

# WEDBUSH INSURED DEPOSIT PROGRAM

## TERMS AND CONDITIONS

**This document provides you with important information about how the Wedbush Insured Deposit Program works. These terms and conditions supplement the terms and conditions contained in the Client Account Agreement and related documents which govern your Brokerage Account.**

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED AND CAREFULLY READ THESE TERMS AND CONDITIONS IN CONNECTION WITH THE WEDBUSH INSURED DEPOSIT PROGRAM.

### Overview

Wedbush Securities Inc. (“Wedbush,” “we,” “our” or “us”) is pleased to offer to act as your agent so that you can invest in the Wedbush Insured Deposit Program (the “Program”) as a sweep investment option for available cash balances in your brokerage account. Accounts subject to the Employee Retirement Income Security Act (“ERISA”) are not eligible to participate in the Program at this time. If your brokerage account is eligible, it will be enrolled in the Program, unless you inform us that you elect not to participate. For accounts not enrolled in the Program, available cash balances will be maintained in a free cash account. Such accounts are covered by Securities Investor Protection Corporation insurance, subject to applicable limits.

Available cash balances will be swept through the Program into interest-bearing deposit accounts (“Deposit Accounts”) at one or more participating banks (each a “Deposit Bank”) set forth on the Deposit Bank List (defined below), which can be accessed on our website at [www.Wedbush.com](http://www.Wedbush.com) or by contacting your Financial Advisor. The Deposit Bank List may change over time. For a current list of the Deposit Banks at any point in time, please refer to our website or contact your Financial Advisor.

The Deposit Accounts held at any Deposit Bank participating in the Program will be eligible for FDIC insurance up to the maximum applicable deposit insurance amount (“Maximum Applicable Deposit Insurance Amount”), which currently is \$250,000 in the aggregate at each Deposit Bank, as described in detail below. Through the Program, joint accounts are eligible for FDIC insurance up to \$500,000 per Deposit Bank.

Any deposits (including certificates of deposit issued by a particular Deposit Bank) that you maintain in the same capacity directly with a Deposit Bank, or through an intermediary (such as Wedbush or another broker-dealer), including multiple accounts held at Wedbush or another broker-dealer, will be aggregated with deposits in your Deposit Accounts at the Deposit Bank for purposes of determining the Maximum Applicable Deposit Insurance Amount. You are responsible for monitoring the total amount of deposits that

you have with each Deposit Bank, in order to determine the extent of FDIC deposit insurance coverage available to you.

Wedbush will place up to \$250,000 (\$500,000 for joint accounts) into one or more Deposit Accounts at one or more Deposit Banks on the Deposit Bank List (described in more detail below under Operations) irrespective of the capacity in which you hold your brokerage account and of the Maximum Applicable Deposit Insurance Amount available for the deposits held in that capacity. If available cash to be invested in Deposit Accounts exceeds the aggregate maximum coverage limit of \$2,500,000 (\$5,000,000 for joint accounts), for U.S. accounts, any additional funds will be invested in a Deposit Bank but will not be FDIC insured.

Each Deposit Account constitutes a direct obligation of the Deposit Bank and is not directly or indirectly an obligation of Wedbush. You can obtain publicly available financial information concerning each Deposit Bank at [www.ffiec.gov/nic](http://www.ffiec.gov/nic) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, VA 22226 or by phone at 703-562-2200. Wedbush does not guarantee in any way the financial condition of the Deposit Banks or the accuracy of any publicly available financial information concerning the Deposit Banks.

You will not have a direct account relationship with the Deposit Banks, unless you have a separate account with that Deposit Bank, other than your Wedbush brokerage account, and you will not be able to deposit money into or withdraw money directly from the Deposit Account. Your money will be deposited through a sweep of cash in your Wedbush brokerage account. Wedbush, as your agent, will establish the Deposit Accounts for you and its other customers on an omnibus basis at each Deposit Bank and make deposits to and withdrawals from the Deposit Accounts. Wedbush will receive a fee from each Deposit Bank. The amount of the fee paid to Wedbush will affect the interest rate paid on the Deposit Accounts. You should review carefully the section of these Terms and Conditions titled “Information about Your Relationship with Wedbush and the Deposit Banks.”

Due to daily deadlines for sweeping funds to the Deposit Banks, funds that are deposited and cleared into your brokerage account after 11:15 A.M. PST, may be held as a free credit balance in your brokerage account (and therefore may be covered by SIPC insurance), or swept to a single Deposit Bank until the next business day. Depending on the size of the deposit, this may affect the amount of FDIC insurance available until these funds are allocated across Deposit Banks as described above.

As discussed herein, the interest rates on the Deposit Accounts in which your funds may be placed are tiered based upon

the amount of funds in the Program and maintained in your household brokerage accounts and will vary based upon prevailing economic and business conditions. The Deposit Banks provide FDIC insurance, but do not have a duty to offer the highest rates available or rates that are comparable to money market funds. By comparison, money market funds generally seek to achieve the highest rate of return consistent with their respective investment objectives.

The Client Account Agreement governs your brokerage account with Wedbush, The information in these Terms and Conditions applies, unless otherwise indicated, to each brokerage account enrolled in the Program for which you are a client of record, whether as an individual, joint tenant, trustee, executor, custodian or in any other capacity, and is furnished to you in each of such capacities in respect of all such accounts.

### **Daily Cash Sweep**

#### **Alternatives to the Program**

The Program The Program is Wedbush's exclusive sweep option.

Wedbush is not obligated to offer you any sweep investment or to make available to you sweep investments that offer a rate of return that is equal to or greater than other comparable investments.

#### **Your Annual Brokerage Account Fees**

Participation in the Program will *not* affect your brokerage account fees.

#### **The Timing of Sweep**

Sweep means that cash is automatically invested when eligible cash becomes available in your Wedbush brokerage account from any source such as proceeds from securities sales, receipt of dividends or interest income, or a check deposit from you. Cash is automatically withdrawn from Deposit Accounts when appropriate to cover purchases or other activities in your account. In addition, there is no minimum cash balance associated with the Program.

#### **Access to Funds in the Program**

Participation in the Program is not intended to impact your ability to access funds, including the ability to write checks against your brokerage account. However, due to federal banking regulations, each Deposit Bank reserves the right to require seven (7) business days' prior notice before you can withdraw cash balances from your Deposit Account. The Deposit Banks have informed us that they do not currently intend to exercise this right. In the event a Deposit Bank exercises its right to require seven (7) business days' notice prior to a withdraw, you may experience a delay in accessing your cash. Additionally, in the event a Deposit Bank exercises its right to require seven (7) business days' notice prior to a withdraw, you may need to fund any deficiencies in your account such as margin calls, fed calls, and purchases with external funds, or by selling securities in your account.

### **Tax Information**

For most clients, interest earned from the Program will be taxed as ordinary income in the year it is received. Interest income you have earned in the Program will be included in the INT section of Form 1099, which Wedbush will send to you each year. You should consult with your tax advisor about how income derived from the Program affects you.

### **Operations**

#### **Deposit Bank List**

The "Deposit Bank List" is a list of available Deposit Banks into which your funds may be deposited as of the date of this mailing. You should review the Deposit Bank List carefully. The Deposit Bank List may be found on our website at [www.Wedbush.com](http://www.Wedbush.com). The Deposit Bank List may change over time. For a current list of the banks at any point in time, please refer to our website or ask your Financial Advisor for a copy.

You may remove or "opt-out" of any Deposit Bank from your Deposit Bank List by designating it as ineligible to receive deposits of your funds. Money you hold on deposit with a Deposit Bank that is separate from your funds in the Program will not be taken into account in determining whether to sweep your available cash balances to a Deposit Bank. As discussed further in these Terms and Conditions, it is your responsibility to notify your Financial Advisor if you wish to remove a Deposit Bank from your Deposit Bank List for any reason, including, without limitation, the fact that you may maintain funds directly with a particular Deposit Bank already or may have purchased CDs issued by a particular Deposit Bank and are concerned that you may have reached the Maximum Applicable Deposit Insurance Amount. In the event that you have deposits equal to \$2,500,000 in Deposit Accounts (\$5,000,000 for joint accounts), for U.S. accounts, any additional funds will be invested in a Deposit Bank but will be uninsured.

The Deposit Bank List along with the number of Deposit Banks may change. Please review the section "Changes to the Deposit Bank List."

#### **Establishment of, and Deposits into, the Program**

When funds are first available for deposit, Wedbush, as your agent, will open a Money Market Demand Account ("MMDA"), a type of savings deposit, on your behalf at one or more of the Deposit Banks on the then-current Deposit Bank List. Note that MMDAs are non-transferable. As necessary, Wedbush, as your agent, will open MMDAs at other Deposit Banks on the Deposit Bank List and place your additional funds in those Deposit Banks.

Deposits made into the Deposit Banks will be made according to an algorithm, which factors the amount of deposits that Deposit Banks have agreed to accept pursuant to the Program and their subsequent ability to accept additional deposits. Some Deposit Banks may only accept funds from certain account types. Accordingly, the algorithm will consider account type in determining which Deposit Bank to place your funds in. In some circumstances, including but not limited to bank capacity constraints, the Program may be unable to accept your

funds, which may cause your available cash to be temporarily uninvested.

You may designate a Deposit Bank as ineligible to receive your funds, in which case, monies which would otherwise be deposited to that bank will simply be deposited to the next bank on the Deposit Bank List, as identified by the aforementioned deposit algorithm. Please note that because we have committed to remain within specific deposit capacity thresholds at the Deposit Banks, from time to time your total deposits at a specific bank may be moved to a different bank.

Please note that if you have a large cash balance, designating several Deposit Banks as ineligible to receive your funds may reduce the total amount of FDIC insurance available to you through the Program, as there are only a limited number of Deposit Banks in the Program.

At any point in time, you may contact Wedbush to determine the banks in which your funds have been deposited.

Wedbush will establish the Deposit Accounts on an omnibus basis at each Deposit Bank, and maintain records regarding the balances belonging to each Wedbush customer. Your Deposit Account will be reflected by a book entry on Wedbush's account records in a manner consistent with FDIC rules governing "pass-through" deposit insurance. No evidence of ownership, such as a passbook or certificate, will be issued to you. The ownership title, tax identification number, and address of your Deposit Accounts will be the same as your brokerage account to which they are linked, and a single statement covering your brokerage account and the related Deposit Accounts will be sent to you.

### **Withdrawal Procedures**

All withdrawals from your Deposit Accounts, necessary to satisfy debits or deficiencies in your brokerage account will be made by Wedbush in its sole discretion as your agent. A debit is created to satisfy a securities purchase, cover fees or charges to your brokerage account, satisfy a request for a withdrawal of funds from your brokerage account and, if applicable, when you write a check on your brokerage account or withdraw funds or make purchases using the debit card linked to your brokerage account. Checks written on your brokerage account are not drawn directly against the Deposit Accounts established for you at the Deposit Banks.

Withdrawals to cover debits or deficiencies in your brokerage accounts will be made from one or more MMDAs at the Deposit Bank(s) in which your funds have been deposited. The Deposit Banks from which such withdrawals will be made shall be determined based on the aggregate Program settlements (net deposits and withdrawals) on the date your debit occurs, as well as the Deposit Banks' then-current capacity thresholds.

Federal banking regulations limit withdrawals from an MMDA to a total of six (6) withdrawals during any monthly statement cycle. Generally, withdrawals from MMDAs established for you at Deposit Banks will be processed using an electronic request although we have the option of arranging for a messenger or opening a Demand Deposit Account ("DDA") at the Deposit Bank. Please note that the limits on MMDA transfers will not

restrict the number of withdrawals you can make from funds on deposit at a Deposit Bank or the amount of FDIC insurance coverage for which you are eligible.

If there are insufficient funds in the Deposit Accounts at the Deposit Banks on the Deposit Bank List to satisfy a debit or deficiency in your brokerage account, Wedbush may take the actions described in the Client Account Agreement and other documentation governing the terms of your brokerage account. You may instruct your Financial Advisor at any time to withdraw all or a portion of the monies invested through the Program.

### **Changes to the Deposit Bank List**

One or more of the Deposit Banks included on the Deposit Bank List may be replaced with a Deposit Bank not previously included on the Deposit Bank List; or a Deposit Bank may be removed from the Deposit Bank List.

If a Deposit Bank is unable to accept deposits for regulatory or other reasons or withdraws or is removed from the Program, Wedbush may not be able to provide you with advance notice. Wedbush also reserves the right to add Deposit Banks to the Deposit Bank List.

A status of "Pending Activation" is assigned to a Deposit Bank that has been added to the Deposit Bank List, but is not yet available to receive deposits. A pending Deposit Bank will not be available to receive deposits until the "Pending Activation" status is removed after 30 days. It is your obligation to review the Deposit Bank List on our website at [www.Wedbush.com](http://www.Wedbush.com) or obtain the Deposit Bank List from your broker.

If a Deposit Bank at which you have Deposit Accounts no longer makes the Deposit Accounts available, your funds will be transferred to another Deposit Bank on the Deposit Bank List. Your brokerage account statements will reflect the balances in your Deposit Accounts at the Deposit Banks. For a current list of the Deposit Banks at any point in time, please refer to our website or contact your Financial Advisor.

### **Interest on Balances in the Program**

All Deposit Banks will utilize the same Interest Rate and Annual Percentage Yield ("APY") Tiers and will pay the same rate of interest and APY on the Deposit Accounts within the same Interest Rate and APY Tier. Generally, each Deposit Bank sets an aggregate cost of funds that includes both the interest rate it is willing to pay and the fees to Wedbush and other service providers involved in the Program. The interest rates on the Deposit Accounts will be determined by the amount the Deposit Banks are willing to pay on the Deposit Accounts minus the fees paid to Wedbush and other service providers as set forth below under "Fees."

The interest rates on the Deposit Accounts into which your funds will be placed will vary based upon the amount of funds you maintain in the Deposit Accounts held in the Program ("Interest Rate Tiers"). The APY will also vary, but unlike the Interest Rate, it will take into account compounded interest and therefore, may appear as a higher rate ("APY Tiers"). Both the interest rates and APYs available through the Program may be lower than the rates available for money market funds, by

comparison. In determining your Deposit Account Interest Rate and APY Tier, for a given posting period, we will utilize the average daily balance invested in the Program from the prior interest posting period. Aggregate balances in the Program invested in your participating household accounts will be used to calculate this monthly average. If certain of your accounts are not currently household, and you receive separate statements for these accounts, please contact your Financial Advisor to discuss how to household all of your accounts to achieve the best rate with the Program.

You may contact your Financial Advisor or access our website at [www.Wedbush.com](http://www.Wedbush.com) to determine the current interest rate and APY on the Deposit Accounts for each Interest Rate and APY Tier. Interest rates may change daily without prior notice. Interest will accrue on Deposit Account balances from the day funds are deposited into the Deposit Accounts at a Deposit Bank through the business day preceding the date of withdrawal from the Deposit Accounts at the Deposit Bank. The daily balance method is used to calculate the interest in your Deposit Accounts. This method applies a daily periodic rate to the principal in the Deposit Account each day. Interest will be compounded daily and credited to your account monthly, or when you close your account. There is no minimum Deposit Account size or balance required to participate in the Program. Wedbush or the Deposit Banks may, at any time, change the basis upon which interest rates and APYs are calculated, set a minimum balance for accrual of interest, or change the Interest Rate or APY Tiers.

Interest Rate and APY Tiers may be changed at any time without notice.

The interest rates paid with respect to the Deposit Accounts at a Deposit Bank may be higher or lower than the interest rates available to depositors making deposits directly with the Deposit Bank or other depository institutions in comparable accounts, or investments in money market funds or other investments available through Wedbush. You should compare the terms, interest rates, required minimum amounts, and other features of the Program with other accounts and alternative investments. At any time current Interest Rate and APY Tier information may be obtained by contacting your Financial Advisor or visiting our website at [www.Wedbush.com](http://www.Wedbush.com).

### **Household Balance**

Your "Household Balance" the total cash balance of all of your household accounts, will be used to determine the interest rates and Deposit Accounts available to you. Your Household Balance is based upon the amount of funds you maintain in the household eligible accounts in the Program.

In determining your Household Balance, all eligible accounts may be linked by your Financial Advisor. Certain brokerage accounts may not be eligible for linking in determining your Household Balance. Wedbush is not responsible for identifying your brokerage accounts that are eligible to be linked for purposes of determining your Household Balance. It is your obligation to notify Wedbush of brokerage accounts that could be linked for purposes of calculating the Household Balance by

contacting your Financial Advisor.

### **Information about the Deposit Accounts**

Transactions in the Program will be displayed on your monthly Wedbush account statement. You will not receive trade confirmations. For each statement period, your brokerage account statement will reflect:

- All deposits to and withdrawals from your Wedbush brokerage account to/from the Program
- The opening balance invested in the Program from the previous period
- The closing balances of the Deposit Accounts at each Deposit Bank
- The interest earned on your investment in the Program

The interest rate applicable to your Deposit Accounts at the end of the statement period (based on your average household balances during the prior interest cycle)

Wedbush is responsible for the accuracy of your statement, not the Deposit Banks. Your Financial Advisor can assist you in understanding your brokerage account statement and can answer any questions you may have about your statement.

### **Notices**

All notices described in these Terms and Conditions may be made by means of a letter, an entry on your brokerage account statement, an announcement on our website or by other means.

### **Information about your relationship with Wedbush and the Deposit Banks**

#### **Relationship with Wedbush**

Wedbush is acting as your agent in establishing the Deposit Accounts at each Deposit Bank, depositing funds into the Deposit Accounts, withdrawing funds from the Deposit Accounts and transferring funds among the Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Deposit Bank and by records maintained by Wedbush as your custodian. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your brokerage account statements will reflect the balances in your Deposit Accounts at the Deposit Banks. You should retain the brokerage account statements for your records. You may at any time obtain information about your Deposit Accounts by contacting your broker.

Unless you establish accounts directly with a Deposit Bank, all transactions with respect to your Deposit Accounts must be directed by Wedbush and all information concerning your Deposit Accounts can only be obtained from Wedbush. The Deposit Banks have no obligation to accept instructions from you with respect to your Deposit Accounts or provide you with information concerning your Deposit Accounts. Wedbush may, in its sole discretion, terminate your use of the Program as a sweep investment option. If Wedbush terminates your use of the Program as a sweep investment option, you may establish a direct depository relationship with each Deposit Bank, subject

to its rules with respect to opening and maintaining deposit accounts.

Similarly, you may decide to terminate your participation in the Program. If you or Wedbush terminate your participation in the program, any cash previously held in Deposit Accounts will be returned to the free credit balance in your brokerage account. .

### **Relationship with Deposit Banks**

As described above, you will not have a direct account relationship with the Deposit Banks. However, each Deposit Account constitutes an obligation of a Deposit Bank and is not directly or indirectly an obligation of Wedbush. You can obtain publicly available financial information concerning each Deposit Bank at [www.ffiec.gov/nic](http://www.ffiec.gov/nic) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, VA 22226 or by phone at 703-562-2200. Wedbush does not guarantee in any way the financial condition of the Deposit Banks or the accuracy of any publicly available financial information concerning such Deposit Banks.

### **Fees**

The compensation received by Wedbush and other service providers involved in operating the Program will affect the interest rate you receive from the Deposit Bank on your Deposit Accounts. Since Deposit Banks consider their all-in cost of funds (including service provider fees) when setting this payment for the Deposit Accounts, Wedbush and other service providers may establish or vary their fees for different Deposit Banks or customer account balance levels in order to implement interest rate tiering, equalize the interest rates paid on the Deposit Accounts, or based on arrangements with specific Deposit Banks. Each Deposit Bank will pay Wedbush an annual fee, payable monthly, equal to a percentage of the average daily deposit balance in the Deposit Accounts at the Deposit Bank (the "Fee"). The Fee earned by Wedbush will be based on a variety of factors, including, without limitation, client household balances invested in the Program, and prevailing market rates, less fees for service providers. The Fee Wedbush earns could reach up to 5%. You will receive the same interest rates and APYs from each Deposit Bank for any given date.

Upon request, Wedbush will provide you with information about Wedbush's compensation arrangements with respect to its sweep investments.

Wedbush has contracted with other service providers to assist in locating and negotiating deposit arrangements with Deposit Banks, calculating and coordinating transfers among the Deposit Banks, and providing other services in connection with the Program. In addition to Wedbush, other service providers will receive fees from each Deposit Bank.

Other than applicable fees imposed by Wedbush on your brokerage account, there will be no charges, fees or commissions imposed on your brokerage account with respect to the Program.

## **Information Regarding FDIC Deposit Insurance and SIPC Coverage**

### **FDIC Deposit Insurance**

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

You are responsible for monitoring the total amount of deposits that you hold with any one Deposit Bank, directly or through an intermediary, in order to determine the extent of deposit insurance coverage available to you on your deposits, including your Deposit Accounts. Once the available funds in your account reach \$2,500,000 (\$5,000,000 for joint accounts) , you have a higher likelihood of reaching the Maximum Applicable Deposit Amount in any one bank on our Deposit Bank List. Wedbush is not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.

In the event a Deposit Bank fails, the Deposit Accounts at that Deposit Bank are insured, up to the Maximum Applicable Deposit Insurance Amount, for principal and interest accrued to the day the Deposit Bank is closed.

Under certain circumstances, if you become the owner of deposits at a Deposit Bank because another depositor dies, beginning six (6) months after the death of the depositor, the FDIC will aggregate those deposits for purposes of the Maximum Applicable Deposit Insurance Amount with any other deposits that you own in the same insurable capacity at the Deposit Bank. Examples of deposit accounts that may be subject to this FDIC policy include joint accounts, "payable on death" accounts and certain trust accounts. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. In the event of a failure of a Deposit Bank, there may be a time period during which you may not be able to access your funds in the Program. There is no specific time period during which the FDIC must make insurance payments available, and Wedbush is under no obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC and Wedbush before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and

provide indemnities regarding an insurance payment.

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

Questions about FDIC Deposit Insurance Coverage. If you have questions about basic FDIC insurance coverage, please contact your Financial Advisor. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Office of Consumer Affairs, by mail at 550 17th Street, N.W., Washington, DC 20429, by phone at 877-275-3342 or 800-925-4618 (TDD), by e-mail at [dcainternet@fdic.gov](mailto:dcainternet@fdic.gov) or by visiting the FDIC website at [www.fdic.gov](http://www.fdic.gov).

### **SIPC Coverage**

Balances maintained in the Deposit Accounts at each Deposit Bank are not protected by SIPC or excess coverage purchased by Wedbush. Money market fund shares, by comparison, are considered to be securities for purposes of SIPC coverage.

The Securities Investor Protection Corp. ("SIPC") is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like Wedbush, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment, nor does SIPC insurance ensure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's brokerage account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Financial Advisor. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at [www.sipc.org](http://www.sipc.org).

### **Changes to Terms & Conditions**

Wedbush may change these terms and conditions from time to time in its discretion by providing 30 days' prior notice to you, either by mail or by posting the revised terms and conditions on our website at [www.Wedbush.com](http://www.Wedbush.com). Your continued use of your brokerage account and the Program without notifying us of your election to terminate your participation in the Program shall indicate your consent to the revised terms and conditions.

### **Error Resolution Service**

#### **In Case of Errors or Questions about Program Balances or Fund Transfers in Your Account**

Please contact us as soon as you can if you think your statement is wrong or if you need more information about a balance or transfer listed on your statement. We must hear from you no later than 60 days after we sent the first statement on which the problem or error appeared. Please provide the following information:

- Name and account number
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information
- Dollar amount of the suspected error

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days.

Please contact the Office Manager of the office serving your account or you can also contact the Business Conduct Department at P.O. Box 30014, Los Angeles, CA 90030-0014 or via telephone at (213) 688-8090. All verbal communications by you should be reconfirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act (SIPA).

Generally, we will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.