

## Important Information Regarding Your Account

In late 2018, the U.S. Securities and Exchange Commission adopted Rule 613, Consolidated Audit Trail (“CAT”) National Market System (NMS) Plan. The stated objective of Rule 613 is to enhance the ability of regulators to track, monitor, and detect fraud and market manipulation. In June 2020, the implementation of CAT required every exchange and industry member to collect and transmit certain detailed information to the CAT Processor regarding each quote, order, and execution related to National Market System (NMS) and Over-the-Counter (OTC) securities traded throughout U.S. markets. Phase 2, known as CAT Customer and Account Information System (CAIS), requires customer account information including customer name, date of birth, addresses(s) and a translated identifier (TID – a masked form of every taxpayer identifier associated with the account) to be submitted to CAIS for accounts with orders in CAT reportable securities.

In 2023, the SEC approved a funding model to finance the costs associated with CAT. “CAT Fees” will be assessed to broker-dealers and exchanges involved in the execution of CAT reportable securities. Broker-dealers will receive invoices from FINRA CAT for these assessments based on transactions reported to a Trade Reporting Facility (TRF) under their Market Participant ID (MPID). Level Four Financial uses other broker-dealers for execution of CAT reportable security orders. Those broker-dealers plan to pass through to Level Four Financial any CAT Fees incurred for the execution of orders routed to them by Level Four Financial. CAT Fees will be comingled with the current “Other Fees” used to offset pre-determined third-party transaction costs and paid by ‘You’, the end client.

More information regarding the rule and the implementation of the CAT can be found at [www.sec.gov/divisions/marketreg/rule613-info](http://www.sec.gov/divisions/marketreg/rule613-info) or [www.catnmsplan.com](http://www.catnmsplan.com).