeopardize the reliability of the Company's funding or liquidity profile; and
- When applicable, ensuring prompt transfer of proprietary or customer assets pursuant to FINRA Rule 4160, after notified by FINRA of required transfer.

When the Company is party to an open transaction with another FINRA member or has on deposit cash or securities of another member firm, compliance with FINRA Rule 2261 is required. The FinOp will ensure compliance with this Rule by delivering to the other member firm, upon request, the Company's most recent balance sheet (such as the most recent FOCUS filing) in either paper or electronic form.

The Company's minimum net capital requirement is $100,000 although it may be higher based on the nature of the business conducted by the Company, an aggregate indebtedness calculation, or higher State minimums. SEC and Blue-Sky regulations also require that the ratio of aggregate indebtedness to net capital cannot exceed 15:1 under applicable regulations. The Company is required to maintain at least 120% of its minimum net capital requirement at all times.

"Net capital" is defined as net worth adjusted as follows--in summary only: consult Rule 15c3-1(c)(2) for specifics:

- Adjusting for unrealized profit or loss in Company accounts, deferred tax income tax liabilities, and certain other liabilities including those relating to expense sharing agreements when necessary;
- Adding future income benefits resulting from unrealized losses (if any);
- Subtracting the Company's Fidelity Bond deductible amount that is greater than 10% of the coverage purchased;
- Subtracting any contribution of capital to the Company that can be withdrawn at the option of the investor or that is intended to be withdrawn within one year (or is withdrawn within one year without FINRA approval);
- Subtracting amounts paid to the clearing firm, if applicable, to satisfy deficits in unsecured and partly secured introduced accounts; and deducting non-allowable termination penalties described in clearing agreements, if required (see 08-46 for details on net capital treatment of clearing deposits);
- Subtracting fixed assets and assets that cannot readily be converted into cash, including, but not limited to, real estate, furniture, fixtures (if any), prepaid rent, insurance expenses (if any), prepaid administrative

expenses, goodwill and organization expenses, unsecured advances and loans, and mutual concessions receivable that are outstanding longer than 30 days: see Rule for all details relating to these categories.

The FinOp will ensure proper 'haircuts' are applied to investments as required by 15c3-1 and that any and all regulatory guidance on the temporary treatment of certain securities is followed (e.g., senior unsecured debt issued pursuant to FDIC's Debt Guarantee Program).

The Company must comply with all applicable SEC, FINRA and State financial responsibility rules. Some of these rules are summarized in this section; others are only referenced due to their complexity and possible inapplicability (i.e., many apply only to carrying or clearing firms). Changes to FINRA financial responsibility rules have been made effective over the years, and FINRA publishes important interpretations of SEC rules on its website: the FinOp should reference, and is expected to be familiar with, all applicable rules and interpretations.

If the Company's net capital becomes deficient, the FinOp is responsible for filing the necessary reports with regulators and communicating any resulting restrictions in business activity. Note that Notice 05-47 provides specific guidance on the treatment of a day on which securities markets are unexpectedly closed (i.e., whether that day is considered a 'business day' vis-à-vis such subjects as net capital, reserve formula, possession or control, Reg. T extensions, margin calls, sell order extensions, day trading requirements, bookkeeping entries on the liquidation of customers' money market funds or on the sweep of customers' balances into money market funds, FOCUS reporting, and securities lending). In the event of an unexpected closing of markets, the FinOp must ensure proper treatment of all items detailed in the Notice, where applicable to the Company's business.

The Company, if it becomes insolvent as defined in Rule 15c3-1(c)(16), is not in net capital compliance: it must cease doing business and notify FINRA and SEC as required for all net capital deficiencies.

The Company, if and when so directed by FINRA, shall not expand its business during any period in which any of the following conditions continue to exist, or have existed for more than fifteen consecutive business days:

- The Company's net capital is less than 150% of its net capital minimum requirement or such greater percentage thereof as may from time to time be prescribed by FINRA;
- The Company's aggregate indebtedness is more than 1,000% of its net capital, if subject to the aggregate indebtedness requirement under SEA Rule 15c3-1;
- A deduction of capital withdrawals, including maturities of subordinated debt, scheduled during the next six months would result in either of the above conditions.

FINRA may direct Level Four Financial, LLC to reduce its business to a point enabling its available capital to comply with the standards set forth above if any of the following conditions continue to exist, or have existed for more than fifteen consecutive business days:

- The Company's net capital is less than 125% of its net capital minimum requirement or such greater percentage thereof as may from time to time be proscribed by FINRA;
- The Company's aggregate indebtedness is more than 1,200% of its net capital, if subject to the aggregate indebtedness requirement under SEA Rule 15c3-1; or
- A deduction of capital withdrawals, including maturities of subordinated debt, scheduled during the next six months would result in either of the conditions described above.

The FinOp shall ensure that the Company abides by any directive issued by FINRA as a result of net capital violation and require the Company to suspend all business operations during any period of time when it is not in compliance with applicable net capital requirements as set forth in SEA Rule 15c3-1.

13.4 WITHDRAWALS OF EQUITY CAPITAL

The SEC has the authority to issue an order prohibiting the withdrawal of capital in any amount: it may by order restrict, for a period of up to 20 business days, any withdrawal by the Company of equity capital or unsecured loan or advance to a stockholder, partner, sole proprietor, member, employee or affiliate. The FinOp is responsible for ensuring compliance with any such order, if received.

The FinOp Principal shall track all withdrawals including anticipated withdrawals, advances and loans to assure the Company is in compliance with SEA Rules 15c3-1(e)(1), 15c3-1(c)(i) and FINRA Rule 4110. To follow are reminders of these requirements.

Capital contributions may not be withdrawn for one year without the approval of FINRA. See above for net capital considerations.

The FinOp Principal shall notify the SEC and FINRA two days prior to any withdrawals, advances or loans that in aggregate:

- Are more than $500,000 and
- Exceed 30% of the Company's excess net capital in any 30-day calendar period.

The FinOp Principal shall notify the SEC and FINRA within 2 days after any withdrawals, advances or loans that in aggregate:

- Are more than $500,000 and
- Exceed 20% of the Company's excess net capital in any 30-day calendar period.

The FinOp Principal must assure that no equity capital is withdrawn which would cause one of the following to happen:

- the Company's net capital would be less than 120% of the minimum dollar amount.
- the Company's net capital would be less than 25% of deductions from net worth in computing net capital required by paragraphs (c)(2) vi, f and Appendix A; or
- the aggregate indebtedness exceeds 1000%.

The FinOp Principal must also make sure that withdrawals of equity capital are not made for the purpose of reimbursing expenses paid or agreed to be paid by a third party, unless corresponding liabilities have been recorded on the Company's books. The FinOp should review SEA Rule 15c3-1(c), Notice 03-63 and the SEC's letter of clarification of expense sharing agreements referred to in the sub-section below, in order to understand and comply with all relevant requirements. A liability that is subject to an expense-sharing agreement with a third party *must* be recorded unless the Broker-Dealer can demonstrate (e.g., by producing the affiliate's financial statements) that the third party has the financial resources to pay the liability. Notice 09-71 and FINRA Rule 4110 should also be consulted for other capital compliance restrictions and requirements as they relate to withdrawals of equity capital.

Notifications of capital withdrawals must be filed electronically through the Financial Notifications option under Forms and Filings in the Firm Gateway. Additional information or documentation must be provided upon request. Notices must still be provided via e-mail or facsimile to the SEC's Division of Trading and Markets and the SEC's Regional or District office as electronic filing only fulfills FINRA's notification requirement.

13.5 SUBORDINATED LOANS AND OTHER FINANCING

Should the Company secure financing from investors and/or customers in the form of a subordinated loan or note collateralized by securities ("subordination") in order to enhance its net capital position, the FinOp will ensure that all requirements under FINRA Rule 4110(e)(1), as described in Notice 10-15, are met. To follow is a summary of those requirements:

- For the investment to be treated as allowable capital, under SEA Rule 15c3-1 the subordination must be subject to the terms of a satisfactory subordination agreement. The Company may use a custom document or may rely on one of several standard forms of agreement provided by FINRA;
- The Company must provide FINRA with all required notifications, representations, attestations, disclosures and supporting documentation and must obtain pre-approval by FINRA of the agreement prior to execution and receipt of funding;
- The Company must comply with its obligation to reduce business if in a state of 'suspended repayment"; further, its agreement must obligate the lender to repay or return any amounts, collateral and/or notes received in contravention to FINRA rules; and
- Should the Company wish to amend or renew an existing, approved subordination agreement (other than extending it via an automatic extension of maturity already included in the agreement), it must meet all requirements described in Notice 10-15 and found in FINRA Rule 4110(e)(1).

All requests for approval of new subordinated loan agreements or renewals of previously approved subordinations must be submitted electronically through the Firm Gateway.

The Company must meet any and all other applicable requirements under FINRA Rule 4110 relating to sale-and-leasebacks, factoring, financing, loans and similar arrangements.

The FinOp has the responsibility to ensure the proper accounting and net capital treatment of all subordinations.

13.5.1 EXPENSE SHARING AGREEMENTS – NOT APPLICABLE

13.5.2 DEFICITS IN INTRODUCED ACCOUNTS

The Company may be required to deduct from its net capital deficits in unsecured and partly secured introduced accounts, as described in its clearing agreement. If, and when, the Company is required to take such charges, the FinOp will do so in accordance with SEA Rule 15c3-1(c)(2)(iv)(B) and FINRA's Interpretation described in Notice 05-38.

Deficits in unsecured and partly secured introduced accounts must be deducted by the carrying Broker-Dealer (the clearing firm) and the Company, as introducing Broker-Dealer, *if the Company's clearing agreement states that such deficits are the liability of the introducing Broker-Dealer*. The amount is deductible by the carrying Broker-Dealer upon occurrence after application of timely calls for margin, marks to market, or other required deposits which are not outstanding for more than five business days unless there is reason to believe payment will not be made. The Company, as introducing Broker-Dealer, *must* deduct the charge on the day after it becomes a charge to the carrying broker and the carrying Broker-Dealer *must* advise the Company *in*

writing on a daily basis of all such deficits to be charged. The Interpretation does not permit the Company's clearing firm to delay "passing on the deficit," nor does it permit the Company to postpone taking a capital charge for deficits in introduced accounts.

The FinOp is responsible to communicate with the clearing firm to ensure that deficit reports are being produced and sent to the Company in timely fashion. The FinOp must then ensure that proper charges are taken when notified by the clearing firm of account deficits. Lastly, the FinOp must ensure that all deficit reports received from the clearing firm are maintained with other 'working papers' connected with net capital computations, per SEC books and records maintenance rules.

13.5.3 GUARANTEES AND FLOW THROUGH BENEFITS

The FinOp must monitor the Company's arrangements in order to comply with the notification and pre-approval requirements under FINRA Rule 4150. The Company must be authorized to obtain the books and records of the other party for inspection by FINRA; such books and records must be kept separately from those of the Company. The Rule should be consulted for all specific notice and informational requirements. Guarantees executed routinely in the normal course of business such as trade guarantees, signature guarantees, endorsement of securities and the writing of options, are not subject to the requirements of this Rule.

13.5.4 SUSPENSE ACCOUNTS

When applicable, the Company must record, in an account that shall be clearly identified as a suspense account, money charges or credits and receipts or deliveries of securities whose ultimate disposition is pending determination; records of all known, related information must also be maintained. Examples of suspense accounts include DK fails, unidentified fails, unallocable securities receipts versus payment, returned deliveries, and any other receivable or payable (money or securities) "suspended" because of doubtful ownership, collectability or deliverability. If suspense items can be distinguished by type, separate accounts may be used as long as the word "suspense" is prominently in the account title. The accounting personnel designated to control and supervise general ledger accounts will be responsible for creating and monitoring these accounts. All records must be preserved for a period of not less than six years.

13.5.5 FUNDING AND LIQUIDITY RISK MANAGEMENT

The Company is expected by FINRA to maintain a healthy financial condition. Because the Company is very small and does not hold inventory positions or carry customer accounts, it has not developed funding and liquidity risk management policies and procedures to prepare for the kinds of adverse circumstances most likely to affect firms that have inventory/market exposure and who carry their customer's accounts. The Company, as described in this Manual, monitors its net capital such that early warnings are detected and reported when required, and additional funding is provided when necessary to meet minimum net capital requirements. While FINRA's guidance provided in Notice 10-57 is instructive, it is not considered applicable to the Company's business at this time. Senior Management of the Company will, at its discretion, implement funding and liquidity risk management policies and procedures when deemed necessary.

13.5.6 ANNUAL FINANCIAL REPORTS

Name of Supervisor ("designated Principal"):	FinOp Independent Auditor to conduct audit
Frequency of Review:	Annually
How Conducted:	On-site review by auditor of all financial statements, supporting documentation and either Compliance or Exemption Report.

How Documented:	Audit reports as described herein; supporting documentation
WSP Checklist:	SEA Rule 17a-5(d); SEC Release 34-54920, FINRA Rule 9552, Information Notice 12/9/09; Notices 02-19, 04-35, 11-46; SEC Regulation S-X, SEC Release No. 34-70073
Comments:	See PCAOB website for list of registered accountants: https://pcaobus.org/Registration/Firms/Pages/RegisteredFirms.aspx

Reports: Level Four Financial, LLC shall prepare or have prepared, annually, on a fiscal year basis, financial reports consisting of:

- Financial statements and supporting schedules as described in SEA Rule 17a-5(d)(2)
- An Exemption Report as described in SEA Rule 17a-5(d)(4)
- A report prepared by a PCAOB-registered independent public accountant covering each of the reports listed above; these reports must be created in accordance with PCAOB standards.

The Exemption Report must contain statements regarding the Company's claimed exemptions from Rule 15c3-3. These statements must be made to the Company's best knowledge and belief, identify and describe any exceptions to the claimed exemptions, and briefly describe the nature of each exception and the approximate dates on which the exceptions occurred.

The report must include an oath or affirmation signed by the Company's duly authorized party if the Company is a SIPC member, the reports filed must include a supplemental report as described in SEA 17a-5(e)(4) relating to SIPC assessments when required under the SIPA. This report must be accompanied by an independent public account's report as described in the Rule. When pending changes are announced by SIPC, the Company will provide required reports directly to SIPC rather than to SEC.

Footnote 74 Details

On July 1, 2020, the SEC and FINRA issued guidance on the characterization of U.S. registered broker-dealers under Securities Exchange Act Rule 15c3-3. In the past, FINRA required all broker-dealers to claim an exemption under Rule 15c3-3, as provided in paragraph (k), in their membership agreements even when their business activities did not require the exemption.

This might include broker-dealers who:

- Don't carry accounts of or for customers
- Don't receive customer funds or securities, or self-clear customer transactions through a separate account
- Don't receive or hold funds or securities for customers, either directly or indirectly, or otherwise owe such funds and securities to customers
- Don't carry proprietary accounts of other broker-dealers

The July guidance refers to such broker-dealers as "Non-Covered Firms." The guidance states that Non-Covered Firms that solely engage in Non-Covered Firm activities are no longer characterized as exempt under Rule 15c3-3(k), and thus no longer subject to any Rule 15c3-3 requirements. Such broker-dealers no longer can claim the exemption from the rule in their FINRA membership agreements, FOCUS report filings, and annual exemption reports as required under the provisions of Exchange Act Rule 17a-5.

Any broker-dealer who determines it is a Non-Covered Firm engaging in Non-Covered Firm activities may ask FINRA to amend its FINRA membership agreement to reflect this change. The broker-dealer should state in this request that it is not required to comply with Rule 15c3-3 by reason of the SEC's guidance set forth in circumstances described in footnote 74 to Exchange Act Release No. 34-70073 (July 30, 2013).

Such broker-dealers generally include:

- Private placement agents that effect securities transactions on a best efforts or subscription basis (not on a firm commitment basis) and don't receive or hold customer funds or securities
- Merger and acquisition advisory firms that refer securities transactions to other broker-dealers
- Broker-dealers that provide technology or platform services and do not receive or hold customer funds or securities

The guidance also states that broker-dealers who engage in business activities that fit within the paragraph (k) exemption will continue to be exempt. These broker-dealers are not required to change their FINRA membership agreement unless they at some point restrict their business activities to those of a Non-Covered Firm.

Going forward, Non-Covered Firms will have to file annual exemption reports and periodic FOCUS reports differently. Firms that no longer need to claim a Rule 15c3-3 exemption with respect to Non-Covered Firm activities should describe their business activities in their exemption reports and also state that, during the reporting period, they:

- Didn't directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers other than money or other considerations received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Exchange Act Rule 15c2-4
- Didn't carry accounts of or for customers
- Didn't carry broker-dealer proprietary accounts as defined in Exchange Act Rule 15c3-3

Filing: Annual financial reports should be filed in the manner required by the recipients:

- The SEC now permits filings to be made either through the EDGAR system or in paper.
- FINRA requires electronic filings via Firm Gateway.
- SIPC permit filings to be made email, fax or in hard copy.
- Most states and other SROs required filings to be made in paper. The FinOp should verify the filing requirements for these jurisdictions, if applicable.

The oath or affirmation is submitted electronically to FINRA with the audit report and must be maintained in hard copy, with an original, manual and notarized signature in the Company's records along with the entire annual audit report. Supporting documentation for annual audit reports must be maintained for three years, per 17a-4(b)(8).Audit reports are due within 60 days of the end of the Company's fiscal year and must be received one or before that date to be considered timely.

For paper filings submitted to the SEC:

- One original signed audit report and one copy shall be filed with the SEC's principal office in Washington D.C. and
- One copy is sent to the SEC's regional or district office applicable to the Company.

Failure to file the required report will be a punishable violation under FINRA Rule 9552 and the Company will be assessed late fees for filings made after the due date.

Should the Company know that it is not prepared to meet its filing deadline, it may submit a written or verbal request to its FINRA Coordinator for an extension of time to file, no later than three business days prior to the audit due date. Requests must be accompanied by a written explanation and a letter from the auditor making certain representations. The FinOp is responsible for providing appropriate documentation and follow-up and should reference finra.org for detailed information and guidance.

Accountant: SEA Rule 17a-5(f) requires the Company to engage an independent public accountant who is registered with PCAOB and to file with SEC and FINRA, in the form established under the Rule, a statement regarding the designation of the accountant. Carrying or clearing firms must include representations about access to the Company's accountant and to the accountant's audit documentation. This filing must be made annually by the 10th calendar day of the last month of the Company's fiscal year unless the engagement is of a continuing nature. The FinOp will ensure compliance with this filing requirement.

The FinOp will also annually review the services provided by the Company's outside auditor to ensure that the auditor's independence is not impaired. In his or her review, the FinOp will consult FINRA's guidelines published in Notice 02-19. In addition, the FinOp will seek to obtain (or has obtained) an engagement letter from the auditor outlining the services to be provided and the respective responsibilities of both parties as well as a representation from the auditor that he or she is either a certified public accountant duly registered or a public accountant entitled to practice in good standing under the laws of his or her place of residence or principal office.

If the Company replaces its accountant or the accountant terminates the engagement, the FinOp or his designee will file required replacement of accountant notification via electronic means using the Financial Notifications option under Forms and Filings in the Firm Gateway. Notices must also be sent to the SEC as required under the Rule since the electronic notification only satisfies the notification requirements of FINRA. The Company must provide details of any issues (resolved or not resolved) arising during the preceding 24 months, such as those occurring at the decision-making level – that is, between principal financial officers of the Company and personnel of the accounting firm responsible for rendering its reports. The FinOp should review Rule 17a-5(f)(3)(v)(B) for filing details.

Non-Compliance/Material Weakness: If, during the course of preparing its reports, the Company's accountant determines that the Company is not in compliance with any of the SEA financial responsibility rules or any FINRA rule that requires account statements to be sent to customers, the accountant must immediately notify Company's CFO of the nature of the non-compliance or material weakness. The CFO and FinOp will then determine if notification to SEC and FINRA is required under Rules 15c3-1, 15c3-3 and/or 17a-11: if notification is required, the Company must immediately make such notification and provide a copy to its accountant within one business day. Further obligations exist: the FinOp and CFO should review 17a-5(f)(2)(h) for updated requirements and must ensure prompt compliance.

13.5.7 FOCUS REPORTS, INFORMATION AND FORM CUSTODY

On behalf of the Company, the designated Financial and Designated Principal (FinOp) shall file Part IIA of form X-17A-5 within 17 business days after the end of each calendar quarter and within 17 business days after the date selected for the annual audit of financial statements where said date is other than the end of the calendar quarter. Annual FOCUS Schedule I must be filed within 17 business days of year-end and must include municipal securities revenue, if applicable. (Note: A Day on which securities markets are unexpectedly closed is not a business day for FOCUS filing purposes.) In addition, in certain situations, the Company may be required by FINRA to file Part IIA of form X-17A-5 on a monthly basis.

FINRA Rule 4524 calls for the filing of the Supplemental FOCUS Information. The FinOp should ensure that any required supplemental reporting under FINRA Rule 4524 is completed accurately following applicable instructions and submitted through FINRA's eFOCUS system by the applicable due date.

The FinOp shall also ensure that Form Custody, as required by the SEC, is completed and filed quarterly by the 17th business day following the end of the calendar quarter.

All FOCUS filing and other required supplemental reports, including Form Custody, shall be filed electronically, utilizing FINRA's Web based FOCUS or "eFOCUS" system.

Please refer to the table and language under Section 16.3 above ("Net Capital Requirements") for a description of the Company's supervisory responsibility related to determining net capital, for the purpose of reporting such via FOCUS filings.

Certain additional information requirements may come about from time to time (e.g., leverage ratio information for carrying and clearing firms and a Sequestration Statement for certain joint BD/FCMs). The FinOp is responsible for tracking and complying with all newly-announced filing requirements that are applicable to the Company and ensuring filings are made accurately and timely.

13.5.8 REPORTING REQUIRED UNDER SEA RULE 17A-11

Name of Supervisor ("designated Principal"):	FinOp
Frequency of Review:	Monthly upon net capital calculations or upon notification from Company principal.
How Conducted:	Review of financial reports and accounting records
How Documented:	Firm Records Necessary reports filed with FINRA and SEC
WSP Checklist:	SEA Rule 17a-11, SEC Releases 34-70072 and 34-70073
Comments:	

Additional financial reporting may be required in order to comply with SEA Rule 17a-11 if the Company finds itself insolvent, in net capital violation, approaches financial difficulties and/or experiences a books and records problem. Rule 17a-11 is designed to function as an all-encompassing reporting vehicle and requires the Company to send immediate electronic notice to the SEC and FINRA at any time when:

- The dollar amount of the Company's net capital is less than its required minimum; or
- The Company's aggregate indebtedness exceeds 1,500% of its net capital (800% for the Company's first twelve months after its effective date of membership with FINRA).

Additionally, in accordance with Rule 17a-11, the FinOp will promptly (within 24 hours of discovery) file notification with the SEC and FINRA if at any point in time:

- The Company's aggregate indebtedness exceeds 1,200% (12 to 1) of its net capital; or
- Its net capital is less than 120% of its required net capital.

Other provisions of SEA Rule 17a-11 require the Company to send telegraphic notice to the SEC and other appropriate agencies when:

- The Company fails to make and keep current the books and records specified under SEA Rule 17a-3. The telegraphic notice must be sent immediately (same day); and within 48 hours of the telegraphic notice FinOp must file a report stating what corrective actions have been taken; or
- The Company discovers or is notified by an independent public accountant, pursuant to SEA Rule 17a-5 or 17a-12, of the existence of any material weakness or inadequacy as described in those rules. The notice shall be made to the SEC and FINRA within 24 hours, and within 48 hours of the telegraphic notice a report shall be filed stating the corrective steps which have been and are being taken.

Rule 17a-11(c)(5) calls for notification if repurchase and lending activities (excluding government securities) exceed 2500% of tentative net capital (no notification required if Company reports monthly balances to FINRA).

The Company's designated FinOp shall ensure the timely filing of all notices required under SEA Rule 17a-11 though a link using the Financial Notifications option under Forms and Filings in the Firm Gateway, and telegraphically with the SEC's principal office in Washington, DC and the Regional Office of the SEC where the Company's main office is located.

13.6 CUSTOMER ACCOUNT STATEMENTS

Name of Supervisor ("designated Principal"):	Designated Principal Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Spot check Pre-Approval (consolidated report format)
How Conducted:	Review for required disclosures. EAI and EY: review methodologies and criteria Pre-approval of consolidated report creation systems, formats, distribution methods Spot check during office inspections/3120 testing
How Documented:	Records of deficiencies and remedies Records of EAI and EY methodologies, criteria, outsourced vendor contracts Records of system/format approvals and spot checks of consolidated reports
WSP Checklist:	Rule 2340, FINRA Rule 2266, Notices 06-72, 08-77, 10-19; SEC Releases 34-70072
Comments:	

Pursuant to Rule 2340 of FINRA Conduct Rules, the Company's clearing firm, on behalf of the Company, provides no less frequently than each calendar quarter a customer account statement showing securities positions, money balances and account activity during the period. The Company's prime brokerage customers, if any, are not covered under this Rule. DVP/RVP accounts may opt out of receiving customer statements if the conditions described in Rule 2430(b) are met, including receiving and maintaining a written request from the customer. The Company receives copies of customer statements not less than quarterly electronically for review and to meet regulatory requests for such records.

Under Rule 2340, firms that carry customer accounts or hold customer funds or securities (the Company is not such a firm) may be required to--or may voluntarily--include estimated values of publicly offered DPP and/or REIT securities on customer statements. Certain conditions under the Rule must be met (data used to calculate is not over 18 months old; an explanation of how the estimate was derived; and disclosure language on illiquidity). The Designated Principal(s) overseeing DPP/REIT securities sales will determine if the Company must include these estimates and will ensure proper adherence to Rule 2340, if applicable.

Customer brokerage account statements must contain a statement advising the customer to promptly report any discrepancies and inaccuracies in the account to their broker/dealer or the clearing firm and to reconfirm any oral reports in writing in order to protect their rights, including rights under the Securities Investor

Protection Act (SIPA). Brokerage statements must also include a telephone number at the clearing firm for a customer to call if they have questions about their account.

The Designated Principal will review customer statements to ensure that the appropriate disclosure language is included and will work with the clearing firm to remedy any deficiencies. The Designated Principal will periodically, but not less than at any change in the clearing firm, spot-check statements to ensure required disclosure is still present and in the correct form.

13.6.1 ESTIMATED ANNUAL INCOME AND ESTIMATED YIELD

Statements created by the clearing firm and sent to the Company's account holders may include estimated annual income (EAI) and/or estimated yield (EY). In order to avoid confusion on behalf of customers, the clearing firm presents the EAI and EY information in a manner clearly distinguishable from actual return and yield. If circumstances exist such that these calculations may not reliable or consistent, such as those including a security that does not pay a dividend on a regular basis, an issue in default, or a fixed income security that has paid its last coupon prior to maturity, the clearing firm devises a means of addressing these concerns or prohibits the inclusion of EAI and EY in such circumstances. Additionally, the statements include disclosures akin to:

- EAI and EY for certain types of securities could include a return of principal or capital gains, in which case the EAI and EY would be overstated.
- EAI and EY are estimates and the actual income and yield might be lower or higher than the estimated amounts.
- EY reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

13.6.2 CONSOLIDATED REPORTS

The Company may provide to its customers documents that consolidate information on their various financial holdings ("consolidated reports"). The Company issues such reports to its customers who are also customers of its affiliated IA firm and/or by its RR's who also provide IA services to the Company's customers. The Company's consolidated reports do not replace the account statements issued under Rule 2340, described above, and may not be offered as a substitute for those required statements.

The Company's consolidated reports are created/distributed as follows:

- Reports are created by a pre-approved third-party vendor/clearing firm.
- Reports are in a standardized format.
- Reports are disseminated to customers by the Company and/or its RRs via direct mailings.
- Reports are provided to customers by the Company via secure online access.
- Reports are hand-delivered to customers during face-to-face meetings.

The Designated Principal is responsible for supervising the production/distribution of consolidated reports. To follow are the Company's procedures:

Reporting System/Document Format Approval: The Company requires its consolidated reporting systems/programs and report formats to be approved in advance, prior to report production, by the Designated Principal. This Principal may work with IT professionals and other compliance or legal staff to determine what types of creation systems, report formats and distribution methods are appropriate and acceptable. The Designated Principal will keep records of approved systems, programs, formats and distribution methods and will inform RRs of such. Reports generated outside of pre-approved systems/formats must NOT be distributed to customers; changes made by RR's or branch offices to report formats and/or custom changes to individual

reports must be pre-approved. Discovery of violations of this policy will be investigated and may be met with disciplinary action.

Assets Held Away: The Company prohibits RRs or associates from entering client external account data directly to consolidated reports that pertain to assets held away. RRs or associates may enable account aggregation applications with an approved third-party vendor/clearing firm but may not enter a client's login credentials into the application in order to aggregate external accounts.

Supporting Documentation and Source Documents: The sources of data are direct feeds from custodians. RR's are required to encourage customers to review and maintain their original source documents that are integrated into consolidated reports (such as account statements from the Company and other Broker-Dealers).

Disclosures: When applicable, the following disclosures must be included on consolidated reports distributed by or on behalf of the Company or its RR's:

- that the consolidated report is provided for informational purposes and as a courtesy to the customer;
- the names of the entities providing the source data or holding the assets, their relationship with each other (e.g., parent, subsidiary or affiliated organization) and their respective functions (introducing/carrying brokerage firms, fund distributor, banking/insurance product providers, etc.);
- the customer's account number.

The Designated Principal, during his or her report format approval process, will ensure that all applicable disclosures are included in the Company's approved report templates and custom reports, if any. Spot check or periodic reviews will include a review for required disclosures.

Customer Addresses and Safeguarding Information: Consolidated reports, if mailed directly to customers, must be mailed to the address of record (address included in the customer's most recently updated NAF). Should customers request that consolidated reports be mailed to a different address, the RR on the account must keep records of such request in order to explain the address discrepancy. As with all customer information, Company personnel are required to protect the confidentiality of consolidated reports; the Company must take steps to prevent unauthorized access to all such hard copy or electronic/online records. If relying on a third party for record creation or distribution, the Company will comply with its 'outsourcing' procedures herein.

Periodic Reviews: Compliance with these procedures and other procedures that apply (such as with the general requirements under FINRA Rule 2210 on communications with the public) will be reviewed by designated staff during the Company's internal/branch office inspections and annual testing and verification process.

14 MAINTENANCE OF REQUIRED BOOKS AND RECORDS

14.1 TELEMARKETING RECORDS

The Company is required to maintain a Do Not Call List that includes the names of persons who requested to not receive calls from the Company. If a third party maintains this list for the Company, it is the Company that will be liable for failures to honor it. The Company must also maintain records to document how it accesses the national do not call database as a means of preventing outbound calls to telephone numbers on that database. The Designated Principal will ensure maintenance of these required records. Please refer to the

section entitled "Telemarketing," above, for a complete description of the Company's related supervisory procedures and summary supervisory table.

14.2 CUSTOMER ACCOUNT INFORMATION

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Upon account opening and thereafter, as necessary.
How Conducted:	Maintain account information in customer files.
How Documented:	NAF/MCAs, suitability/best interest forms, Investor Questionnaires, other necessary documentation (such as corporate trading authorization, third party authorization, corporate resolution, W9 Form, self-accreditation forms, etc.). Initials or electronic approval on NAF/MCA upon approval.
WSP Checklist:	FINRA Rules 2111, 3110, 3210, 4512, SEA Rule 17a-3 and -4, MSRB 6-8(a)(xi)
Comments:	Please refer to the section entitled "Customer Accounts New Accounts, Account Transfers," above, for a complete description of the Company's related supervisory procedures and summary supervisory table

The Designated Principals, in the process of reviewing new accounts for approval and performing periodic reviews of existing account records, shall ensure compliance with all recordkeeping requirements described in the following text. The New Account procedures in this Manual includes further details.

14.2.1 ACCOUNT RECORD

The Company intends to maintain, at a minimum, the following customer records, as required by amended SEA Rule 17a-3 and FINRA Rule 4512 (the requirements are combined here):

- Name,
- Tax ID number,
- Address (note: AML regulation requires physical address),
- Telephone number,
- Date of birth (and whether the customer is of legal age),
- Employment status (including occupation and whether the customer is an associated person of a member, broker or dealer or FINRA),
- Annual income,
- Net worth (excluding value of primary residence),
- Investment objectives,
- If the customer is a corporation, partnership or other legal entity, the names of any persons authorized to transact business on behalf of the entity. and
- Names of associated persons with responsibility for the account and the scope of their responsibilities, and
- Signatures of the associated persons responsible for the account (if suitability/best interest analysis was conducted) and assigned Principal.

When making **recommendations**, the account record should include the investment profile factors and other information addressed in the suitability rule and Regulation Best Interest.

For **joint accounts**, the record must include personal information for each owner of the account, but should include investment objectives of the account, not of each individual owner. Financial information for the owners may be combined.

For Institutional Accounts (a bank, savings and loan association, insurance company or registered investment company, an investment adviser registered either with the SEC or a state, or any other entity with total assets of at least $50 million), the customer's occupation, employer information and whether the customer is an associated person of a broker dealer are not required records. (See Section Institutional Customers for information on Municipal institutional accounts.)

In addition to the record requirements listed here, personnel must gather sufficient customer information to confirm suitability.

While the SEC grants an exemption from its record making requirement in the case where the Company is not required under any federal or SRO rules to make a suitability determination as to an account, the Company requires its associated persons to make an attempt to gather this information for all accounts, in the interest of "know your customer" standards. The Designated Principal will make a determination with regard to exceptions to this policy, when requested.

Should required account information be missing from the customer account record, the Designated Principals will bear the burden of explaining why this information is unavailable. Registered Representatives are encouraged to make explanatory notes in these cases, and include such notes in the customer's account file, and are required to inform their designated Principals of any failure to obtain required information. The RR should consult the Company's Anti-Money Laundering Compliance Program in order to consider whether a customer's lack of cooperation could be considered suspicious in nature.

14.3 FURNISHING ACCOUNT RECORD INFORMATION

SEA Rule 17a-3 requires the Company to furnish account record information to their customers who are "natural persons," as defined in the Rule (accounts that are entities are not included in this definition), as follows:

- Within 30 days of opening a new account;
- Upon periodically updating the account record (at least once every 36 months);
- Following a change in customer name or address (sent to the old address only); and
- Following a change in any other customer information, such as investment objectives.

This requirement will serve to reduce the number of misunderstandings between customers and the Company regarding the customer's situation or investment objectives. The Company's clearing firm has agreed to furnish account record information to customers after account opening, upon receipt of changes to the account records, and/or periodically, as required. When furnishing account records to customers, the Company (or its clearing firm, if applicable) should request that the customer review the information and immediately reply with any necessary corrections or changes to the information provided.

The Company is not required to include the customer's tax ID number and date of birth in this furnished information (in order to avoid potential perpetration of fraud by unauthorized recipients).

The Company's clearing firm will use all reasonable efforts to update customer records at least once every 36 months and will forward such updated records to customers **within 30 days** of the updating (such as a change in name, address or investment objectives). The Company's clearing firm intends to furnish customer record information under separate cover OR in combination with account statements. The designated Principal will ensure that records are maintained of the dates when customer records are furnished to customers and that customer records, including address and investment objectives, are kept up-to-date and all changes are verified through documented contact with the customers.

PLEASE NOTE:

Updating of customer account data. Proposed transactions in a customer account with data more than 36 months old may be subject to rejection or cancellation until the account is updated.

14.4 WRITTEN CUSTOMER AGREEMENTS

Representatives or other appointed personnel are required to furnish to each customer with whom the Company has entered into any written agreement a copy of such agreement (for instance, a copy of the New Account Form/ Master Client Agreement with all disclosure and agreement language). The associated person responsible for the account will ensure delivery of the written agreement to the customer as attested by the customer on the agreement. Should a customer request a copy of a written agreement, the respective associated person (or designee) will provide the copy and will record in the customer file that it was provided. (Also, under FINRA Rule 2268, signed agreements with Pre-Dispute Arbitration Clauses must be provided to, and acknowledged by, customers within 30 days of signing, or within 10 days of a customer's request for a copy.)

14.5 FCPA PAYMENT-RELATED RECORDS AND REPORTING

Should the Company have Representatives or any other agents/employees working in foreign locations or working with foreign persons in the conduct of their business, all expenses reimbursement or other payments made to or by such persons will be scrutinized regularly to detect improper payments.

The Company prohibits ALL payments to foreign officials, whether or not they are permitted under the FCPA. Perceived violations will be investigated by the CCO and met with disciplinary action and federal reporting if required.

14.6 PREPARATION OF REQUIRED RECORDS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's and Designated Principals, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily, Weekly or Monthly
How Conducted:	Review of documentation below, if applicable.
How Documented:	Firm Records Entries in Files
WSP Checklist:	FINRA Rules 4511, 4513, 4515, SEA Rule 17a-3. Notice 11-19, SEC Releases 34-70072

The Company, or its clearing firm, if and when applicable, shall make and keep current the following books and records relating to its business (where applicable):

- Blotters (or other records of original entry) containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all receipts and disbursements of cash and all other debits and credits. Such records shall show the account for which each such transaction was affected, the name and amount of securities, the unit and aggregate purchase or sale price (if any), the trade date and the name or other designation of the person from whom purchased or received or to whom sold or delivered;
- Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts;

- Ledger Accounts (or other records) itemizing separately to each cash and margin account of the Company, its customers, brokers or dealer and partners thereof (if appropriate), all purchases, sales receipts and deliveries of securities and commodities for such account and all other debits and credits to such account;
- Ledgers (or other records) reflecting the following as applicable:
  - Securities in transfer,
  - Dividends and interest received,
  - Securities borrowed and securities loaned,
  - Moneys borrowed and moneys loaned (together with a record of the collateral and any substitutions in such collateral),
  - Securities failed to receive and failed to deliver,
  - All long and short securities record differences arising from the examination, verification, count and comparison pursuant to SEA Rule 17a-13, Rule 17a-5 and similar SEC rules; and/or
  - Repurchase and reverse repurchase agreements;
- A Securities Record or Ledger reflecting separately for each security as of the clearance dates of all "long" or "short" positions (including securities in safekeeping and securities that are the subjects of repurchase or reverse repurchase agreements) carried by the Company, broker or dealer for its account or for the account of its customers or partners or others and showing the location of all securities long and the offsetting position to all securities short, including long securities count differences and short securities count differences classified by the date of the physical count and verification in which they were discovered, and in all cases the name or designation of the account in which each position is carried;
- A memorandum of each brokerage order, and any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted. Such memorandum shall show the terms and conditions of the order or instructions and of any modification or cancellation, the account for which it was entered, the time of entry, the price at which executed and, to the extent feasible, the time of execution or cancellation. The memorandum must also show the name of the associated person responsible for the account, if any, the identity of the person (if other than the associated person responsible for the account) who entered or accepted the order on behalf of the customer and the time at which the Company received the order. Orders entered electronically, directly by the customer, must include notation to that effect. Orders entered pursuant to the exercise of discretionary power by the Company, or any employee shall be so designated. Registered Representatives are prohibited from exercising discretionary power over non-employee related client accounts. If the client authorizes a one-day time and price discretion order, the order must identify "same day time/price discretion". In the case of transactions done on a subscription-way basis, where an application or subscription agreement is sent to the issuer in place of an order ticket, the Company shall maintain copies of the application or subscription agreement instead of an order ticket/memorandum;

  To meet the requirements under FINRA Rule 4515, Representatives must include on each order the name or designation of the account(s) for which the order is executed. No changes to this name or designation information may be made unless pre-approved, prior to execution, by a registered Principal who is personally informed of the facts related to the change. The Designated Principal must approve in writing (electronically is okay) the order showing the change.
- A memorandum of each purchase and sale for the account of the Company showing the price, and to the extent feasible, the time of execution, and where such a purchase or sale is with a customer other than a broker or dealer, a memorandum of each order received, showing the time of receipt, the terms and conditions of the order and the account in which it was entered;
- Copies of confirmations of all purchases and sales of securities, including copies of all purchase and reverse repurchase agreements, and copies of notices of all other debits and credits for securities, cash and other items for the account of customers and partners of the Company;
- A Record of each cash and margin account with the Company, indicating:
  - The name and address of the beneficial owner of the account, except exempt employee benefit plan securities, but only to the extent such by employee benefit plans established by the issuer of the securities, whether or not the beneficial owner of securities registered in the name of such members,

brokers or dealers, or a registered clearing agency or a nominee objects to disclosure of his or her identity, address and securities positions to issuers, and
    - In the case of a margin account, the signature of such owner;
- A Record of all puts, calls, spreads and other options in which the Company has any direct or indirect interest or which the Company has granted or guaranteed, containing at least, an identification of the security and the number of units involved;
- A Record of the proof of money balances of all ledger accounts in the form of trial balances, and a record of the computation of aggregate indebtedness and net capital, as of the trial balance date, pursuant to SEA Rule 15c3-1;
- A record documenting the credit, market, and liquidity risk management controls established and maintained by the Company to assist it in analyzing and managing the risks associated with its business activities; this is only required if the Company has more than: $1,000,000 in aggregate credit items as computed under the credit reserve formula in Rule 15c3-3 or $20,000,000 in capital including debt subordinated in accordance with Appendix D to Rule 15c3-1;
- A questionnaire or application for employment or U4 Form executed by each associated person of the Company which shall be approved in writing by the authorized representative of the Company and shall contain, at a minimum, the following information:
    - Name address, social security number and the starting date of association with the Company;
    - Date of birth;
    - A complete, consecutive statement of all business connections for at least the preceding ten years, including whether any employment was part-time or full-time;
    - A record of any denial of membership or registration, and of any disciplinary action taken, or sanction imposed, by any federal or state agency, or by any national securities exchange or national securities association, including any finding of cause of any disciplinary action or violation of any law;
    - A record of any denial, suspension, expulsion or revocation of membership or registration of any member, broker or dealer with which he or she was associated in any capacity when such action was taken; and
    - A record of any permanent or temporary name by which he or she has been known or which he or she has used, provided however, that if he or she had been a Registered Representative of the Company or his/her association had been approved by FINRA or any stock exchange, then retention of a full, correct and complete copy of any and all applications for such registration or approval shall satisfy these requirements.

FINRA Rules and amended SEA Rule 17a-3 require the Company to maintain the following records regarding each associated person:

- All agreements pertaining to the associated person's relationship with the Company, including a summary of the person's compensation arrangement or plan (describing the method by which compensation is determined, if not on a per-trade basis);
- A record of the office(s) at which each associated person regularly conducts business (see "Registered Representative Assignment," below);
- A record of all customer complaints concerning each associated person, as described above; and
- Internal identification numbers and CRD numbers (see "Registered Representative Assignment," below).

The Company shall also maintain the following records for each associated person: the value of non-monetary compensation (such as gifts or trips as sales incentives) directly related to sales. These values should be estimated for the sake of this record-keeping requirement.

14.7 EXPLANATION OF RECORDS

The Company has designated the following personnel, who can, without delay, explain the types of records the Company maintains and the information contained in those records:

Designation	Office Location	Types of Records Explained
Marc Whitehead	Branch 145106, Mobile, AL	All
Kimberly Miller	12400 Coit Road, Suite 700, Dallas TX 75251	All

14.8 OFFICES

For both creation and maintenance of records, the definition of "office" adopted by the SEC includes any location where an associated person regularly conducts business. Company personnel, as designated herein, must make and keep current, separately for each office, certain books and records that reflect the activities of the office, including, as applicable:

- blotters,
- order tickets,
- customer account records,
- customer complaints,
- evidence of compliance with securities regulatory rules,
- a list of state record depositories,
- names of persons capable of explaining the records,
- names of any principals responsible for establishing policies and procedures, and
- records relating to associated persons at each local office, including:
  - employment agreements,
  - identification numbers,
  - compensation agreements,
  - sales records relating to associated person compensation, and
  - chronological sales records.

These records may be maintained at the office, or instead, may be produced "promptly" upon request (either electronically or on-site). Promptly is generally meant to mean by the day the after the request was made or at a time mutually agreeable to the Company and the regulator. Such office records must be maintained for the most recent two-year period in a readily accessible location.

For each office located at an associated person's residence, the Company is not required to produce records at such office, provided that: (i) only one associated person, or multiple associated persons who reside at that location and are members of the same immediate family, regularly conduct business at the office; (ii) the office is not held out to the public as an office; and (iii) neither customer funds nor securities are handled at that office. In this case, records may be stored at some other location within the same state as that office or may be promptly produced at an agreed upon location.

14.9 RECORDS REGARDING APPROVAL OF COMMUNICATIONS

SEA Rule 17a-3 requires the Company to maintain records documenting the Company's compliance with its procedures designed to comply with FINRA rules requiring principal approval of any advertisements, sales

literature, or other communications with the public. Appointed personnel will comply with this Rule by virtue of their compliance with procedures described elsewhere in this Manual, relating to communications with the public (see Section COMMUNICATIONS WITH THE PUBLIC).

14.10 RECORDS OF CASH AND NON-CASH COMPENSATION

Level Four Financial, LLC must maintain records of all compensation, cash and non-cash, received from offerors. The records must include the names of the offerors, the names of the associated persons, and the amount of cash and the nature and, if known, the value of non-cash compensation received. Records regarding the "nature" of non-cash compensation received shall disclose whether the non-cash compensation was received in connection with a sales incentive program or a training and education meeting. Thus, for example, records for a training and education meeting shall include information demonstrating that the requirements of a training and education meeting were complied with, including the date and location of the meeting, the fact that attendance at the meeting was pre-approved by a Company Principal and was not conditioned on the achievement of a previously specified sales target, the fact that the payment was not applied to the expenses of guests of associated persons of the Company, and any other relevant information.

14.11 PRESERVATION OF REQUIRED RECORDS

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's and Operations Principal, described throughout this Manual and named in Appendix A
Frequency of Review:	Daily, Weekly or Monthly
How Conducted:	Review of respective files required by list below, if applicable.
How Documented:	Firm Records Entries in Files
WSP Checklist:	FINRA Rules 4511, 4512, 4513, 4514, 4570; SEA Rule 17a-4, 17a-8, Reg. AC; Notices 10-10, 11-19, SEC Release 34-70072

In General: The Company is required by FINRA Rule 4511 to preserve all required records in accordance with applicable FINRA, SEC and various exchange rules: some retention time frames are included herein and reflect both FINRA and SEA Rule requirements. Where there is no specific retention under the rules for a given, required record, the Company must preserve that record for a period of at least six years. In general, if the record pertains to an account, the retention period is for six years after the date the account is closed; otherwise, the retention period is for six years after record is made.

Six Years: Level Four Financial, LLC or its clearing agent shall preserve for a period of not less than six years, the first two years in an easily accessible place, the following records, as applicable:

- Blotters (or other records of original entry);
- Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts; and,
- Ledger accounts (or other records) itemizing separate entries as to each cash and margin account of every customer and of the Company, broker or dealer and partners thereof (if appropriate) all purchases, sales receipts and deliveries of securities and commodities for such account and all other debits and credits to such account.

Per SEA Rule 17a-4(c) the Company will preserve, for a period of not less than six years after the closing of any customer account, any new account forms or records that relate to the terms and conditions with respect to the opening and maintenance of such account.

Under FINRA Rule 4512.01, the Company will preserve: (1) any customer account information that subsequently is updated for at least six years after that update; and (2) the last update to any customer account information, or the original account information if there are no updates, for at least six years after the account is closed.

The Company must retain a copy of each version of Form CRS and delivery information for a period of not less than six years following the last date when the applicable version of the Form was delivered to a retail investor.

Five Years: Level Four Financial, LLC or its clearing agent must preserve for a period of not less than five years the transfer notice records required to be kept under the Bank Secrecy Act (see above under "Trade Desk"). Recordkeeping requirements under the USA Patriot Act are described in the Company's AML Compliance Program.

Three Years: Level Four Financial, LLC or its clearing agent shall preserve for a period of not less than three years after the date of the respective document, the first two years in an accessible place, the following records:

- Ledgers (or other records) required to be made pursuant to SEA Rule 240.17a-3(a)(4);
- Memoranda of brokerage orders required to be made pursuant to SEA Rule 240.17a-3(a)(6);
- Memoranda of purchases and sales required to be made pursuant to SEA Rule 240.17a-3(a)(7);
- Information provided to and used by Designated Principals to approve changes made to the name or designation recorded on customer orders;
- Copies of confirmations of all purchases and sales of securities required to be made pursuant to SEA Rule 240.17a-3(a)(8);
- Records of each cash and margin account with the Company required to be made pursuant to SEA Rule 17a-3(a)(9);
- Records of all puts, calls, spreads and other options required to be made pursuant to SEA Rule 17a-3(a)(10);
- All checkbooks, bank statements, canceled checks and cash reconciliations;
- All bills receivable or payable (or copies), paid or unpaid, relating to the business of the Company;
- Originals of all communications received and copies of all communications sent by the Company, including interoffice memoranda and communications relating to its business (whether electronic or paper) --note the FINRA Rule 4513 requires that communications relating to customer complaints be maintained for four years;
- All trial balances, computations of aggregate indebtedness and net capital (and accompanying working papers), financial statements, branch office reconciliations and internal audit working papers relating to its business;
- All guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account and copies of resolutions empowering an agent to act on behalf of a corporation;
- All manuals describing the Company's policies and practices with respect to compliance and supervision, including any updates, modifications and revisions (for three years after termination of their use);
- Certifications of research analysts in connection with public appearances and/or notifications to authorities and related, required disclosures, in the event certifications are not received, as required under SEC Regulation AC, in addition to other required records under FINRA Rule 2711, governing research analysts;
- Risk management control records required under 17a-3(a)(23); and
- A copy of all reports that a securities regulatory authority has requested or required the Company to create, including each examination report.

In addition, FINRA Rule 4514 requires that the Company preserve, for a period of three (3) years after its expiration, the express signed authorization of each customer to submit for payment a negotiable instrument drawn on the customer's checking, savings, share or similar account. If the authorization is via the customer's signature on the negotiable instrument itself, it does not have to be preserved by the Company.

The CCO or designee shall maintain and preserve in an easily accessible place, all questionnaires or applications for employment pursuant to SEA Rule 240.17a-3(a)(12), until at least three years after the "associated person" has terminated his or her employment and any other connection with the Company. Copies of U4 amendments and U5 filings/amendments that do not require signatures of the registered person may be maintained solely on WebCRD; filings requiring manual signature by the registered person must be maintained in the Company's books and records. For filings requiring written acknowledgement from the registered person, such acknowledgment will be maintained in the Company's books and records.

18 Months: For 18 months after the date the report was generated, the Designated Principal or other appointed personnel must maintain (or must be able to recreate or simulate if necessary) reports created to review unusual activity in customer accounts ("exception reports").

Life of Enterprise: All organizational records of the Company, including, but not limited to, articles of incorporation or charters, minute books and stock certificate books, shall be preserved during the life of the enterprise and of any successor enterprise. In addition, the Designated Principal or designee shall maintain, for the life of the entity, copies of Forms BD and all amendments thereto (only those portions of the Form that were amended must be kept).

Custodian of Books & Records when the BD has Ceased Doing Business: Should the Company cease doing business, its CCO or member of senior management will ensure that a Form BDW is filed with FINRA. The Company must comply with SEA Rule 17a-4(g) by continuing to maintain its required books and records for the remainder of respective, specified retention periods. On Form BDW, the Company must provide contact information of the custodian of its books and records after it has discontinued its business operations; the address where the books and records will be located, if different than the custodian's address; and a certification by the signatory that the Company's books and records will be preserved and made available for inspection.

FINRA Rule 4570 permits that the custodian of the required books and records to be either a person who is associated with the firm at the time Form BDW is filed or another FINRA member firm.

The Company must ensure the designated custodian understands its obligations under FINRA Rule 4570 and has consented orally or in writing to act as custodian and complying with the requirements under the Rule. The designated custodian is required to submit a Custodian Consent Form to FINRA concurrently with the Company submitting its Form BDW.

If the custodian identified in the BDW ceases to be responsible for the records or the location of the records changes during the required retention period, the custodian named in the BDW, or his/her designee must promptly notify FINRA of the new custodian and/or location of the records.

14.12 FORMAT OF PRIMARY RECORDS STORAGE

Under FINRA Rule 4511, the Company must preserve all required books and records in a format and media that complies with SEA Rule 17a-4. The Company currently maintains its required books and records in the following formats: paper document storage and third-party vendor-provided electronic storage. The Company's financial records, which are subject to later correction are maintained in

paper format. The POO is responsible to ensure that records are maintained, stored and duplicated, if required, in accordance with all applicable sections under SEA Rule 17a-4. The Company, if it maintains some or all records in paper format and backs these records up electronically, is not required to back up these electronic records or meet the other requirements for electronic storage of primary records as described under 17a-4(f).

Under certain conditions, we may maintain and preserve records by means of electronic recordkeeping systems. Rule 17a-4 defines that term as "a system that preserves records in a digital format in a manner that permits records to be viewed and downloaded and that meets the condition set forth in the updated rule effective May 3, 2023. Because the Company maintains all or some of its primary books and records electronically, it will continue to give prior notification to FINRA of its changes to its record storage systems.

Any electronic recordkeeping system used by the Firm will meet one of the following requirements:

1. Maintain a completed *audit trail* that:
   Preserves a record for the duration of its applicable retention period in a manner that maintains a complete time-stamped audit trail that includes:
   i. All modifications to and deletions of the record or any part thereof.
   ii. The date and time of actions that create, modify, or delete the record;
   iii. If applicable, the identity of the individual creating, modifying, or deleting the record; and
   iv. Any other information needed to maintain an audit trail of the record in a way that maintains security, signatures, and data to ensure the authenticity and reliability of the record and will permit re-creation of the original record if it is modified or deleted; **or**
2. Traditional electronic storage in which the firm will:
   i. Preserve the records exclusively in a non-rewriteable, non-erasable (WORM) format.
   ii. Verify automatically the completeness and accuracy of the processes for storing and retaining records electronically.
   iii. If applicable, serialize the original and duplicate units of the storage media, and time/date the required period of retention for the information placed on such electronic recordkeeping system.
   iv. Have the capacity to readily download and transfer copies of a record and its audit trail (if applicable) in both a human readable format and in a reasonably usable electronic format and to readily download and transfer the information needed to locate the electronic record, as required by the staffs of the Commission, the self-regulatory organizations of which the member, broker, or dealer is a member, or any State securities regulator having jurisdiction over the member, broker or dealer; and
   v. Either:
   i. Include a backup electronic recordkeeping system that meets the other requirements of paragraph 17a-4(f) and that retains the records required to be maintained and preserved pursuant to §§ 240.17a-3 and 240.17a-4 in a manner that will serve as a redundant set of records if the original electronic recordkeeping system is temporarily or permanently inaccessible; or
   ii. Have other redundancy capabilities that are designed to ensure access to the records required to be maintained and preserved pursuant to §§ 240.17a-3 and 240.17a-4.

The Designated Principal is responsible for (1) properly identifying each form of electronic recordkeeping system being utilized by the Firm, and (2) ensuring that each form of electronic recordkeeping has been approved by the Firm and meets the conditions set forth in SEC Rule 17a-4.

14.12.1 NOTIFICATION REQUIREMENTS

If employing any electronic recordkeeping system, the Company will notify FINRA prior to employing such storage media. When notifying FINRA, the Company will provide its own representation or one from another third party, such as the recordkeeping vendor, that has the appropriate expertise that the selected recordkeeping system meets the requirements of SEC Rule 17a-4. A designated third party is any person that is not affiliated with the Firm who has access and ability to provide records maintained and preserved in the electronic recordkeeping system. The notification will include the undertaking pursuant to Rule 17a-4(f)(3)(v)(A) and signed by either the Firm's designated executive officer or designated third party. Notifications are submitted electronically to FINRA through the Financial Notifications under Forms & Filings Firm Gateway.

For each electronic recordkeeping system to be employed by the Firm, the Designated Principal is responsible for ensuring that the Firm submits the appropriate notification to FINRA prior to employing such recordkeeping system.

It is the responsibility of the Designated Principal to ensure the contract with the third-party downloader has provisions which requires them to provide records promptly upon request of the broker/dealer, permit access to the records when needed by regulators and surrender the records to the broker/dealer even when non-payment occurs.

14.12.2 SEC NOTIFICATION REQUIREMENTS

If the records required to be maintained and preserved pursuant to the provisions of §§ 17a-3 and 17a-4 are prepared or maintained by an outside service bureau, depository, bank or other recordkeeping service, including a recordkeeping service that owns and operates the servers or other storage devices on which the records are preserved or maintained, on behalf of the Firm, such outside entity must file with the SEC a written undertaking in a form acceptable to the SEC, signed by a duly authorized person, to the effect that such records are the property of the Firm required to maintain and preserve such records and will be surrendered promptly on request of the Firm and including the provision found under 17a-4(i)(1)(i), or alternative provision under 17a-4(i)(1)(ii)(A).

The Designated Principal is responsible for obtaining such an undertaking from the outside recordkeeping service and forwarding a copy to the SEC. Such undertaking may be delivered via email (TM_7631_faxes@sec.gov).

14.12.3 SELF APPOINTING

A designated officer of the Firm who signs the Firm undertaking required pursuant to Rule 17a-4(f)(3)(v)(A) may appoint up to two designated officers and up to three designated specialists who will take the steps necessary to fulfill the obligations of the designated executive officer in the event the executive officer is unable to fulfill his/her obligations. The appointment of, or reliance upon, a designated officer does not relieve the designated executive officer of the obligations set forth in the undertaking made to FINRA and the SEC. The designated executive officer will document any designated officer(s) and/or specialist(s) in the Firm's supervisory matrix.

14.12.4 COMPLIANCE REQUIREMENTS

If the Firm uses an electronic recordkeeping system, the Firm and/or its third-party downloader must:

- At all times have available, for examination by the staffs of the SEC and self-regulatory organizations of which the Firm is a member, facilities for immediate, easily readable projection or production of electronic recordkeeping system images and for producing easily readable images.

- Be ready at all times to provide, and immediately provide, any facsimile enlargement which the staffs of the SEC, any self-regulatory organization of which it is a member, or any State securities regulator having jurisdiction over the Firm may request. Store separately from the original, a duplicate copy of the record stored on any medium acceptable under Rule 17a-4 for the time required.

- Organize and index accurately all information maintained on both original and any duplicate storage media. (At all times, the Firm must be able to have such indexes available for examination by the staffs of the Commission and the self-regulatory organizations of which the Firm is a member. Each index must be duplicated and the duplicate copies must be stored separately from the original copy of each index. Original and duplicate indexes must be preserved for the time required for the indexed records.)

- Have in place an audit system providing for accountability regarding inputting of records required to be maintained and preserved pursuant to Rules 17a-3 and 17a-4 to electronic stage media and inputting of any changes made to every original and duplicate record maintained and preserved thereby. (At all times, the Firm must be able to have the results of such audit system available for examination by the staffs of the SEC and the self-regulatory organizations of which the Firm is a member. The audit results must be preserved for the time required for the audited records.)

- Maintain, keep current, and provide promptly upon request by the staffs of the SEC or the self-regulatory organization of which the Firm is a member all information necessary to access records and indexes stored on the electronic recordkeeping system; or place in escrow and keep current a copy of the physical and logical file format of the electronic recordkeeping system, the field format of all different information types written on the electronic recordkeeping system and the source code, together with the appropriate documentation and information necessary to access records and indexes.

For each type of electronic recordkeeping system used by the Firm, the Designated Principal is responsible for ensuring that the Firm is able to comply with its obligations under SEC Rule 17a-4. The Firm will use only reputable electronic-storage vendors with systems designed to enable the Firm to comply with the rigorous requirements of Rule 17a-4.

14.12.5 DUE DILIGENCE AND ONGOING TESTING

Through initial due diligence and ongoing testing, the Designated Principal is responsible for ensuring that the Firm has a reasonable basis for concluding that each form of electronic recordkeeping system utilized by the Firm is compliant with SEC Rule 17a-4. At a minimum, the Firm will review each electronic-storage provider prior to entering into a service contract, and upon renewing or substantially modifying a contract.

The Designated Principal, will periodically test systems used to capture and store required records to verify that records are being inputted or captured and maintained in manner consistent with applicable

standards and in accordance with the Company's expectations. This audit of the systems may be done by inputting test files or creating test e-mails and reviewing the content of stored files. In addition, he/she will require certification from the vendor that they have periodically tested their system to ensure that it is operating as per stated specifications and that all features for back-up, access and protection of data have been tested at least annually. A record of the Principal's reviews and the certifications obtained from vendors will be retained in the files associated with the applicable systems.

14.13 MUNICIPAL SECURITIES BUSINESS

The Company will ensure it complies with MSRB Rules G-8 and G-9 and applicable SEC Rules in maintaining its records related to its municipal activities. The Designated Principal is responsible for maintaining such records.

14.14 OPTIONS BUSINESS

Name of Supervisor ("designated Principal"):	Registered Options Principal Designated Principals and Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Monthly
How Conducted:	Review of Records
How Documented:	Record Review Approvals
WSP Checklist:	FINRA Rule 2360

Under the Registered Option Principal's supervision, the Company or its clearing agent shall follow these additional requirements for options transactions:

- Providing confirmations to customers who make options transactions. These confirmations should include all required information, such as the opening or closing transaction;
- Maintenance of specific customer approvals for options transactions, plus written acknowledgments of the applicability of OCC and SRO rules;
- Verification of procedures for supplying monthly and quarterly statements to customers;
  - Maintenance and periodic review of all customer complaints for options transactions. A separate file should be kept for such complaints;
  - Obtaining and maintaining, for at least six months, copies of customer account statements if options transactions are cleared Principally Disclosed through another broker;
  - Maintaining work papers, etc. relating to the allocation of exercise assignment and notices, and retaining them for a minimum of three years; and
  - If applicable, confirming that the clearing firm ensures that:
    - Net capital satisfies Options Clearing Corporation ("OCC") Requirements and
    - Net capital has not exceeded OCC's early warning limits.

14.15 RR/RIA BUSINESS

RR/RIAs – please refer to Notice 96-33 for FINRA recordkeeping requirements.

14.16 CASH OR CURRENCY TRANSACTIONS

Name of Supervisor ("designated Principal"):	Anti-Money Laundering Compliance Officer
Frequency of Review:	Daily monitoring
How Conducted:	Review of records of cash deposits, wire transfers, foreign transfers.
How Documented:	Copies of currency transaction reports.
WSP Checklist:	SEA Rules 17a-8
Comments:	Company personnel are required to comply with the procedures outlined in the Anti-Money Laundering Compliance Program.

The Company will comply with the reporting, recordkeeping, and record retention requirements under the Bank Secrecy Act and the Foreign Currency Transactions Reporting Act of 1970, as enforced by the SEC. The Company does not accept cash or currency from customers; customers will be advised of the Company's policy and will be requested to submit checks in lieu of cash. If cash is inadvertently received, it must be logged and promptly returned and the AMLCO must be informed of the event. The Company does not anticipate engaging in foreign transactions. The Company does not permit the transfer of currency or monetary instruments across US borders.

Details of the Company's compliance with BSA, US Treasury, FINRA and other rules and regulations relating to receipt and reporting of currency and monetary instrument transactions are included in the Company's Anti-Money Laundering Program, under separate cover.

14.17 SECURITY FUTURES BUSINESS- NOT APPLICABLE

14.18 INVESTMENT ADVISOR SUPERVISION

Name of Supervisor ("designated Principal"):	Designated Principals overseeing RR's, described throughout this Manual and named in Appendix A
Frequency of Review:	Continuous; on a daily basis
How Conducted:	Review of transactions and related documentation Approval of activity and compensation arrangements Approval of promotional material and performance reports Review of necessary regulatory filings Review of activities—depends on the capacity in which RR's are acting as IA's
How Documented:	Maintain files (either dedicated or personnel), including approved notices of activities and lists of authorizations. Related advertising and correspondence files
WSP Checklist:	FINRA Rules 3210, 3270, 3280. Notices 94-44, 96-33, 01-24, 03-21, 16-22

14.18.1 COMPANY AS INVESTMENT ADVISOR

Some or all of the Company's Registered Representatives are licensed and registered as advisor representatives and perform advisory services for clients on behalf of the affiliated Firm's SEC registered investment advisor. All Company affiliated advisor registered persons conducting advisory business are required to comply with the procedures outlined herein and with all referenced, applicable procedures.

IA Manual and Code of Ethics. All registered persons conducting investment advisory business on behalf of the Company must comply with the procedures outlined in Level Four Advisory Services Investment Advisory Supervisory Procedures Manual („IA Manual") and Code of Ethics. The IA Manual is required under SEC Regulation 206(4)-7 and contains supervisory and compliance procedures exclusively related to the supervision and administration of the Company's advisory business, addressing such topics as: advertising, customer disclosures, documentation, fees and billing, customer reporting, and portfolio activities, among others. The Company's advisory representatives and their supervisors are required to reference those procedures in order to understand and abide by them.

WSP Manual. In accordance with FINRA interpretation, when Registered Representatives, in the exercise of their advisory activities, participate in the execution of securities transactions such that their actions go beyond a mere recommendation, FINRA member firms must supervise the transactions involved and must maintain records appropriate to demonstrate this supervisory activity. The Company fully expects to supervise all such securities transactions in accordance with any and all related procedures described in this WSP Manual and, as with all securities transactions, RR's are expected to adhere to all relevant WSP procedures when executing transactions in the context of advisory services.

Where the Company is dually registered as a Broker-Dealer and investment advisor, the CCO shall ensure that the Company has created and files Form CRS as set forth in the instructions for the Form.

14.18.2 INVESTMENT ADVISOR IS AN OUTSIDE BUSINESS ACTIVITY

Broker/dealers supervising dually registered representatives of an outside Registered Investment Advisor firm face unique supervision responsibilities over the representative's advisory activity. For that reason, the Company requires CCO pre-approval to permit RR's to act as independently registered IA's or as IAR's of third-party firms, as described in Section 4.3.

In a series of Notice to Members (Notice) rulings (Notices 91-32, 94-44 and 96-33), FINRA has made clear that member firms (even if not registered as IA's) have supervisory responsibilities over the investment advisory activities of their Registered Representatives. This supervision requirement is based on certain FINRA Rules, including: FINRA Rule 3270 (outside business activities); 3280 (private securities transactions or "selling away"); and 3210 (notice and approval of discretionary authority over client accounts).

Outside Business Activities. The Company has an obligation to generally familiarize itself with the nature of the adviser's business, his/her operations and services provided, and the scope of authority the adviser holds over client accounts. To this end, each registered person desiring to conduct advisory services as an independent IA/IAR must follow OBA policy when requesting pre-approval to conduct an investment advisory business. The representative must provide, at a minimum:

- A declaration that the individual is, or desires to be, involved in outside investment advisory activities as an owner and/or advisor representative;
- ***How they intend to execute advisory securities transactions and if they intend to execute away from the firm ("Selling Away");***
- A detailed description of the investment advisory activities and services to be conducted (Code of Ethics, ADV2A and ADV2B, Advisory Contracts, Privacy Policy are information resources);
- Supervisory procedures and types of products offered, and;
- Compensation arrangements

"Selling Away": As stated above, the IAR/RRs must provide notice of the intended scope of all securities-related business to be conducted for advisory clients. In addition to this notification and approval process,

additional transaction supervision may be required. FINRA has made it clear that when an IAR/RR, in the exercise of his or her advisory activities, "participates in the execution of a securities transaction" such that his or her actions go beyond a mere recommendation, the designated Principal must (A) supervise the transactions involved (whether or not they are accomplished at the firm) and (B) maintain records appropriate to demonstrate this supervisory activity.

Dual IAR/RR Activity:

- Company pre-approval of all associated new hire IAR/RR's is required
- The Company will follow FINRA Rule 3110 to determine the branch designation of the IAR/RR's office. The location will be subject to periodic inspections, which will include full access to IAR/RR related advisory records.
- Company pre-approval of email archiving for all dually registered representatives' is required
- Participating in the origination, pricing, structuring or management of private placements/unregistered securities is prohibited.
- Production of consolidated reports, without pre-approval of the CCO, is prohibited
  Transactions in securities products otherwise prohibited through the Company is prohibited for IAR/RR's advisory accounts.

14.18.3 SUBSEQUENT NOTICES FOR MATERIAL CHANGES

If there is a material change in the IAR/RR's investment advisory activities following the Firm's initial approval, the IAR/RR must provide the Firm with a subsequent written notice that details the changes and requests the Firm's further approval to conduct the new investment advisory activities.

14.18.4 PRIVACY OF CLIENT INFORMATION

IAR/RRs should be mindful of the privacy policies governing the records of advisory clients. If a registered investment adviser's privacy policy does not allow for the sharing of client information with unaffiliated third parties, the IAR/RR is prohibited from sharing client information with the Firm until such time that the investment adviser's privacy policy is amended to allow such sharing. If the IAR/RR is not authorized to share client information, the Firm will deny the IAR/RR's request to engage in investment advisory activities because the Firm will not have access to the client information needed to adequately supervise the activities.

14.18.5 RECORDKEEPING

As deemed necessary to supervise investment advisory activities, the Firm may retain any number of the following records, if unable to access information in an alternative method:

1. Outside Business Activity Disclosure from IAR/RRs detailing the investment advisory activities to be performed and/or ownership and date of preapproval
2. A list of IAR/RRs approved to engage in private securities transactions (investment advisory activities) away from the Firm;
3. A list of advisory clients serviced by the IAR/RR;
4. Account opening documentation and advisory agreements;
5. Duplicate confirmations / account statements;

6. Correspondence file for communications with advisory clients;
7. Advertising and sales literature used to promote investment activities;
8. Any exception reports that may aid in supervision.

14.18.6 SUPERVISION OF OUTSIDE INVESTMENT ADVISORY ACTIVITIES

The Firm's supervision process and trade review responsibilities varies based on the Hybrid structure of advisory business, some of which are defined below:

Hybrid Structure	I. Fee-based planning only/ no trades or trade recommendations	II. Advisory contract appoints Company as BD on accounts with all trades executed thru Company	III. Advisory accounts and trades executed with same Custodian, providing Company access to data per Privacy Policy authorization	IV. Advisory accounts and trades executed thru outside Custodian with Company provided access to remote data per Privacy Policy authorization.
PST	Not selling away	Not selling away	Selling Away	Selling Away
Trade Data Access	Provide Company confirmation dual licensed representatives are prohibited from executing plan related trades.	Company books and records of daily trade executions.	Provide Company access to view and export data from the custodial platform.	Provide Company access to export data from the custodial platform or receive a direct data feed for each dual licensed representative's advisory clients.
Designated Principal Trade Review	N/A	Daily trade reviews by Designated Principal subject to Company's WSP- (Recognized as outside IA directed trades subject to IA's ADV, Code of Ethics and Supervisory Procedures)	Periodic trade reviews by Designated Principal subject to FINRA Rules 3280 and 3210, meeting Notice 96-33 expectations. (Recognized as outside IA directed trades subject to IA's ADV, Code of Ethics and Supervisory Procedures)	Periodic trade reviews by Designated Principal subject to FINRA Rules 3280 and 3210, meeting Notice 96-33 expectations. (Recognized as outside IA directed trades subject to IA's ADV, Code of Ethics and Supervisory Procedures)

The trade blotter data must be provided in the format requested by the Firm and include, among other fields, client name, account number, and details of the transaction. The Firm may utilize software and other technology solutions to support its supervision of investment advisory activities away from the Firm. In selecting a technology solution, the President or designee will ensure that the solution:

1. Is designed to comply with applicable regulatory and legal requirements;
2. Provides an efficient means for supervisory personnel to review investment advisory activities; and
3. Has a good reputation in the securities industry.

Each IAR/RR will be required to provide the following documents to the Designated Principal for review as requested.

- All (advisory and BD related) marketing materials
- All (advisory and BD related) correspondence files;
- All updates to ADV, Privacy Policies, Client Advisory Agreements, Code of Ethics, and Supervisory Procedures.

Email review will be conducted by the Designated Principal. The Designated Principals have authority to modify the nature and timing of these reviews based on the perceived risks of each outside IA's activity.

14.18.7 PERFORMANCE REPORTING AND ACCOUNT MONITORING

IAR/RRs must obtain prior approval to offer performance reporting to clients. Unless specifically approved by the Firm in writing, IAR/RRs are prohibited from manually creating performance reports and presentations. Individualized performance reporting (if performance report prototype is approved by firm in writing before use) is classified as correspondence and required to be included in the monthly correspondence file.

Continuous account monitoring is forbidden for non-advisory (brokerage) accounts. Any monitoring of brokerage accounts is solely incidental (may be agreed upon periodic basis; i.e. quarterly as it would occur at specific time frames).

14.18.8 SAMPLING

The designated Principals are permitted to use sampling methods to conduct reviews. Sampling may be used when a review of every record is unwarranted based on the perceived risks.

14.18.9 ANNUAL TRAINING

During the annual needs analysis, the Firm will consider the need to require IAR/RRs to participate in specialized training. The Firm may require IAR/RRs to participate in firm element training related to the Investment Advisers Act of 1940 or other issues relevant to their outside investment advisory activities. Evidence of completion of the training will be retained by the Firm in the applicable training and continuing education files.

15 OUTSOURCING

Name of Supervisor ("designated Principal"):	Executive Representative - President
Frequency of Review:	Upon hiring outsourced party; Periodically thereafter to assess competence.
How Conducted:	Preliminary due diligence. Monitor ongoing performance of duties through meetings and/or review of status reports.
How Documented:	Evidence of qualifications, capabilities; references. Status reports from vendors, if available. Meetings with vendors. Notes on monitoring and periodic reviews.
WSP Checklist:	Notice 05-48

15.1 BACKGROUND

The Company has contracted with outside vendors to perform certain required functions for the Company—or, "covered activities." FINRA defines "covered activities" as order taking, handling of customer funds and securities, and supervisory responsibilities under Rules 3110 and 3120. While the Company may never contract its supervisory and compliance activities away from its direct control, it may outsource certain activities that support the performance of its supervisory and compliance responsibilities. Such activities may

be in the areas of accounting/finance (payroll, expense account reporting, etc.), legal and compliance, information technology (IT), operations functions (*e.g.*, statement production, disaster recovery services, etc.), and administration functions (*e.g.*, human resources, internal audits, etc.). Importantly, any parties conducting activities or functions that require registration under applicable rules will be considered associated persons of the Company (unless the service provider is separately registered as a Broker-Dealer and such arrangement is contemplated by applicable rules – for instance, the Company's clearing firm, if any, is not considered an outsourced party, as described in Notice 05-48). For the purposes of this section, an outside FinOp is considered an outsourced vendor.

15.2 EVALUATING SERVICE PROVIDER AGREEMENTS

Written contracts should properly document the terms of service provided and the protection of confidential information. Such contracts must be maintained, current, and available for review by regulators, when requested. In the event the service provider has, or will have, access to material nonpublic information, if the contract does not contain a confidentiality agreement, the Company must obtain a separate agreement to be maintained in the file with the vendor contract.

15.3 ONGOING OVERSIGHT OF SERVICE PROVIDERS

Leadership shall be responsible for monitoring all service providers to ensure compliance with the terms and conditions of the Company's contract. The ongoing review may include any of the following as may be deemed appropriate and applicable:

1. the service provider's financial condition and ability to devote resources to the Company;
2. recent corporate transactions (such as mergers and acquisitions) that involve the service provider;
3. the level of service provided to the investment adviser;
4. the reasonableness of fees in relation to the nature of the services to be provided;
5. the potential for conflicts of interest that could unfairly benefit the Company or others to the detriment of clients;
6. the experience and quality of the staff providing services and the stability of the workforce;
7. the service provider's operational resiliency, including its disaster recovery and business continuity plans;
8. the technology and process it uses to maintain information security, including the privacy of customer data; and
9. the service provider's communications technology.

Where potential conflicts of interest exist, the Leadership must evaluate the extent to which such potential conflicts are mitigated.

15.4 EVALUATING POTENTIAL CONFLICTS OF INTEREST

In evaluating service provider arrangements, Leadership should be alert for any arrangements that could unfairly benefit the investment adviser or others to the detriment of the Company or its clients. When evaluating an arrangement with an affiliated service provider that in turn subcontracts to an unaffiliated service provider, Leadership shall inquire about the respective roles of the two entities and whether management or the affiliated service provider receives any benefit, directly or indirectly, other than the fees payable under the contract. Leadership must evaluate the fees paid to the affiliated and any unaffiliated service provider relative to the services each will perform.

Conflicts of interest also may arise in arrangements with unaffiliated service providers. LFF shall also inquire about other business relationships between affiliates of the investment adviser and the service provider or any of the service provider's affiliates.

15.5 OUTSIDE/PART-TIME FINOP

The Company's FinOP is an outside/part time FinOp. The following procedures are drafted to ensure the proper creation and maintenance of books and records related to the function.

FINRA Rule 1220 requires each member to designate a qualified financial and Designated Principal ("FinOp"). This individual is responsible for the firm's compliance with applicable net capital, recordkeeping, and other financial and operational rules.

In 1999, FINRA clarified that member firms employing outside and/or part time FinOp must hold those individuals to the same standards that a full time in-house FinOp would be held to. FINRA further clarified that member firms are required to develop written policies and procedures which outline and specify the outside FinOp's duties and responsibilities.

The firm considers many factors when deciding on whether or not to use an outside FinOp.

These considerations include (but are not limited to):

- Performing a thorough due diligence review and background check on the FinOp's:
  - Qualifications;
  - Experience;
  - Employment history (including reference checks);
  - Regulatory history (CRD checks); and
  - General reputation within the industry.
- Ensuring the FinOp has the staffing and resources available to them to handle the firm's needs; and
- Analyzing which functions can be reasonably performed outside the firm along with the costs and benefits of utilizing an outside FinOp to perform those functions.

The outside FinOP is not the CFO of the Company, but has duties that include the following:

- Responsibility for final preparation and approval of all financial statements and reports submitted to regulatory bodies;
- Supervision of individuals who prepare financial statements and reports;
- Ensuring the proper creation and maintenance of required financial books and records;
- Supervision of all financial reporting responsibilities under '34 Act;
- Supervision of back-office personnel responsible for financial books and records;
- Supervisory responsibility for any other matter involving the financial and operational management of the member.

In Notice to Members 06-23, FINRA reaffirmed its expectations with respect to the use of outside FinOp and provided additional guidance for both member firms and FinOp. The following procedures address the notice's guidance:

- The part-time outsourced FinOp will receive a file from the Company's bookkeeping system monthly, so that he/she can review the general ledger and other financial statements and compute the Company's net capital. The FinOp will be provided with full access to the firm's financial information to access the Company's net capital upon request.

- In addition, the FinOp, or designee, will schedule a review at least annually to inspect the books and records. The review may be conducted onsite or remotely at the FinOp's discretion (see https://www.finra.org/rules-guidance/key-topics/supervision/faq #9). The FinOp, or designee, will document his/her reviews for the Company's records and will meet with senior management as needed to discuss any deficiencies. The FinOp will communicate with the Company at least monthly to ensure he/she has an understanding of what is happening in the Company and anything that might impact the Company's net capital or records.

- As a registered person, the FinOp is:
  - supervised by the President;
  - required to participate in an annual compliance meeting; and
  - required to abide by all other the policies and procedures contained within this Manual.

Since the part-time outsourced FinOp does not have contact with the Company's clients or supervise any person's that do, he/she will be exempted from the Company's Firm Element program. However, the Company expects the FinOp to stay current with current regulations and to provide proof of additional continuing education upon request.

16 REGISTERED REPRESENTATIVE ASSIGNMENTS

Level Four Financial, LLC maintains a listing of registered representative assignments separately. This listing may be obtained from the CCO and/or Designated Principal.

17 APPENDICES

17.1 APPENDIX A: PRINCIPAL DESIGNATIONS

Section #	WSP Section Description	Designated Principal	Principal Name
Compliance			
SECTION 2	STANDARD OF SUPERVISION	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 2.13.3	NETWORKING ARRANGEMENTS WITH FINANCIAL INSTITUTIONS	Principal Operations Officer (POO)	Marc Whitehead or Designee
SECTION 3	LICENSING	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 3.8	COMMISSION/FEE SPLITTING AND REFERRALS	Principal Operations Officer (POO)	Marc Whitehead or Designee
SECTION 4	REGULATION BEST INTEREST	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 5	PRIVACY OF CUSTOMER INFORMATION	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 6	FINANCIAL EXPLOITATION OF SPECIFIED ADULTS	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 7	CUSTOMER COMPLAINTS AND OTHER DISCLOSURES	Chief Compliance Officer (CCO)	Kimberly Miller or Designee

SECTION 7.4	ACCOUNTS AND TRANSFERS	Chief Advisory Operations Officer	Claudia Martin or Designee
SECTION 8	ANTI-MONEY LAUNDERING	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 9	COMMUNICATIONS WITH THE PUBLIC	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 10	TRANSACTIONS	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 11	CUSTODY AND CLEARING	Principal Operations Officer (POO)	Marc Whitehead or Designee
SECTION 12	INVESTMENT PRODUCTS	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 13	FINANCIAL PRINCIPAL RESPONSIBILITIES	Principal Operations Officer (POO)	Marc Whitehead or Designee
SECTION 14	MAINTENANCE OF REQUIRED BOOKS AND RECORDS	Chief Compliance Officer (CCO)	Kimberly Miller or Designee
SECTION 14.2	CUSTOMER ACCOUNT INFORMATION	Chief Advisory Operations Officer	Claudia Martin or Designee
SECTION 15	OUTSOURCING	Principal Operations Officer (POO)	Marc Whitehead or Designee
AML			
SECTION 8 + APPENDIX C	ANTI-MONEY LAUNDERING, FCPA AND REG S-ID: SEE APPENDIX C	AML-CO	Kimberly Miller
SECTION 14.16	CASH OR CURRENCY TRANSACTIONS	Chief Compliance Officer (CCO)	
Committees			
	Registered Representative Review Committee	Designated Principal	Kimberly Miller & Jill Zacha
	Appendix B: Information Security/Cybersecurity	Information Security/ Cybersecurity Committee	Marc Whitehead
	Appendix C: AML Policy	AML Committee	Kimberly Miller

Copies of the following Level Four documents and/or policies are available for viewing on the firm's Intranet website.

17.2 APPENDIX B: INFORMATION SECURITY/CYBERSECURITY POLICY

17.3 APPENDIX C: AML POLICY

17.4 APPENDIX D: BCP PLAN

17.5 **APPENDIX E: FORM CRS & IMPORTANT INVESTOR INFORMATION DISCLOSURES**

17.6 APPENDIX F: INCIDENT RESPONSE PLAN

17.7 APPENDIX G: ARTIFICIAL INTELLIGENCE POLICY (AI)