

MID ATLANTIC CAPITAL CORP. (“Broker/Dealer”)  
 PROPRIETARY NETWORK BANK DEPOSIT SWEEP PROGRAM (BDSP<sup>SM</sup>)  
 DISCLOSURE DOCUMENT

**This section highlights certain key features of the Bank Deposit Sweep Program (the “Program” or BDSP<sup>SM</sup>). Please read the complete Disclosure Document before you decide to participate in the Program. You should consult your Broker/Dealer or Investment Representative for more information.**

Program Summary		
<b>Program Banks (each a “Bank”)</b>	Unless otherwise stated, as used throughout this document, any mention of Program Bank or Bank shall mean, one or more of the following institutions: EverBank TriState Capital Bank The Huntington National Bank Capital One Bank	Page 12
<b>How the Program Works</b>	The Program is a core account investment vehicle used to hold your cash balance while awaiting reinvestment. The cash balance awaiting reinvestment in your eligible Brokerage Account(s) (as defined in the “Introduction Section below) will be automatically deposited or “swept” into interest-bearing FDIC-Insurance eligible Program deposit accounts at one or more financial institutions set forth in Appendix A (each a “Bank” or “Program Bank”, or collectively, “Banks” or “Program Banks”).	Page 4,9
<b>Eligibility</b>	In order to be eligible for the Program, each beneficial owner of your Brokerage Account(s) must be a natural person. Entities organized to make a profit, such as corporations or partnerships, are not eligible for the Program.	Page 9
<b>Available Sweep Options</b>	Mid Atlantic Capital Corp. offers a Proprietary Network Bank Deposit Sweep Program (BDSP®), as well as several non-FDIC insurance eligible money market mutual fund options, as follows: Aim Reserve Class Liquid Asset Portfolio Aim Reserve Class Treasury Portfolio Aim Reserve Class Tax-Free Cash Reserves Existing Brokerage Accounts may choose to switch to the Program at any time by contacting their Investment Representative. Please note that if you open a Brokerage Account and you do not select a core account investment vehicle, you will be placed in the Program if you are eligible or the Aim Reserve Class Liquid Asset Portfolio if you are not eligible for the Program.	Page 4 & 7
<b>FDIC and SIPC Protection</b>	Your Program Deposit (as defined in the Disclosure Document) at the Bank will be eligible for FDIC Insurance in the manner and to the extent more fully described herein. You need to review and understand how FDIC insurance will apply	Page 4, 11, 21

	<p>to your Program Deposits. Your cash balance is only eligible for FDIC insurance once it becomes a Program Deposit held by the Bank.</p> <p>Your cash balance while held by NFS and/or your Broker/Dealer is not FDIC insured, but is covered by the Securities Investor Protection Corporation (the “SIPC”). This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by a Program Bank or which have been swept from a Program Bank back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$100,000 for claims for cash. Any securities held in your Brokerage Account including money market mutual funds (as opposed to the Program Deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.</p> <p><b>Program Deposits are not covered by SIPC.</b></p>	
<p><b>Program Bank List</b></p>	<p>The Program Bank List specifies the Program Banks into which your funds will be deposited and the order of the Program Banks which will receive your funds (Appendix A). The Program Bank List also indicates your Excess Deposit Bank (as defined below in the Section entitled “Maximum Deposit Amount”) which will be utilized for deposits after the maximum deposit amount has been placed in all the Banks on your Program Bank List. To the extent your deposits in your Excess Deposit Bank exceed the applicable FDIC maximum coverage amount, the excess funds are ineligible for FDIC Insurance. Program Deposits are not covered by SIPC.</p>	<p>Page 12 &amp; 25</p>
<p><b>Rate of Return</b></p>	<p>The interest rate for your Deposit Accounts is as described in the “<u>Introduction</u>” to this Disclosure Document, or may be obtained from your Broker/Dealer, Investment Representative or at the URL specified in Appendix A. Your balances will earn the same rate of interest regardless of the Program Bank with which your funds are deposited. Your interest rate is based upon your Program Deposits in accordance with the attached Interest Rate Tiers, as determined by your Broker/Dealer.</p> <p>Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other core account investment vehicles which are non-FDIC insured or on bank account deposits offered outside the Program.</p> <p>Your Broker/Dealer or the Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.</p> <p>The Program should not be viewed as a long-term investment</p>	<p>Page 26 &amp; 28</p>

	option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Investment Representative to discuss investment options that may be available outside of the Program that may be better suited to your goals.	
<b>Changes to your Sweep Vehicle</b>	Circumstances may require a change to your core account investment vehicle. Generally, you will receive notification in advance of changes to your core account investment vehicle, as is reasonably practical.	Page 17
<b>Duty to Monitor</b>	You are responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of FDIC insurance coverage available to you. Depending on the amount of deposits that you have at a Bank apart from your Program Deposits, you may wish to direct that one or more Banks be excluded from the Program Bank List applicable to you.	Page 11 & 12
<b>Benefits to your Broker/Dealer and Others</b>	The Program creates financial benefits for us, our affiliates (one or more of which may be a Program Bank), and NFS. We will receive a fee from each Bank in connection with the Program and a portion of these fees may be paid to your Investment Representative. We will also pay a fee to NFS. The revenue generated by us may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other core account investment vehicles available to you or possible sweep options that we have used in the past or may consider using in the future.	Page 18
<b>Contact Information</b>	Mid Atlantic Capital Corp. 1251 Waterfront Place, Ste 510 Pittsburgh, PA 15222 Phone: (412) 391-7077	

## I. INTRODUCTION

Mid Atlantic Capital Corp. (referred to in this Document as “Broker/Dealer”, “we”, “our” or “us”) is making some important changes to the investments we offer to you in your brokerage account held with us in conjunction with National Financial Services LLC (“NFS”) (“Brokerage Account”). The terms “account owner,” “you,” and “your” refer to the owner indicated on the account application. For joint accounts, these terms refer to all owners, collectively and individually. For trust accounts, these terms refer both to the entity and to all account owners.

Your Brokerage Account has a core account that is used for settling securities transactions and holding credit balances. We may provide you with a variety of different cash sweep vehicles, including money market funds and bank deposit accounts (each, a “core account investment vehicle”) that may be used to hold a cash balance that is awaiting reinvestment. The Bank Deposit Sweep Program (“BDSP®” or the “Program”) is one such core account investment vehicle. The changes we are making affect the choices available to you for your core account investment vehicle for available cash balances (from deposits to your account, securities transactions, dividend and interest payments and other activities) in your Brokerage Account.

We offer the Aim Reserve Class of the Liquid Asset Portfolio, Treasury Portfolio or the Tax-Free Cash Reserves Portfolio (“Money Funds”) and may be elected as your core account investment or, if you are eligible, you may elect the Bank Deposit Sweep Program as your core account investment vehicle. If you are establishing a new Brokerage Account and you do not select a core account investment vehicle, you will be placed in the Bank Deposit Sweep Program if you are eligible for the Program or you will be placed in the Aim Reserve Class Liquid Asset Portfolio if you are not eligible for the Program. At any time, you may direct your Investment Representative to transfer funds in your Discontinued Sweep Investment to the Program or any other available core account investment vehicle.

The Bank Deposit Sweep Program will take available cash in your Brokerage Account, that otherwise would be invested in one of the Money Funds, and deposit it into interest-bearing FDIC-insurance eligible deposit accounts (“Deposit Accounts”) at one or more FDIC-insured depository institutions set forth in the list of depository institutions participating in the Program (each a “Program Bank” or “Bank”). The list of Banks participating in the Program (the “Program Bank List”) can be found below in Appendix A, which will also be available from your Investment Representative or at the URL specified in Appendix A. Once your cash balance has been swept to a Program Bank, it is referred to as your “Program Deposit.” Please note that your ability to access the money held at the Bank(s) may be limited, as more fully described herein.

As more fully described in this Disclosure Document, your Brokerage Account with us is generally protected, up to applicable limits, by the Securities Investor Protection Corporation (the “SIPC”). At the time funds are deposited with one or more Banks through the Program, your investment in the Program is eligible, subject to the limitations described in this Disclosure Document, to be insured, up to applicable limits, by the Federal Deposit Insurance Corporation (the “FDIC”). On October 3, 2008, the FDIC’s insurance coverage for all insurable capacities (e.g., individual, joint, etc.) was increased to \$250,000 through December 31, 2009 (the “Temporary Increase”). On May 20, 2009, this date was extended through December 31, 2013. Therefore, funds in the Deposit Accounts at each Program Bank are generally eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest per depositor in most insurable capacities (e.g., individual, joint, etc.) when aggregated with all other deposits held in the same insurable capacity at a Program Bank. For example, funds in the Deposit Accounts at a Program Bank held by an individual are insured up to \$250,000, and funds in the Deposit

Accounts at a Program Bank held jointly by two or more individuals are insured up to \$250,000 per joint owner. For IRAs, Section 457 Plans, and self-directed Keogh Plans, funds in the Deposit Accounts at each Program Bank are eligible for deposit insurance up to \$250,000 principal and accrued interest per depositor in the aggregate, even in the event that the Temporary Increase in FDIC insurance coverage is not extended. Funds deposited in Deposit Accounts are not eligible for coverage by the SIPC.

You will be notified as soon as practicable if the Temporary Increase in FDIC insurance is not extended. In such case, effective January 1, 2014, your funds will be re-allocated to the Banks on the Program Bank List to reflect the return to \$100,000 coverage limit for most insurable capacities. Please see the section of this Disclosure Document entitled “Details” for further information.

Please note: The description of FDIC deposit insurance coverage set forth in this Disclosure Document is based upon the coverage rules during this Temporary Increase in coverage and the rules which will apply (unless subsequently amended) until expiration of the Temporary Increase. There is no assurance that the Temporary Increase will be extended beyond December 31, 2013. The Maximum Applicable FDIC Deposit Insurance Amount for individual retirement accounts before October 3, 2008 was \$250,000 and remains unchanged unless coverage for this insurable capacity is subsequently amended.

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

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

Once funds equal to the Maximum Deposit Amount have been deposited for you through the Program in each Bank on the Program Bank List, any additional funds will be invested in an “Excess Deposit Bank” that will accept funds without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount. In the rare instances where we are unable to place your funds at a Program Bank within the Program, your funds will be invested in the AIM Reserve Class Liquid Asset Portfolio Money Fund discussed below. For more complete information about any Money Fund, including all charges and expenses, please contact your Investment Representative for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the Money Funds, specified in this Disclosure Document by accessing our website at [www.macg.com](http://www.macg.com) or by contacting your Investment Representative.

Each Deposit Account constitutes a direct obligation of the Program Bank to you and is not directly or indirectly an obligation of us or NFS. Neither we nor NFS guarantee in any way the financial condition

of the Program Banks or the accuracy of any publicly available financial information concerning such Banks. You can obtain publicly available financial information concerning each Program 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, Virginia 22226 or by phone at 703-562-2200.

You will not have a direct account relationship with the Program Banks. NFS, as your agent and custodian, will establish the Deposit Accounts for you at each Program Bank and make deposits to and withdrawals from the Deposit Accounts. We will receive a fee from each Program Bank. The amount of the fee paid to us will effect the interest rate paid on the Deposit Accounts. You should review carefully the section of the Disclosure Document titled “Information About Your Relationship with your Broker/Dealer and the Program Banks.”

As discussed herein, interest rates on the Deposit Accounts will be tiered and will vary based upon prevailing economic and business conditions. The Program Banks do not have a duty to offer the highest rates available or rates that are comparable to Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.

The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Account for which you are an owner, whether as an individual, joint tenant, trustee, executor, custodian or in any other capacity.

#### Customers Affected by the Changes in Our Core Account Investment Options

Only eligible Brokerage Accounts that have elected into the Bank Deposit Sweep Program will be subject to the information discussed in this Disclosure Document with respect to your conversion into the Bank Deposit Sweep Program as your core account investment vehicle option. In addition, under federal law the Deposit Accounts may not be held by business entities, including corporations, partnerships and limited liability companies, or by certain not-for-profit organizations. Please refer to the “Program Eligibility” section of this Disclosure Document or your Investment Representative for information concerning eligibility for the Deposit Accounts.

Your Investment Representative can provide you with more information concerning the accounts and programs to which the changes in our core account investment vehicle options do and do not apply.

#### Core account investment vehicle options and Rates of Return

##### Money Funds available :

Aim Liquid Asset Portfolio – Reserve Class	.02%
Aim Treasury Asset Portfolio – Reserve Class	.02%
Aim Tax-Free Cash Reserves Portfolio – Reserve Class	.09%

Current yields on the Money Funds may be obtained from your Investment Representative or at the URL listed in Appendix A.

Based upon commitments from the Banks with respect to interest rates on the Deposit Accounts, as of September 01, 2011, the annual percentage yield on the Deposit Accounts would be as follows:

<u>Balance greater than:</u>	<u>but less than</u>	<u>Rate</u>
\$0.00	\$25,001	0.01%
\$25,000	\$100,001	0.01%
\$100,000	\$250,001	0.01%
\$250,000	\$500,001	0.01%
\$500,000		0.01%

The interest rate will vary and may be higher or lower on the Effective Date. You should review carefully the section of the Disclosure Document titled “Interest”.

#### Alternatives to the Deposit Accounts as a Core Account Investment Vehicle Option

Except for Retirement Accounts, we are not obligated to offer you any core account investment vehicle options. We are also not obligated to make available to you bank deposit sweep program investments that offer a rate of return that is equal to or greater than other comparable investments. After the Effective Date, in addition to the Deposit Accounts, you may select from one of the following Aim Funds as your Core Account investment vehicle:

Aim Liquid Asset Portfolio – Reserve Class  
Aim Treasury Asset Portfolio – Reserve Class  
Aim Tax-Free Cash Reserves Portfolio – Reserve Class

For non-retirement accounts, you may elect not to have available cash swept into a sweep investment. If you make this election, your Brokerage Account will not have a sweep investment feature. This means your available cash will not be invested (and therefore will not earn interest) unless you give your Investment Representative direction to invest a specific amount of your funds in one or more of the Money Funds, the Deposit Accounts or other investments available through us. Please Note: Retirement accounts cannot have free credit balances; therefore, a sweep option must be selected.

For more complete information about any of the Money Funds, including all charges and expenses, please contact your Investment Representative for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the Money Funds by accessing our website at the URL provided in Appendix A or by contacting your Investment Representative.

Please note that if you open a Brokerage Account and you do not select a core account investment vehicle, you will be placed in the Program if you are eligible or the Aim Reserve Class Liquid Asset Portfolio if you are not eligible for the Program.

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

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

### No Impact on the Timing of Sweep

Generally, the frequency and timing of deposits into your Deposit Accounts as a core account investment vehicle will be the same as under your existing core account investment vehicle.

### Access to Funds in the Deposit Accounts

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

### Tax Information

For most clients, with non-retirement account types, interest earned from the Deposit Accounts will be taxed as ordinary income in the year it is received. In those cases, a Form 1099 will be sent to you by NFS each year showing the amount of interest income you have earned on deposits in your Deposit Accounts. You should consult with your tax adviser about how the Bank Deposit Sweep Program affects you.

## **II. DETAILS**

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

### **A. Program Eligibility**

Eligibility for the Program is based on account type and the ownership of your Brokerage Account. In order to be eligible for the Program, each beneficial owner of your Brokerage Account (including any beneficiary of a trust account) must be a natural person (each such beneficial owner and beneficiary, an “Eligible Person”). Eligibility is subject to the limitations described herein and as determined by NFS. The Program is available to Eligible Persons, acting for themselves or through an agent or fiduciary, whether having a single account or joint account (so long as all beneficial owners are natural persons), trust accounts (so long as all beneficial owners and beneficiaries of the trust accounts are natural persons), and sole proprietorships (so long as they are not incorporated or in company form). The following individual retirement accounts are also eligible for the Program if each beneficial owner is an Eligible Person: the Premiere Select IRA, Premiere Select Roth IRA, Premiere Select SEP-IRA and Premiere Select SIMPLE IRA. Brokerage Accounts beneficially owned by entities organized to make a profit, such as corporations, limited liability companies, partnerships, limited liability partnerships, associations, business trusts, and other organizations (other than sole proprietorships which are not incorporated or in company form) are not eligible for the Program.

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

## **B. How the Program Works**

### Sweep to the Program Banks

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

Funds will be swept into Deposit Accounts at a Program Bank up to the Maximum Deposit Amount (as defined below in the Section entitled “Maximum Deposit Amount”). Funds in excess of the Maximum Deposit Amount will be swept into the next successive Bank on the Program Bank List. Once the Maximum Deposit Amount has been reached in all Banks on the Program Bank List, additional funds will be swept into the Excess Deposit Bank (as defined in the Section below entitled “Maximum Deposit Amount.”)

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

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

**With the exception of the Excess Deposit Bank, your cash balances will not be swept into Deposit Accounts at a Program Bank in an amount that exceeds the Maximum Deposit Amount and you may designate any Bank on the Program Bank List as ineligible to accept your funds by “opting out” in accordance with the procedures set forth herein. You are responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program that you have at the Program Bank for the purpose of determining the FDIC insurance coverage for those deposits.**

### **Maximum Deposit Amount**

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

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

**You will be notified as soon as is practicable if the Temporary Increase in FDIC insurance is not extended. In such case, your funds will be re-allocated to the Banks on the Program Bank List to reflect the return to \$100,000 coverage for most insurable capacities. For example, if you have \$500,000 deposited in two Banks through the Program, effective January 1, 2014, the amount of your funds over the Maximum Applicable FDIC Deposit Insurance Amount will be withdrawn from the first two Banks, and those funds will be re-allocated to the next Banks on the Program Bank List up to the deposit limit of \$98,500 for an individual account or \$197,000 for joint accounts with two or more owners.**

### **Program Limitations**

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

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

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

**You are responsible for monitoring the total amount of deposits that you hold with any one Program Bank, directly or through an intermediary, for example, through a retirement plan, in order to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. We and NFS are not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits.**

See “[FDIC /SIPC Coverage](#)” below for more detailed information on insurance coverage of Deposit Accounts and Brokerage Accounts.

#### **D. Alternatives to the Program**

If you have an existing Brokerage Account with a different core account investment vehicle than the Program and do not wish to have your available cash balances swept into the Program, you may contact your Investment Representative to determine if an alternative exists. For new accounts, to the extent that an alternative core account investment vehicle is offered to the Program and you do not select one of those core account investment vehicles when you open your account, or you select an ineligible core account investment vehicle, your core account investment vehicle will be as determined by your Broker/Dealer. If a Money Fund option exists, you may contact your Investment Representative with respect to current yields, as well as for a free prospectus. If your Brokerage Account is a non-retirement Brokerage Account and you elect not to participate in the Program and your available cash awaiting reinvestment is not invested in a Money Fund, accruing cash balances may not earn a rate of return prior to direct investment.

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

### **III. PROGRAM BANKS**

#### **A. General Information About Program Banks**

The Program Bank List specifies the Program Banks into which your funds will be deposited and the order of the Program Banks which will receive your funds. The Program Bank List is shown below in Appendix A and will also be available from your Investment Representative or at the URL specified in Appendix A. The Program Bank List indicates all Banks on the Program Bank List, including your Excess Deposit Bank, which will be utilized for deposits after the Maximum Deposit Amount has been placed in all the Banks on your Program Bank List and the sequence that will be used for deposits into these Banks. You cannot select your Excess Deposit Bank at which such excess deposits will be made. An Excess Deposit Bank would receive, in the sequence listed, deposits up to the Maximum Deposit Amount just as any other Program Bank and after deposits of the Maximum Deposit Amount have been made at all of the other Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposit Bank. If your Excess Deposit Bank has already received Program Deposits up to the Maximum Deposit Amount, any further deposits in that Bank would generally not be eligible for FDIC

insurance coverage. **To the extent your deposits in your Excess Deposit Bank exceed the Maximum Applicable FDIC Deposit Insurance Amount, these excess funds are ineligible for FDIC insurance.**

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

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

## **B. Program Bank List**

Program Banks are organized into regional bank lists with each Program Bank List assigned based upon the state as reflected in your account mailing address. Your Brokerage Account mailing address is the address to which correspondence from your Broker/Dealer is mailed and for e-mail correspondence, the designated address contained on the electronic document. Please refer to Appendix A of this Disclosure Document for the Program Bank List that applies to you. You may also contact your Investment Representative or go to the URL specified in Appendix A for a current Program Bank List and priority sequence order.

## **C. Deposit Accounts**

Your Program Deposits will be deposited in two linked bank accounts at one or more Program Banks: (1) an interest-bearing savings deposit account (commonly referred to as a Money Market Deposit Account or “MMDA” account) and (2) an interest-bearing transaction account (commonly referred to as a Negotiable Order of Withdrawal or “NOW” account). You will receive the same interest rate on the funds in your MMDA account and in your NOW account at each Program Bank. Your Brokerage Account statement will reflect the combined balances of the MMDA account and the NOW account at each Program Bank.

Your Program Deposits will be combined with the Program Deposits of other customers of your Broker/Dealer and/or NFS that participate in the Program. For ease of reference, however, the portion of your Program Deposit that is allocated to the NOW account is referred to as “your” NOW account and the portion of your Program Deposit that is allocated to the MMDA account is referred to as “your” MMDA account.

Available cash balances are deposited in your MMDA account at the Bank as set forth above. From time to time, part of such deposits may be transferred to your NOW account to establish and/or maintain a threshold amount which may differ among customers. All withdrawals will be made from the NOW account at the Program Bank based on the reverse of the priority sequence of the Program Bank List (i.e., last in, first out). As necessary to satisfy debits in your Brokerage Account (securities purchases, checking, debit card, etc.), funds will automatically be transferred from the MMDA account to the related NOW account at the applicable Program Bank.

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

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

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

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

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

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

When funds are needed to cover transactions in your Brokerage Account, we will use on the same day the debit is applied, the following sources, in the order listed, to satisfy the debit: (i) available cash balances, including money added to your Brokerage Account (such as checks, interest, or transaction proceeds) and not yet moved to a Deposit Account; (ii) any remaining balance in your previous core account investment vehicle; (iii) Program Deposits; and (iv) if you have a margin account, any margin credit available.

If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit, funds will be withdrawn from your NOW accounts at the Banks in the reverse order in which Banks appear on the Program Bank List on the date of the withdrawal, irrespective of any change in priority of Banks on the Program Bank List. Funds will be withdrawn on a “last in, first out” basis, (beginning with the Bank designated to hold funds in excess of the Program Bank Limit, if applicable) and moving backward through the Program Bank List up to the first Bank on the Program Bank List.

Withdrawals from your Deposit Accounts will normally be made on the business day following transactions in your Brokerage Account; however, your Brokerage Account is credited on the day of the debit. This process might result in you having an obligation to make us or NFS whole for the sum of the debits in your Brokerage Account if there is a problem withdrawing funds from your Deposit Account or you otherwise fail to sufficiently fund your Brokerage Account for the full amount of your daily debits. ***Please review your Brokerage Account agreement for important information regarding your unsatisfied obligations owed to us and/or NFS.***

You may access your Program Deposits only through your Brokerage Account. You cannot access or withdraw Program Deposits by contacting a Program Bank directly.

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

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

#### **IV. INTEREST**

##### **A. Interest Rates**

The interest rate for your Deposit Accounts may be obtained from your Broker/Dealer, Investment Representative or at the URL specified in Appendix A. Interest on your Program Deposit is accrued daily, compounded monthly and is reflected on your Brokerage Account statement as of the last business day of the statement period. Interest on your Program Deposit begins to accrue on the business day those funds are received by the Program Bank, which will typically be the business day following the day your Brokerage Account reflects a cash balance. Generally, interest will accrue to Deposit Account balances through the business day preceding the date of withdrawal from your Deposit Accounts at a Program Bank (which will typically be the day on which a withdrawal of funds is made from your Brokerage Account). Non-business days occurring between Brokerage Account withdrawal and Deposit Account withdrawal and deposit with a Program Bank will be included in the interest accrual.

Your balances will earn the same rate of interest regardless of the Program Bank with which your funds are deposited. Your interest rate is based upon your Program Deposits in accordance with the attached Interest Rate Tiers, as determined by your Broker/Dealer (described below in Appendix B). The rate of interest paid is tiered based on the value of your Program Deposits (“Eligible Assets”). Eligible Assets are

currently evaluated on a daily basis. Interest rates, evaluation period and Eligible Assets may change at any time and may be based on a number of factors including general economic, market and business conditions. You will receive notification in advance of any changes to the Interest Rate Tiers and if advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. Customers with Eligible Assets of a greater value generally will receive higher interest rates on their Program Deposits than customers with Eligible Assets of a lower value. Interest on your Program Deposit will be paid by the Program Bank.

Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other core account investment vehicles which are non-FDIC insured or on bank account deposits offered outside of the Program. Program Banks do not have a duty to offer the highest rates available or rates that are comparable to Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. The Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Investment Representative to discuss investment options that may be available outside of the Program that may be better suited to your goals.

You should compare the terms, interest rates, required minimum amounts, and other features of the Program with other accounts and alternative investments.

#### **B. Interest Credited to Your Deposit Account**

While interest will generally be credited to your Deposit Accounts at month-end, intra-month interest credits to your Deposit Accounts may occur. Intra-month interest credits may occur in the following instances: (i) where you close your account intra-month, (ii) where you make a Bank ineligible to receive deposits intra-month or (iii) where there has been a change to the Program Bank List intra-month. Intra-month interest credits will appear on your Brokerage Account statement to reflect interest accrued at that Program Bank through such intra-month event. Adjustments made to your Brokerage Account which can be caused by transactions entered for a prior date (e.g., a fee reimbursement or a debit adjustment) may result in an interest credit or debit to your Deposit Account. The interest rate used to credit or debit adjustments may not be made at the current rate, but should reflect interest rates applicable at the time of the event. Interest rates applied to credit adjustments are not expected to be lower but, depending upon the interest rate tiering schedule, could be less than those applied to your balances on the day in which the credit adjustment is made. Interest amounts on adjustments are rounded to the penny and for interest amounts of less than half a cent you will receive no interest and you also will not be debited.

### **V. CHANGES**

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

One or more of the Banks included on the Program Bank List may be removed and replaced with a substitute Bank. Generally, you will receive notification in advance of any change to the Program Bank List, interest rate tiers (if applicable), material changes to the Program, etc. We may also notify you that a change will be forthcoming and direct you to your Investment Representative or to the URL referenced in Appendix A for specific information on such change. While we will endeavor to provide advance notice of changes, we may be unable to do so in some cases. We will provide you with notice of such changes as soon as is reasonably practical. It is your obligation to monitor your accounts, your FDIC coverage and your FDIC insurance eligibility. Changes to the Program Bank List will be posted at the URL referenced in Appendix A and you should consult this site for the most up-to-date information about Bank eligibility

and the priority sequence of Banks for your deposits. Other changes to the Program may be posted to this site as well and you should direct any questions you may have to your Investment Representative. If you do not agree to any changes, you should contact your Investment Representative to discuss an alternative core account investment vehicle or transferring your Brokerage Account to another provider. If you do not take any action in response to a change, you are deemed to consent to the change to the Program.

Generally, you will receive notification in advance of any such change and have an opportunity to “opt out of” deposits being placed at such Bank. As previously stated, “opting out” of a Bank will affect the amount of your deposits eligible for FDIC insurance. If advance notice of a Program modification is not practical due to the circumstances, you will be notified, as soon as is reasonably practical, of any change in the Program that results in changing the Program Bank List. Please contact your Investment Representative to “opt out” of any Bank. We may also notify you that changes to the Program Bank List will be forthcoming and direct you to your Investment Representative or to the URL specified in Appendix A for information on such change. Updated Program Bank Lists may also be found at the URL specified in Appendix A. **It is your obligation to monitor your FDIC coverage and FDIC insurance eligibility.**

## **B. Limitations on Deposits**

The amount of your cash balances awaiting reinvestment that are swept into a Deposit Account may need to be limited if a Program Bank cannot accept deposits due to exceptional circumstances or if a Program Bank becomes ineligible for the Program, as described in this Disclosure Document, and the Program Bank is not replaced. In such event, funds not swept into a Program Deposit Account will be invested in Excess Deposit Bank, or if not available, the core account investment vehicle chosen by us, as identified in the “Introduction” section of this Disclosure Document, as amended from time to time. If advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. Please see the “Changes to Your Core Account Investment Vehicle” below for additional information.

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

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

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

balances are deposited into a core account investment vehicle other than the Program and additionally, if you will receive a lower effective rate of return.

#### **D. Notices**

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

### **VI. ACCOUNT INFORMATION**

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

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

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

#### **B. Tax Information**

For most clients, with non-retirement account types, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. In those cases, a Form 1099 will be sent to you by NFS each year showing the amount of aggregate interest income you have earned on deposits in your Deposit Accounts. You should consult with your tax advisor about how the Program affects you.

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

#### **A. Relationship with your Broker/Dealer and the Program Banks**

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

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

ESTABLISHING THE DEPOSIT ACCOUNTS DIRECTLY IN YOUR NAME AT A PROGRAM BANK WILL SEPARATE THE DEPOSIT ACCOUNTS FROM YOUR BROKERAGE ACCOUNT. IF YOU ESTABLISH A DIRECT DEPOSITORY RELATIONSHIP WITH A PROGRAM BANK, THE DEPOSIT ACCOUNTS WILL NO LONGER BE REFLECTED IN YOUR BROKERAGE ACCOUNT STATEMENT AND WE WILL HAVE NO FURTHER RESPONSIBILITY CONCERNING THE DEPOSIT ACCOUNTS.

## **B. Benefits to Your Broker/Dealer and Others**

The Program may create financial benefits for us and our affiliates, one or more of whom may be a Program Bank, and NFS. Broker/Dealers and Program Banks who are affiliated with each other may receive additional benefits under the Program. You should review the Program Bank List to determine if your Broker/Dealer is affiliated with one or more Program Banks. It is your responsibility to determine if your Broker/Dealer is affiliated with one or more Program Banks. Neither your Broker/Dealer nor NFS will provide you with this information.

We will receive a fee from each Program Bank for services provided in connection with the Program (equal to a percentage of all participants' average daily deposits at the Program Banks). Amounts will vary, but in no event will be more than 1.00% (net of any third party fees) on an annualized basis as applied across all Deposit Accounts. In our discretion, we may reduce our fee and may vary the amount of the reductions between clients. The fee may vary from Bank to Bank. The amount of fee received will affect the interest rate paid by the Program Bank on your Deposit Accounts. A portion of these fees may be paid to your Investment Representative. We will also pay a fee to NFS. We reserve the right to modify the fees we receive from the Program Banks. From time to time, if the fee increases, you will receive notification of any such change. In addition to our fee, other service providers with respect to the Program will receive fees from each Bank (collectively, with the fees paid to us and/or NFS, "Program Fees").

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

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

If your Broker/Dealer is affiliated with one or more Program Banks, you should review the information included in this paragraph, as it may apply to your Broker/Dealer, its affiliated Program Bank(s) and/or one or more of their affiliates. The Program Banks use Program Deposits to fund current and new lending and for investment activities. The Program Banks earn net income from the difference between the interest they pay on Program Deposits and the fees paid to us and the income they earn on loans, investments and other assets. As noted above, the Program Banks may pay rates of interest on Program Deposits that are lower than prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank. The Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate. Lower rates may be more financially

beneficial to the Program Banks. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any Money Fund rates. By comparison, a Money Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us may be greater than revenues generated by sweep options at other brokerage firms, and may be greater than other core account investment vehicles currently available to you or possible sweep options that we have used in the past or may consider using in the future. In addition, we will make compensation payments to NFS, our clearing agent, for record keeping and other services with respect to amounts invested in the Program, which will be no more than 70 basis points. NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products.

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

### **C. Sharing of Your Information with the Program Banks**

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

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

You may contact your Investment Representative at the telephone number(s) that have been provided to you in the Program Summary at the beginning of this document or access the URL specified in Appendix A to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier. For the current yields for Money Funds, please contact your Investment Representative.

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

## **VIII. FDIC/SIPC Coverage<sup>1</sup>**

### **A. Deposit Insurance**

#### **Important Development**

**On October 3, 2008, Congress in the Emergency Economic Stabilization Act of 2008, temporarily increased FDIC deposit insurance coverage maximum per insurable ownership capacity (the "Maximum Applicable FDIC Deposit Insurance Amount") from \$100,000 to \$250,000 per deposit in any Bank through December 31, 2009. On May 20, 2009, this date was extended through December 31, 2013. The description of FDIC deposit insurance coverage set forth below is based upon the coverage rules during this Temporary Increase in coverage and the rules which will apply**

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

**(unless subsequently amended) until the expiration of the Temporary Increase. There is no assurance that the Temporary Increase will be extended beyond December 31, 2013. The Maximum Applicable FDIC Deposit Insurance Amount for individual retirement accounts before October 3, 2008 was \$250,000 and remains unchanged unless coverage for this insurable capacity is subsequently amended.**

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

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

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

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you through NFS. There is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC and NFS before insurance payments are made. For example, if you hold deposits as trustee or in other fiduciary capacities for beneficiaries, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

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

The application of a \$250,000 federal deposit insurance limitation is illustrated by several common factual situations discussed below. References in the examples below to “\$250,000” and references to multiples of “\$250,000” reflect the Temporary Increase in FDIC insurance coverage for all insurable capacities through December 31, 2013. If the Temporary Increase is not extended, insurance coverage will revert to \$100,000 on January 1, 2014. In that case, references in the examples below to “\$250,000” should be read as “\$100,000” and references to multiples of “\$250,000” should be read as being multiples of “\$100,000.”

## **B. Information on Deposit Insurance for Specific Types of Accounts**

**Individual Customer and Agency Accounts.** Funds owned by an individual and held in an account in the name of the individual or an agent or nominee of such individual (such as the Deposit Accounts held through NFS) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Custodial Accounts.** Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to \$250,000 in the aggregate. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Joint Accounts.** An individual’s interest in funds in all qualified accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a “Joint Account”). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner’s interests in other Joint Accounts at the same depository institution. Joint Accounts will be “qualified” and insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Nonqualified joint accounts are not insured separately and are added to individual accounts for the purposes of the individual maximum coverage of \$250,000 in the aggregate per Bank. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Irrevocable Trust Accounts.** Funds in an account established pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary’s interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each beneficiary’s interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a depository institution created by the same grantor will be aggregated and insured up to \$250,000. Please refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Revocable Trust Accounts.** Revocable trusts include informal revocable trust accounts where the owner has designated the names of beneficiaries to whom the funds in the account will pass upon the owner’s death (referred to as transfer upon or payable on death accounts (“POD Accounts”)) and formal revocable trusts usually established for estate planning purposes (referred to as living or family trusts). Revocable trusts will be insured as to each named beneficiary separately from another account of the owner or the

beneficiary provided the beneficiaries are natural persons and for POD Accounts, NFS' account records disclose the names of all trust beneficiaries. For each trust owner with combined revocable trust account deposits of \$1.25 million or less at a Bank the maximum coverage will be determined by multiplying the number of different beneficiaries by \$250,000. If an owner has in excess of combined revocable trust account deposits of \$1.25 million, at a Bank and has named more than five beneficiaries there is a limitation on the maximum coverage. Please refer to the "Maximum Deposit Amount" and "Program Limitations" sections within Section II.B "How the Program Works" for Program specific limitations.

### **Deposit Insurance: Retirement Plans and Accounts**

**The Maximum Applicable FDIC Deposit Insurance Amount has been increased to \$250,000 through December 31, 2013. Insurance coverage will revert to \$100,000 on January 1, 2014, except for IRAs and other self-directed retirement accounts described below, which will continue to be covered up to \$250,000 (unless otherwise amended).**

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

### **C. Questions about FDIC Deposit Insurance Coverage**

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

### **D. SIPC Coverage**

Your cash balance awaiting reinvestment is only eligible for FDIC insurance once it becomes a Program Deposit held by a Program Bank. Your cash balance while held by NFS and/or your Broker/Dealer is not FDIC insured, but is covered by SIPC. This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by a Program Bank or which have been swept from a Program Bank back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$100,000 for claims for cash. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your Brokerage Account (as opposed to the Program Deposits held by the Program Banks) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.

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

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage

firms, like NFS, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC protection insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's Brokerage Account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$100,000 may be cash) per customer in each separate capacity under SIPC rules. Money Fund Shares are considered to be securities for purposes of SIPC coverage. **The Deposit Accounts are not eligible for SIPC coverage.**

If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Investment Representative. 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).

**APPENDIX A**  
**PROGRAM BANK LIST**  
**As of June 30, 2011**

**Program Bank List and Other information about the Program can be obtained at the following URL: [www.macg.com](http://www.macg.com).**

**The order of the Banks within the Program, will be as follows based on the address of record for each account**

**Pennsylvania, Ohio, West Virginia, New Jersey, Illinois, Florida, California and Colorado:**

**TriState Capital Bank**  
**EverBank**  
**Capital One Bank**  
**The Huntington National Bank**  
**Wells Fargo Bank N.A.**  
**Capital One Bank (amounts in excess of \$986,000 up to and including \$5,000,000)**  
**The Huntington National Bank (all amounts in excess of \$5,000,000)**

**All other states and the District of Columbia:**

**EverBank**  
**TriState Capital Bank**  
**Capital One Bank**  
**The Huntington National Bank**  
**Wells Fargo Bank N.A.**  
**Capital One Bank (amounts in excess of \$986,000 up to and including \$5,000,000)**  
**The Huntington National Bank (all amounts in excess of \$5,000,000)**

**APPENDIX B**  
**PROGRAM BANK AND INTEREST RATE TIERS**

**Information about the Program can be obtained at the following URL: [www.macg.com](http://www.macg.com) or by contacting your Investment Representative.**

**Based upon commitments from the Banks with respect to interest rates on the Deposit Accounts, as of September 1, 2011 the annual percentage yield (“APY”) on the Deposit Accounts would be as follows:**

<b>Balance greater than:</b>	<b>but less than</b>	<b>APY Rate</b>
<b>\$0.00</b>	<b>\$25,001</b>	<b>0.01%</b>
<b>\$25,000</b>	<b>\$100,001</b>	<b>0.01%</b>
<b>\$100,000</b>	<b>\$250,001</b>	<b>0.01%</b>
<b>\$250,000</b>	<b>\$500,001</b>	<b>0.01%</b>
<b>\$500,000</b>		<b>0.01%</b>

**Comparable rates for the Money Funds are listed in the table below. Interest rates/APY will be determined based on prevailing economic and business conditions. The interest rate/APY will vary and may be higher or lower by the Effective Date. Current yields on other sweep investments are set forth below or may be obtained on our website [www.macg.com](http://www.macg.com) or by calling your Investment Representative.**

**This and other differences between an investment in the existing Core Account Investment Vehicle Options and the Program are as follows:**

**Money Funds available as of April 30, 2012**

<b>Investment</b>	<b>FDIC- or SIPC</b>	<b>Return/Interest Rate/APY</b>	<b>Sales Charge (Load)</b>	<b>Mgmt Fees</b>	<b>Distribution / Service (12b-1) Fees</b>	<b>Other Expenses</b>	<b>Waiver</b>	<b>Total Annual Operating Expenses</b>	<b>Summary of Investment Objectives</b>
Invesco Liquid Asset Portfolio Reserve Class <sup>1</sup>	SIPC <sup>2</sup>	.02% <sup>3</sup>	None	.15%	1.00%	.02%	.16%	1.01%	The Fund invests in short-term money market instruments that blend top-tier, high quality U.S. dollar denominated obligations.
Invesco Treasury Portfolio Reserve Class <sup>1</sup>	SIPC <sup>2</sup>	.02% <sup>3</sup>	None	.15%	1.00%	.03%	.17%	1.01%	The Fund invests in direct obligations of the U.S. Treasury, including bills, notes and bonds, and repurchase agreements secured by those obligations.
Invesco Tax-Free Cash Reserves Portfolio Reserve Class <sup>1</sup>	SIPC <sup>2</sup>	.09% <sup>3</sup>	None	.23%	1.00%	.06%	.17%	1.12%	The Fund invests in high quality municipal securities, the interest of which is excluded from gross income for federal income tax purposes and does not constitute an item of preference for purposes of the alternative minimum tax (AMT).

<sup>1</sup> An investment in the MONEY MARKET (the “Fund”) is not insured or guaranteed by the FDIC or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund, including loss of principal. Please read the prospectus carefully.

<sup>2</sup> Subject to applicable limitations per account. Please contact your Investment Representative for details about SIPC protection or FDIC insurance. You may also visit the FDIC’s website for information at [www.fdic.gov](http://www.fdic.gov). At the time of deposit with Broker and until such funds are deposited with a Program Bank they are protected by the SIPC; Upon deposit at a Program Bank, your funds are eligible for FDIC insurance. SIPC does not protect against investment losses that may be incurred with respect to securities or other investments held in your account.

<sup>3</sup> This rate reflects the 7-day effective yield as of April 30 2012. This rate fluctuates due to underlying investments in the fund and/or market conditions generally. Other important information that you should consider about the Fund (including costs, expenses, risks and objectives) is contained in the Fund’s prospectus. If you would like a prospectus for the Fund to review, please contact your Investment Representative.

<sup>4</sup> The rates for the Program as of April 30, 2012 are set forth above; interest accrues daily and is paid monthly. Amounts reflecting interest paid will be presented on your brokerage account statements. The rates are subject to change at discretion at any time, without notice to you. For a current list of complete rates, please contact your Investment Representative.

**APY/Interest Rate Tiers for the Bank Deposit Sweep Program:**

<b>Balance**</b>	<b>APY**</b>	<b>Interest Rate**</b>
\$0 – \$25,000	0.01%	0.01%
\$25,001 - \$100,000	0.01%	0.01%
\$100,001 – \$250,000	0.01%	0.01%
\$250,001 – \$500,000	0.01%	0.01%
\$500,001 +	0.01%	0.01%

\*\*Important Note: Your balances will earn the same rate of interest regardless of the Program Bank with which your funds are deposited. Your interest rate is based upon your Program Deposits in accordance with the attached Interest Rate Tiers, as determined by your Broker/Dealer. The rate of interest paid is tiered based on the value of your Program Deposits, which are currently evaluated on a daily basis. You should also note that you may not link your brokerage account to brokerage accounts held by members of your household to determine your Interest Rate Tier. This is more fully explained in the Disclosure Document.