SUPERVISORY PROCEDURES MANUAL

Veritas Independent Partners, LLC

CRD Number: 169291

Main Office Address:
2201 Washington Ave., Suite 2
Conway, AR 72032

These written supervisory procedures were approved by R. Gail Murdoch, CEO. These procedures are effective from the date approved until the date of their authorized revision, update or replacement (see below).

Authorized Approval Signature: _____

Date these procedures became effective: _____

Date these procedures were no longer effective (date of revision, update or replacement): _____

Recordkeeping: Discard after _____ (date three years from termination of use).

Updated and Revised as of end of December 2020

ACKNOWLEDGMENT OF ASSOCIATED PERSONS

The undersigned recipient of this Manual acknowledges that he/she has received the Manual, is responsible for knowing its contents and has read and understands its contents to the level of being able to answer questions about it from supervisors and regulatory auditors and to put its principles into practice.

The undersigned understands that the Manual is updated periodically and agrees to take responsibility for obtaining, reviewing and understanding updates or supplements published by Veritas Independent Partners, LLC.

The undersigned acknowledges by his/her signature below that he/she has read and understands the policies and procedures in this Manual and is responsible for abiding by them.

_____
Name

_____ _____
Signature Date

[*This page should be copied and signed by each associated person of the Company and kept on file.*]

TABLE OF CONTENTS

PART I: INTRODUCTION

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

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

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

Anti-Money Laundering Compliance The Company's AML compliance program is under separate cover. All associated persons are directed to reference and abide by the procedures described therein. See Section 9.12.

Emergency Preparedness The Company's "Business Continuity Plan" is under separate cover. All Company personnel are encouraged to periodically review the Plan in order to be prepared for unforeseen business disruptions. See Section 5.12.

Approved Business At this time, the Company conducts securities business as described on its Form BD and/or Membership Agreement. Its clients consist of individuals. Should the Company's ownership or control structure change, or should the Company wish to change the nature of its securities business outside the scope of approved business as described in its Membership Agreement, the CCO will ensure compliance with the application and approval requirements detailed in FINRA Rule 1017.

In the event the Company changes its business activities as previously disclosed to the MSRB, the Company is required to notify the MSRB of those changes within 30 days by amending their registration forms. In addition, the Company must file a withdrawal notice with the MSRB if it, voluntarily or involuntarily, ceases

doing business as a municipal advisor or is expelled or suspended from membership or participation in a national securities exchange or registered securities association. Filings to withdrawal will be made on Form A-12.

New Products This Manual includes procedures relating to the products and services offering by the Company. Products substantially different from those described herein may not be offered or sold by Registered Representatives without the pre-approval of the Chief Executive Officer and Chief Compliance Officer. No new product may be introduced to the marketplace before it has been thoroughly vetted from a regulatory as well as a business perspective. To follow are guidelines Company personnel must follow in this regard.

Request All Company personnel who would like to offer products not currently offered by the Company must request such in writing to the above-named designated Principal. No requests will be considered if not in writing.

Consider The designated Principal and/or his designees will first determine if a proposed product should be considered "new" and therefore subject to further analysis. To determine what constitutes a new product, including when a modification of an existing product is material enough to warrant the same level of review as a new product, the following questions may be considered: Is the product new to the marketplace or the firm? Is the firm proposing to sell a product to retail investors that it has previously only sold to institutional investors? Will the product be offered by Representatives who have not previously sold the product? Does the product involve material modifications to an existing product, whether risk to the customer, product structure, or fees and costs? Does the product require material operational, supervisory or system changes? Is the product an existing product that is being offered in a new geographic region, in a new currency, or to a new type of customer? Would the product involve a new or significant change in sales practices? Does the product raise conflicts that have not previously been identified and addressed? Is the product complex, and therefore difficult for customers to understand, thus raising customer protection concerns?

Analyze Once a proposed product is determined to be "new" based on the answers to these questions, the CCO and/or his designees must then attempt to clearly understand the ramifications of offering such products. Questions relating to the characteristics of the product, suitability considerations, sales and marketing issues, legal and compliance risks, training requirements and operations/order systems capacity must be asked and answered in order for a full vetting of the product. The Company may rely on the guidance offered in Notice 05-26 when undertaking this product analysis and may use the form entitled, "New Product Approval" in order to prompt valuable questions during the vetting process.

For products that are considered complex, the designated Principal should review FINRA's guidance provided in Notice 12-03 when analyzing the request for approval. The Section herein on non-conventional investments includes reminders about analysis of complex products and the Company's compliance obligations in that context.

Approve/Implement Should a new product be approved, the designated Principal will do so in writing, will inform Company employees, as necessary, and will provide for all necessary training of supervisory, sales and operations personnel. Importantly, written procedures will be included in this Manual to describe specific policies relating to the new product, such as suitability thresholds or documentation requirements outside the scope of the Company's standard sales practices. In addition, the designated Principal should determine if transacting in the new product requires regulatory approval. If this is required, Representatives shall not offer new products without first receiving

approval from the Company's FINRA district office. The designated Principal will ensure that Form BD is amended, if applicable.

The designated Principal must ensure that records of new product requests, consideration, vetting and approval are maintained in dedicated files. He or she should also monitor, or designate someone to monitor, activities in the new product in the months following approval in order to assess performance and other issues. Issues to consider should include: customer complaints; additional training needs; adherence to compliance parameters; suitability; and ongoing effectiveness of any imposed limitations or conditions. Corrective action should be taken when deemed necessary.

The designated compliance staff will ensure that no new product is introduced to the marketplace before it has been thoroughly vetted from a regulatory as well as a business perspective. The Chief Executive Officer and the Chief Compliance Officer will have final authority to approve new products; no products without this approval may be offered by Company Representatives.

PART II: COMPLIANCE FUNCTIONS CHECKLIST

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

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

SECTION 1: USE AND DISTRIBUTION OF THIS MANUAL

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

Registered Representatives are also required to have a copy of this Manual (or access to it) at all times and to be familiar with its content. All Registered Representatives and other associated persons of Veritas Independent Partners, LLC are required to sign and return the Acknowledgement included above in this Manual.

It should be noted that this Manual includes only those rules, regulations and policies that are considered to be most applicable to supervision of the day-to-day activities of the Company's Registered Representatives and other associated persons. It is not all-inclusive of the laws and regulations with which the Company and its associated persons must comply. In order to be specifically familiar with the many rules and regulations affecting registered and non-registered personnel, Company personnel are encouraged to visit FINRA's Website (www.finra.org), especially the "Registered Representative" page.

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

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

SECTION 2: COMPLIANCE AND SUPERVISORY PRINCIPALS

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

2.1 Compliance, Operations and Financial Principals

Chief Compliance Officer: The responsibilities of the CCO shall include:

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

The person designated as CCO may also be assigned other duties related to the supervision of areas or the Company's business or its associated persons as described throughout the manual.

Consolidated FINRA Rule 3130 permits firms to designate more than one CCO on its Form BD provided that the requirements set forth in Rule 3130 are met.

The Company has designated the following person named in the table below to act as the CCO.

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

Financial and Operations Principal ("FinOp")

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

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

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

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

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

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

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

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

Compliance, Operations & Financial Roles	Name of Assigned Principal	Registrations Held	Date Appointed or Assigned
Executive Representative ("ER")	Debra Shannon	7, 24	August 2014
Chief Compliance Officer ("CCO")	Debra Shannon	7, 24	August 2014
Financial & Operations Principal ("FinOp")	Katherine Anderson	27, 99	August 2014
Principal Financial Officer ("PFO")	Katherine Anderson	27, 99	October 2018
Principal Operations Officer ("POO")	Katherine Anderson	27, 99	October 2018
Anti-Money Laundering Compliance Officer ("AMLCO")	Debra Shannon	7, 24	August 2014

2.2 Assigned Areas of Supervision

Veritas Independent Partners, LLC designates the following appropriately registered Principal(s) with authority to carry out the specified supervisory responsibilities of the Company, as required by Rule 3110(a)(2). Also designated in this table are the names of the principals responsible for establishing policies and procedures designed to ensure compliance with regulations relating to each listed area of supervision. See below for Main Office/branch office supervisory personnel.

Area of Supervision or Title (alphabetical)	Supervising Principal's Name	Exams Passed	Location of Principal	Date Appointed	Principal Who Designed/ Established Procedures
Business Continuity Plan (Approval and annual review)	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Communications – Retail	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Continuing Education	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Correspondence	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Correspondence—E-mail Reviewer	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Customer Account Statements	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Customer Complaints	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Equity-Indexed Annuities (EIAs)	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Financial Reporting (see above)	Katherine Anderson	27	Atlanta, GA	August 2014	Debra Shannon
Form CRS	Debra Shannon	7,24	Main Office	March 2020	Debra Shannon
Investment Advisory Activities of RIAs; IARs	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Licensing and Registration (form filings)	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Municipal, and/or 529 Plan business	Gail Murdoch	7, 24, 51	Main Office	August 2014	Debra Shannon
Mutual Funds	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Outside Business Activities and Private Securities Transactions – Reviewer	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Outsourced Functions	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Personal Accounts—Reviewer	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Privacy Notices	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Special Supervision	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Statutorily Disqualified Persons	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon
Variable Products	Debra Shannon	7, 24	Main Office	August 2014	Debra Shannon

2.3 Contact Information and CRD Account Administration

Contacts: The CCO will ensure that personnel have been designated to maintain current contact information on the FINRA Contact System (FCS). In accordance with Consolidated FINRA Rule 4517, the Company must report to FINRA all required contact information via

FCS and must update its required contact information not later than 30 days following any change in such information. Designated personnel will conduct an annual review of Company contact information within 17 business days after the end of each calendar year and will make changes, if necessary.

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

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

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

2.4 Response to Regulators

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

2.5 Form CRS (Customer Relationship Summary)

The Form is designed to help retail investors understand the relationships and services offered by the Company. Retail investor, for purposes of this Form, is defined as any natural person, without regard to accredited status or net worth, or the legal representatives of such natural person, who seeks to receive or receives services primarily for personal, family or household purposes.

The Company is required to file its initial Form CRS with FINRA on or before June 30, 2020. The Company will deliver a copy of the initial Form CRS to all existing customer, who are retail investors, within 30 days of filing its Form CRS via the FINRA Gateway.

Effective when the initial Form CRS is filed, the Company must deliver the Form CRS to each retail investor before or at the earliest of

- Making a recommendation related to an account type, securities transaction or investment strategy involving securities;

- Placing an order for the retail investor; or
- Opening a brokerage account for the retail investor.

The Company must deliver the most recent Form CRS to a retail investor, including existing customer, before or at the time the Company or its Representative

- Opens a new account that is different from the retail investor's other accounts with the Company;
- Recommends a rollover of assets from a retirement account to a new or existing account or investment;
- Recommends or provides a new brokerage service or an investment that does not require the opening of a new account and would not be held in an existing account.

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

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

Commented [RB[1]: Would this be applicable?

The Company maintains a website and the most recent version of the Form CRS and important supplements on the website.

Representative who have questions related to the delivery of Form CRS should consult with the CCO or their designated Supervisor.

The CCO shall ensure that the Company has created and keeps current the Form CRS. The designated Principal shall review customer records and communication to ensure that the Form CRS is being delivered to customer in compliance with the requirements set forth by the SEC.

Amended SEA Rule 17a-4 requires the Company to maintain and preserve, in an easily accessible place, the following records until at least six years after such record or relationship summary is created: (i) all records of the dates that each relationship summary was provided to each retail investor, including any relationship summary that was provided before such retail investor opens an account, as well as (ii) a copy of each relationship summary.

The POO is responsible for ensuring the records are maintained in compliance with SEA and FINRA rules.

2.5.1 Conflicts of Interest

The Form CRS requires the Company to evaluate and provide disclosure to retail investors regarding potential conflicts of interest, whether or not recommendations subject to Regulation BI are being made.

Therefore, the Company, at least annually, shall review its business, compensation agreements, relationships or agreements with affiliates, activities of its associated persons and other relationships to determine if conflicts of interests may exist. Conflicts of interest may arise from many activities or relationships, including but not limited to, proprietary products, payments from third parties and compensation arrangements.

The designated Principal shall ensure that appropriate disclosure related to conflicts and included in Form CRS and/or in supplements to Form CRS, as applicable.

Further, where specific conflicts exist related to products offered by the Company, designated Principals overseeing communications and sales of various products shall be responsible for ensuring disclosures are made and documented, as applicable.

SECTION 3: STANDARDS OF SUPERVISION

3.1 Supervisory System

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon And respective designated Principals and Branch Office Managers overseeing RRs, named throughout this Manual
Frequency of Review:	Annual; Ongoing, in accordance with established procedures. Upon hiring supervisory personnel.
How Conducted:	RR oversight; reviews of business activity, customer account reviews, etc. (as detailed throughout this WSP); Employment/experience review
How Documented:	This Manual; Account activity approvals; File records of reviews conducted.
WSP Checklist:	Rules 1014, 1022; Consolidated FINRA Rule 3110; Notices 99-45,04-54, 04-71; 05-08, 14-10; MSRB Notice 2010-60; MSRB G-44
Comments	Effective October 1, 2018, FINRA Rule 1230 will replace NASD Rule 1022

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

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

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

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

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

The Company conducts a review, at least annually, of the businesses in which it engages, which is designed to detect and prevent violations of, and achieve compliance with, applicable securities laws and regulations and with applicable FINRA Rules. The Company's Supervisory Control System, described below, is designed to ensure and further enhance compliance by spreading responsibility to the senior management level. The Company

reviews the activities of each office, as applicable, including periodic examinations of customer accounts to detect and prevent irregularities or abuses. Offices are inspected as described below in the sub-sections concerning Office Inspections and branch, OSJ and non-branch office supervision.

3.1.1 Qualifications of Supervisory Personnel

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

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

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

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

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

3.1.2 Oversight of Supervisory Personnel

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

The CCO shall maintain a record showing the appointment of each supervisor including their title, registration, location of each and their appointed supervisor.

3.2 Supervisory Control System

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

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

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

3.2.1 Testing & Verification

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

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

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

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

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

3.2.2 Annual Compliance and Supervision Certification

Each year the Company's designated top business officer will certify that the Company has in place processes to establish, maintain, review, test and modify written compliance policies and supervisory procedures reasonably designed to achieve compliance with applicable FINRA rules, MSRB rules, and federal securities laws and regulations, and has conducted one or more meetings with the CCO in the preceding 12 months to discuss the processes, in the format set forth in Consolidated FINRA Rule 3130(c).

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

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

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

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

Consolidated FINRA Rule 3130 permits the designation of a single co-CEO solely for the purpose of compliance with this Rule. However, the co-CEOs may not divide the requirements under the Rules and each CEO would need to be responsible for the

certification as if they were the sole CEO. Therefore, the signature of each must appear on a single certification each year.

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

3.3 Supervision of Main Office Personnel

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

3.4 Trade Desk Supervision – Not Applicable

3.5 Registration and Supervision of Branch, OSJ and Non-Branch Offices

The Licensing and Registration Principal is responsible for determining if an office is required to be registered as a branch office or an OSJ as defined in FINRA Rule 3110.

The Licensing and Registration Principal is also required to ensure all required branch office information is reported on Form BR.

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

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

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

3.6 Special Supervision

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	As specifically designed and as required
How Conducted:	Conduct supervision as designed, including added reviews, inspections, monitoring, and visits.
How Documented:	Periodic certification forwarded to Compliance confirming special supervision. Other documentation in accordance with terms of special supervision.
WSP Checklist:	Consolidated FINRA Rules 3110, 3170; Notices 96-59, 98-52, 97-19, 01-38, 14-10 By-laws, Article III, Section 4

Comments:	

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

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

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

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

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

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

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

3.6.1 The Taping Rule

If the Company is notified by FINRA or otherwise acquires actual knowledge that it meets one of the criteria in Consolidated FINRA Rule 3170 relating to the employment history of its registered persons at a "Disciplined Firm" (as defined), the

CCO shall, within 60 days of notification, assign personnel to implement a taping system and establish, maintain, and enforce special written procedures for supervising the telemarketing activities of all of its registered persons. Alternatively, if the Company triggers, for the first time, application of the Taping Rule, it may reduce its staffing levels (within 30 days) to avoid application of the Rule ("opt out"). The Company may apply for an exemption from the Taping Rule within 30 days of notification or knowledge of its applicability (it may not opt out if it applies for such exemption). The Company currently is not subject to the requirements of this Rule, and therefore has not established such written procedures, nor has it implemented a required taping system.

3.7 Supervision of Online Activities

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

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

3.8 Steps to Remedy Deficiencies

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	Immediate if situation calls for it (for instance, for rule violations); otherwise, as part of normal review procedures described herein.
How Conducted:	Review and Report, Improve Discipline
How Documented:	Special Records and other reports, as described herein (for instance, with regard to testing and verification procedures)
WSP Checklist:	FINRA By-laws Article IV, Section 3; NASD Rule 1031(a), Consolidated FINRA Rule 4530. Notice 10-39, 11-06
Comments:	Effective October 1, 2018, Consolidated FINRA Rule 1230 will be replace NASD Rule 1031

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

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

3.8.1 Termination

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

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

FINRA rules provide that no Registered Representative shall continue to be associated with a member Company if he/she fails or ceases to satisfy the qualification requirements under Section 2 of Article II of FINRA By-laws or becomes subject to disqualification under Section 4 of Article II. Grounds for disqualification include: violation of FINRA Rules, making of false statements in applications or reports, conviction of a securities related crime, being enjoined by a court from engaging in any securities related business, etc. Also, registered persons of the Company are not permitted to "park" their registrations; that is, the Company will not maintain FINRA registration for any person (1) who is no longer active in the Company's investment banking or securities business, (2) who is no longer functioning as a representative, or (3) where the sole purpose is to avoid FINRA qualification examination requirements. Each supervising Principal of the Company is required to report to the CCO any individual whose registration could be considered to be "parked." The CCO must investigate and terminate such employee, if deemed appropriate given the circumstances. Records of this investigation and termination must be kept in accordance with recordkeeping requirements described within this Manual.

In the event of a serious concern as to the appropriateness of a Representative's continuing association with Veritas Independent Partners, LLC, the Company's

management may (and in cases where FINRA Rules require it, management shall) terminate the Representative's association with the Company and file a complete and accurate Form U5 on CRD, as described below.

Upon termination of registration, the designated Principal is required to file notice thereof with FINRA on Form U5 within 30 days of such termination. This filing must take place electronically on Web CRD and disclose the reasons for termination. When indicating "discharged," "permitted to resign" or "other" as the reason, the Company must provide a specific, detailed explanation on Form U5 of the facts and circumstances. The disclosure questions on Form U5 must be answered affirmatively if they are factually accurate for the RR—whether or not the Company, itself, is the source of the allegations. Also, in the case of former associated persons, the Company is responsible for reporting to FINRA via Form U5 any disclosure events, complaints, internal disciplinary actions or internal conclusions (firm-detected rule violations) that occurred *while* the person was associated with the Company. Notice 11-06 outlines this requirement and Consolidated FINRA Rule 4530 should be reviewed for details (also see Section 8, below).

Upon receipt of Form U5 in proper order, FINRA will amend the CRD record of the Representative to reflect the termination. The designated Principal or his designee must provide the Representative with a copy of his Form U5 at the time the filing is made and will evidence that a copy of the Form U5 has been sent by retaining a copy of the cover letter or e-mail sent to the former representative with his/her Form U5 in his/her file. Form U5 may be amended if necessary, to correct the termination date or reason for termination. The firm is no longer required to maintain a copy of the original Form U5 or any amendment thereto unless the filing requires the representative's signature.

3.9 Research Analyst Supervision – Not Applicable

3.10 Networking Arrangements with Financial Institutions – Not Applicable

3.11 Office Inspections

Inspectors Under Consolidated FINRA Rule 3110(c), the Company requires inspections of its offices. The CCO appoints office inspectors in consideration of certain factors, including their understanding of the business, depth of experience, and ability to challenge assumptions, as well as a lack of conflict of interest, when possible. Consolidated FINRA Rule 3110 requires office inspections to be conducted by someone other than the respective Office Manager or anyone else with supervisory authority in the office, including anyone directly supervised by these persons. However, the Company, if it is of limited size and resources, may rely on an exception to this Rule. The Licensing and Registration Principal shall maintain a file showing the designated inspector assigned to each office and the Company's rationale for appointing persons not independent of the manager or supervisors of the offices, when applicable.

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

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

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

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

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

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

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

Focus and Reports. Office inspections should be designed to evaluate the general compliance of the office and monitor any changes in its business, products, people and practices, taking into consideration the outside business activities of personnel and any potential conflicts of interest. Office inspectors must record the results of their reviews on written reports for each office inspection conducted. These reports should be tailored to the types of business conducted at respective offices and the risks particular to those offices. Reports will be maintained for three years (except for reports of non-branch offices, if the review cycles longer than three years; in which case, the reports will be maintained until the next report is filed). Each written report will be dated and will provide results from the testing and verification of the Company's policies and procedures, including supervisory procedures in the following areas:

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

- Validation of changes in customer account information.

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

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

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

3.12 Activities on Military Installations – Not Applicable

SECTION 4: LICENSING

4.1 Registered Representatives/Associated Persons

Name of Supervisor ("designated Principal"):	Licensing and Registration Principal (oversees electronic form filings): Debra Shannon
Frequency of Review:	Upon application and thereafter, in the daily course of business
How Conducted:	Investigation Interviews, Forms Review of Reg. Rep. activity
How Documented:	Form U4 Questionnaires Background Checks
WSP Checklist:	Rules 1031, 1032, 1050; IM-1000-2; MSRB G-3; Consolidated FINRA Rules 1010, 2263, 4530. Notices 00-02, 02-53,-73, 03-23, -44, 04-57, 05-14, -24, -39, 09-23, 09-40, 11-06, 11-33
Comment:	Effective October 1, 2018, Consolidated FINRA Rules 1210 through 1230 will replace NASD Rules 1031,1032 and 1050

The designated Principal of Veritas Independent Partners, LLC supervises the hiring, conduct and actions of Registered Representatives and all other associated persons.

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

4.1.1 Who is Required to be Registered

Registration Requirements: FINRA Rules 1210 and 1220 set forth the requirements related to who must be registered with the Company and the capacity in which they must be registered based on their duties and responsibilities. The Licensing and Registration Principal is responsible for ensuring persons are registered when required and that they are not engaged in activities requiring registration until the registration is attained, except in the case of persons functioning as a Principal for a limited time as allowed in FINRA Rule 1210.04.

The Company is permitted to register or maintain existing registrations of persons engaged in the securities or investment banking business of a foreign securities affiliates or subsidiary. Individuals maintaining these permissive registrations are considered to be registered persons and are subject to the same rules as those registered persons actively engaged in the Company's business. While permissively registered persons may be supervised by non-registered person, the Company will designated a registered Principal to ensure compliance with applicable rules and Company policy. The Licensing and Registration Principal shall maintain a list of permissively registered persons that include their location, job function, direct supervisor and the registered Principal designated to verify their compliance.

The Company may also permit persons associated with the Company to obtain registrations not specifically related to their job functions if the Company determines it would be beneficial to the Company for the person to hold a specific registration.

The Licensing & Registration Principal will maintain documentation related to any such registrations, including the Company's rationale for permitting them.

The Company will not maintain registrations for persons except as allowed under Rule 1210. The Licensing and Registration Principal is responsible for ensuring the Company is not "parking" registrations.

As outlined in FINRA Rule 1230, certain persons associated with the Company may be exempt from registration. Questions whether an associated person is exempt from registration should be directed to the Licensing and Registration Principal.

Principal Registration: As outlined in Rule 1220, the Company is required to register as a principal all persons who are actively engaged in the management of the Company's investment banking or securities business, including supervision, solicitation, conduct of business or the training of persons associated with the Company. In addition, every Office of Supervisory Jurisdiction shall be supervised by at least one registered principal.

The Licensing and Registration Principal is responsible for ensuring persons acting in a role requiring a Principal registration are appropriately registered based on their duties and responsibilities.

4.1.2 Onboarding Documentation and Verification

Onboarding and pre-hire: When onboarding a potential new Registered Representative, the Licensing & Registration Principal will ensure the Company receives the following documents:

- Manually signed Form U4 (including employment and disciplinary history);
- Fingerprint cards;
- Form I-9 or similar form and applicable identification documents;
- Form U5 or NFA Form 8-T from the representative's last broker/dealer; and
- Authorization to allow the Company to conduct a background and pre-hire check.

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

- Signed Application;
- Signed Compliance Certification; and
- Registered Representative/Compensation Agreement.

Following the receipt and review of hiring documents, the Licensing & Registration Principal shall undertake reasonable investigation of the character, reputation, qualification and experience of the person applying for registration or association with the Company.

In conducting the pre-hire investigation, the Licensing and Registration Principal shall

- Review the applicant's Form U4 and other hiring documents to ensure they are completed thoroughly and gather additional information where needed;

- Communicate with the applicant's employers for the previous 3 years and maintain a record of the persons contacted and the date of contact;
- Conduct an OFAC check; and/or
- Conduct a pre-hire check through the CRD system.

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

Verification: Although FINRA is conducting a background review and the Company is no longer required to conduct its own investigation to verify the information filed on the Form U4, the Company will continue to undertake an investigation to verify the accuracy and completeness of information provided on the person's Form U4, not previously verified during the onboarding process. This verification will include a review of any information received as a result of the fingerprints being processed, feedback from FINRA and a national search of available public records, including criminal history and financial records such as liens, bankruptcies and judgements.

The Company will utilize a third-party service to conduct a background check, including a review of credit and financial related information. Information gathered as a result of the search will be reviewed against the information provided by the Registered Representative on the Form U4.

If any discrepancies are identified, the Licensing & Registration Principal will bring the matter to the attention of the person's supervisor. The Licensing & Registration Principal will ensure any amendments required to be made to the Form U4 are made within 30 days of learning the facts and circumstances of the event.

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

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

Filings and Signatures: The Company is required to electronically file Form U4 (and U5) with FINRA, as well as all amendments and supplements. The designated Principal will ensure that all required information is recorded and that the electronic filing accurately reflects the information provided by the Registered Representative

as well as the address where the Representative will be located and the address of the office he will the supervised from.

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

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

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

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

Fingerprint cards must be forwarded to FINRA for review and FBI processing within 30 days of on the Form U4 being filed through CRD. Failure to submit fingerprints within 30 days will result in an 'inactive' registration and RRs must be instructed in this case to cease all activities requiring registration.

The Licensing and Registration Principal must ensure that the fingerprints received belong to the individual being employed. When relying on off-site, third parties to collect fingerprints, the Company requires applicants to be fingerprinted at a local law enforcement office, where officers likely are trained to verify identity as well as the authenticity of identification cards presented or such other independent, third party providers who are satisfactorily qualified. The Company does not permit applicants to fingerprint themselves.

Documentation: A copy of all documents obtained/reviewed during the hiring and registration process will be maintained in the registered person's registration/employment file. The designated Principal shall periodically review registration/employment files to ensure they contain copies of all required documents.

U4 amendments and U5 filings and amendments that do not require the employee's manual signature may be maintained solely on WebCRD and do not have to be maintained in the Company's books and records. Written acknowledgments from the RR related to U4 amendments to add or revise disclosure information and original

U4 filings must be maintained by the Company. The Company will maintain required filings for at least 3 years following termination.

4.1.3 State and Other Registrations

Registered Representatives must be registered in the state from which they conduct business and may be required to be registered in other states where customers are located, unless exemptions from registration are available.

Most states require successful completion of the Series 63 Uniform State Agent Securities Law Examination. Successful completion of the exam does not automatically confer registered status on the examinee.

Application for state registration must be made by through the WebCRD system for both the Company and its RRs to obtain respective state registrations.

No Registered Representative may solicit or conduct securities transactions in a given state before such individual's registration has been approved by the state or the designated Principal has determined that registration is not required because of an exemption made available by that state. The designated Principal shall review transactions to ensure that Registered Representatives are registered where required and will not approve transactions where registration is not approved or exempted.

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

4.1.4 Dual Registration

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

4.1.5 Foreign Licensing

Certain foreign jurisdictions have rules that prohibit persons who are not licensed in these jurisdictions conducting or soliciting securities business. Depending on the laws of the applicable foreign jurisdiction, a wide variety of activities may constitute solicitation of business for purposes of foreign local law. For instance, solicitation of business may occur through newspaper ads, internet postings, e-mails, telephone calls, or facsimile transmissions.

Under no circumstances may a RR of the Company solicit securities business in a foreign jurisdiction without being properly licensed and authorized by the Company.

RRs desiring to engage in such activities must contact the Licensing and Registration Principal who will determine what is required subsequently secure licensing.

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

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

The designated Principals of the Company, in conducting their respective supervisory duties described throughout this Manual, will take note of any perceived violations and will immediately report such observations to the Chief Compliance Officer for further review and investigation.

4.1.6 Transferring to the Company

Registered Representatives transferring to the Company need to follow the directives of the designated Licensing and Registration principal (in supervisory table in Section 2) and provide the required information to effect their registration as described above. Procedures for transferring client accounts, described elsewhere in this Manual, need also to be observed.

Where the Registered Representative has an agreement or other arrangement with the prior broker-dealer this will need to be reviewed with the designated Licensing and Registration principal and/or CCO prior to transfer.

The Company does not provide "signing bonuses" to new registered persons. Further, the Company does not provide accelerated payouts or other arrangements to transferring Representatives.

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

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

Timing: The timing for the education communication to be delivered will depend on how the contact with the customer has occurred and whether the customer has initiated the transfer without being contacted individually as follows:

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

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

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

4.1.7 Designated Supervisors

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

4.1.8 Special Representative/Supervision

As part of the interview process the CCO or other Principal charged with hiring, should explore the following with each applicant:

- The nature of the applicant’s prior customers and types of securities sold;
- The reason(s) for any history of rapid changes from dealer to dealer;
- Explanations as to any customer complaints or regulatory actions; and/or

- Discussion of any DRP items on Form U4 and pending proceedings, investigations or complaints not in CRD.

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

4.1.9 Statutorily Disqualified Persons

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

It is the Company's obligation to determine if prospective new hires, whether registered personnel or not, are subject to disqualification under Article III, Section 4 of FINRA's by-laws. In doing so, the Company should carefully scrutinize any state regulatory actions against the applicant and any other circumstances which may render him or her disqualified under the Rule (association with disqualified persons is also grounds for disqualification). In the event the Company considers hiring an applicant subject to statutory disqualification, the designated Principal will take steps to conform to FINRA Rule 9522. The designated Principal will complete and file Form MC-400 with FINRA's Registration and Disclosure department. Registration approval will be necessary before the employee conducts business activities for the Company. Note that disqualified persons seeking employment in strictly clerical or ministerial capacities are also subject to FINRA's pre-approval via the MC-400 filing process.

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

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

4.1.10 Termination of Registration; Continuing Commissions; Client Communications

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

Consolidated FINRA Rule 2040 allows the Company to pay continuing commissions to persons who remain registered representatives and, after they cease to be registered, such persons, their beneficiaries or their estates provided that there is in existence a bona-fide contract for such payment. No arrangement shall cover the solicitation of new business or the opening of new accounts. The provisions of the Rule should be consulted before any arrangements are entered into.

The Company is committed to ensuring customers of terminated Representatives continue to receive the highest levels of service and that they receive prompt and relevant communications related to the servicing of their accounts.

The content of communications to be directed to customers related to their Representative's departure and options for the ongoing servicing of their account will be determined by the Representative's supervisor, the CCO and senior management based on any contractual agreements with the Representative, the nature of the client relationship and the Representative's status in the securities industry following termination.

Communications will be sent to clients, when applicable, within 30 days of the Representative's termination and may be made by telephone, email or regular mail.

Questions from customers related to the circumstances surrounding the departure of their Representative or the status of their account prior to a reassignment must be promptly directed to the designated Supervisor, CCO and/or senior management for their response.

Once a customer has been reassigned, the Representative servicing the customer will contact the customer to introduce himself or herself and review their accounts. Questions related to the circumstances surrounding the prior Representative's departure may be answered if approval has been given by the Supervisor. If not, such questions must still be directed to the designated Supervisor, CCO and/or senior management for their response.

4.1.11 Active Duty Professionals

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

Notification Requirements
The member firms are required to provide FINRA with the following information (once the person's military service has started) relative to persons who seek inactive status pursuant to IM-1000-2:

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

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

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

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

4.2 Investment Advisors (RR/RIAs)

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon Licensing and Registration Principal: Debra Shannon
Frequency of Review:	Continuous; on a daily basis
How Conducted:	Review of RR activities; inquire about IA activities. Receipt and approval of notice of IA activities.
How Documented:	Maintain RR/RIA files, including Notice and approval of activities and evidence of licensing and registration
WSP Checklist:	Consolidated FINRA Rule 3270, 3280, 3210; Notices 94-44, 96-33, 01-24 and 03-21
Comments:	See Section 17

The Company is a registered investment advisor or is affiliated with one and some or all of its RRs perform advisory services on behalf of the IA entity. The Company permits RRs to

act as independently registered IAs, subject to the conditions described below. Some of the Company's RRs are currently registered as independent IAs.

Registered Representatives providing advisory services will be expected to maintain all required licenses and registrations and to comply with the Company's procedures, as described in the IA Supervision section, below. Records related to the approval, licensing and registration of investment advisors will be maintained with the RR's personnel files.

If any Registered Representative is in doubt about his or her status as advisor, the RR should immediately consult his or her designated Principal before transacting any business that could subject the RR to registration or licensing requirements. RRs should be aware that activities such as putting on seminars, publishing newsletters, and making public appearances where securities are discussed may require advisory registration – particularly where the Representative has received compensation for the activity.

The CCO charged with receiving and reviewing annual RR questionnaires will take note of any disclosures related to advisory services and will ensure that the Licensing and Registration Principal follows up to ensure required licensing and registration is in place. In addition, the designated Principals or others conducting office visits or reviewing outside business activities of RRs must be sure to note and follow up on any perceived advisory business taking place in order to assure proper licensing and registration.

Notices 94-44 and 96-33 describe the current obligations member firms have supervisory responsibilities over the investment advisory activities of their Registered Representatives. Please refer to the IA Supervision section, below, for a description of related supervisory procedures, in addition to notice requirements.

4.3 Investment Advisor Representatives of Third Party Firms

The Company is a registered investment advisor or is affiliated with one and some or all of its RRs perform advisory services on behalf of the IA entity. The Company permits RRs to act as independently registered IAs, subject to the conditions described below. Some of the Company's RRs are currently registered as independent IAs.

Persons providing advisory services are required to register as "investment advisor representatives" (IAR's) in states where advisory services are offered for a fee (subject to any applicable de-minimis requirements). Registered Representatives will typically be able to offer any proprietary or third party asset management programs which have been approved by the Company through its internal due diligence process.

Registered Representatives who wish to offer third party wrap account or other similar asset management services to their clients are cautioned that providing such services may be considered "selling away" if such programs are not approved in writing, in advance by the Company. The Company may require the "third party" provider of services to contract with the Company to provide the services through the Representatives in question rather than allowing the provider to contract directly with the Registered Representative. Representatives must obtain approval from the CCO in order to contract directly with third parties.

No Registered Representative will be allowed to provide such services unless the Representative is properly licensed as an IAR. If any doubt exists, Registered Representatives

should consult the Licensing and Registration Principal. The Company's obligation to supervise RRs' IAR business is described in the IA Supervision section, below.

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

SECTION 5: SUPERVISORY PROCEDURES

5.1 Review of Customer Transactions and Accounts

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors/ designated Branch Office Managers if applicable (see Sections 3.5)
Frequency of Review:	Daily review of transaction activity
How Conducted:	Review of transaction documentation, including new account forms, investor profiles, order tickets, transaction reports/blotters; disclosure documents, and related correspondence. Approve orders requiring approval, including new accounts, discretionary account trades, orders for more than 10,000 shares, orders for 100 or more options contracts.
How Documented:	Initial daily order tickets and any necessary approval forms.
WSP Checklist:	NASD Rule 2510(d); Consolidated FINRA Rules 3110, 4515
Comments:	

In compliance with FINRA Rule 3110(d), the designated Principal shall promptly review each transaction and evidence of his/her review, and approval if granted, by initialing either the purchase or sales blotter or order memorandum. The designated Principal shall review all orders to ascertain that the ticket or other documentation has been properly prepared containing all required information. "Promptly review" is defined as review of the transactions by the next business day.

NASD Rule 2510 requires prompt approval in writing of each discretionary account order, which shall be noted by initialing the order memorandum or blotter entry within 24 hours of the trade.

Consolidated FINRA Rule 4515 requires that changes in account name or designation must be approved by the designated Principal (see Section 16).

All daily reviews will include an assessment of the nature of the trades, in an effort to confirm suitability (as described in detail elsewhere in this Manual). In addition, the designated Principal shall review all documentation associated with opening new accounts, such as New Account Forms, investor profiles, risk disclosure documentation and investor checks. See Section 9 for a detailed description of compliance requirements related to new accounts. Additional specific customer/transaction review activities required of the designated Principals of the Company are described in the sections to follow.

5.2 Weekly Transaction Reviews – Not Applicable

5.3 Monthly Customer Account Reviews – Not Applicable

5.4 Annual Reviews

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors/designated Branch Office Managers if applicable (see Section 3.5)Section 3.2 and 3.5
Frequency of Review:	Annually or more frequently.
How Conducted:	Periodic office reviews, including customer files and activity reviews, to detect irregularities or abuses and spot reviews of customer records.

How Documented:	Reports produced after each office review and notes on spot reviews maintained either separately or in customer files.
WSP Checklist:	Consolidated FINRA Rule 3110(c), Notice 05-67, 14-10
Comments:	

The Company at least annually must conducting a review of the businesses in which it engages, which must be reasonably designed to assist in detecting and preventing violations of and achieving compliance with applicable securities laws and regulations and with FINRA rules. The review should provide that the quality of supervision at remote offices is sufficient to assure compliance with these laws and rules. This review may be in conjunction with the reviews described in Section 3 of this Manual, for instance, with regard to office inspections (if conducted annually) or in conjunction with efforts made to test and verify certain procedures related to business activity.

The Company will also comply with this annual review requirement by requiring designated Principals to conduct random examinations of customer account records (electronic and/or hard copy files) to detect and prevent irregularities or abuses and to ensure completeness. These spot examinations are in addition to daily and periodic reviews conducted by designated Principals responsible for overseeing sales of specific securities types, as herein described.

The designated Principals will retain written records of the dates upon which their reviews and inspections of account files and transaction history are conducted, in addition to records described in Section 3.

5.5 Investigations of Questionable RR Activity and Disputed or Unauthorized Transactions

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	Daily; Spot checks of commission runs.
How Conducted:	Review orders for completeness of order records, suitability of transactions, discretionary account orders, orders requiring approval and prohibited orders. Review commission runs for unusual trading patterns activity in inactive accounts. Review of correspondence and client files. Interviews
How Documented:	Initials on order records and/or top copy of day's tickets Establish investigation file and documentation to cancel transactions, if necessary.
WSP Checklist:	Consolidated FINRA Rule 2010, Notice 08-57
Comments:	

In the event of suspected questionable Representative activity, the Representative will be questioned about the activity and may be required to present a written explanation. A file will be kept in which documentation of the situation and its resolution is described.

Potential indicators of unauthorized transactions may include a pattern of:

- Cancellations of transactions,
- Cancellations and rebilling between accounts,
- Sellouts for failure to pay for purchases, and

- Numerous extensions.

In the event of an unauthorized or disputed trade incident involving a customer, the Representative will normally be asked to provide written documentation describing the events and circumstances of the situation. The designated Principal will review the facts and make a determination as to resolving any conflict. Review and corrective action may include the following, depending on the circumstances:

- Confer with Registered Representative,
- Contact customers directly to confirm authorization of transactions,
- Cancellation of unauthorized transactions, and/or
- Confer with Compliance regarding any identified unauthorized transactions.

Where it is determined that restitution is called for or that a trade must be cancelled and/or corrected, all or part of the disputed trade will be placed in the Company's Error Account and corrected accordingly. Any profit resulting from any subsequent trade(s) will go to the Company; losses will be the responsibility of the Representative(s) at fault as determined at the exclusive discretion of the designated Principal.

5.6 Suitability Review

Name of Supervisor ("designated Principal"):	Designated Branch Office Managers All supervisors and principals assigned to oversee new accounts and customer activity
Frequency of Review:	Daily
How Conducted:	Review of new account forms, order records, transaction blotter, clearing firm reports, correspondence, and customer statements for consistency of investment objectives with financial status, prior investment experience, etc.
How Documented:	Initials on trade confirms and if necessary, notes added to client files and memos to compliance files.
WSP Checklist:	Consolidated FINRA Rule 2090, 2111, 3110; Notices 01-23, 11-02, 13-31, 14-10; MSRB RG-19 (c)
Comments:	

In the course of daily and other periodic reviews and as described throughout this Manual, each respective designated Principal will review activity in customer accounts for compliance with the suitability rule and the know your customer rule. Implicit in the dealings of a Representative with Company customers is the fundamental responsibility for fair dealing: see Section 7 below, below, for a full description of RR responsibility on this topic.

Designated Principals assigned to supervise RRs and customer activity do not have to review all recommendations for compliance with the suitability rule. In the absence of analysis and review of every recommendation made, supervisors are expected to be in touch with their RRs, their activity and their customer base to discern suitability.

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

- Spot check new account forms or other investor information forms/notes to assess completeness of investor profile factors; ensure that older accounts have been updated to include new factors and that any absence of required information is explained in the records;

- Spot check institutional client account information for records of either complete investor profile information or affirmative acknowledgments;
- Spot check transactions: Review transaction records (blotters, clearing firm reports, or other) and compare random transactions to investor profile information in customer account records;
- Spot check investment strategies: Review transaction records (blotters, clearing firm reports, or other) and compare a series of transactions or multiple transactions over time to investor profile and strategy information in customer account records;
- Review account holdings for concentrations; compare to strategy and investor profile information;
- Review transactional activity across all accounts of any given RR;
- Review transaction activity in certain securities or types of securities that have a more limited universe of potential investors; that is, test adherence to internal suitability limitations for higher risk or complex investments;
- Spot check correspondence for the term "hold" and review respective account information for required investor profile factors and corresponding suitability;
- Review transaction/trade documents for compliance with record keeping policies on "hold" recommendations.
- Review turnover or exception reports to monitor accounts with high turnovers or "in-and-out" trading: compare activity with documented investor profile information; and/or
- Periodic review of portfolio analytic tools or models to determine if they trigger the suitability rule or if they are exempt.

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

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

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

5.7 Payment/Funds Transmittals

Name of Supervisor ("designated Principal"):	Designated Branch Office Managers Specific supervisory roles described below.
Frequency of Review:	Continuous; on a daily basis Periodic during office inspections

How Conducted:	Daily customer account reviews Periodic office inspections, including records of funds transmittals, if any Meet with Representatives
How Documented:	Initials on blotters and logs
WSP Checklist:	Consolidated FINRA Rule 3110 and 11860. MSRB RG-19 (c), Notice 09-64, 10-49, 12-05, 14-10
Comments:	

Each Principal assigned to supervise account activity, in the course of his or her duties, will review transactions in customer accounts for compliance with the payment rules. Consolidated FINRA Rule 11860, "COD Orders," has certain requirements that must be met—see "Orders," herein. It is a violation of FINRA regulations and Company policy to accept or execute any order for a customer without reasonable assurance of ability to pay and/or ability to deliver securities sold or pledged within the expected time frames.

Neither Veritas Independent Partners, LLC nor any Registered Representative may loan cash or securities to a client or arrange or facilitate credit for clients except for margin loans in accordance with Company procedures (see below under Margin Accounts) or except under approved circumstances described in the Section below entitled "Loans To and From Customers" and as allowed under Consolidated FINRA Rule 3240.

It is a Company policy that the Registered Representative responsible for causing the Company or any other Representative or customer to incur a loss or liability shall be required to reimburse the injured party and all assets, commissions, dividends, interest or other property of the Representative may be utilized by the Company to make good on the loss or liability.

FINRA requires the following transmittals of funds to be subject to written procedures and monitored by appointed staff and designated principals:

- From customers and third-party accounts (*e.g.*, a transmittal that would result in a change of beneficial ownership);
- From customer accounts to outside entities (*e.g.*, banks, investment companies, etc.);
- From customer accounts to locations other than a customer's primary residence (*e.g.*, post office box, "in care of" accounts, alternate address, etc.); and
- Between customers and registered representatives, including the hand delivery of checks.

The Company does not handle customer funds and securities, or accommodate customer wire transfers. The CCO will ensure this Manual includes procedures related to customer funds transfer activities prior to engaging in them.

5.8 Review of Personal Accounts

All trades in personal accounts of Company personnel, where they have a beneficial interest in such account, will be reviewed on a periodic basis for evidence of:

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

- Trading on Inside Information.

In addition, associated persons will be required to sign a certificate annually, disclosing all personal accounts opened at outside broker dealers. See "Personal Accounts and Trading" section for further information on personal trades.

5.9 Annual Compliance Certification/Questionnaire

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	Annual
How Conducted:	Request completed certifications
How Documented:	Certifications File notations
WSP Checklist:	
Comments:	

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

5.10 Annual Compliance Meeting

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Designated Branch Office Managers
Frequency of Review:	Annual
How Conducted:	Meeting Materials
How Documented:	Meeting records; Sign-in sheet
WSP Checklist:	Consolidated FINRA Rule 3110.04
Comments:	

Veritas Independent Partners, LLC shall require all Registered Representatives, registered Principals and other associated persons, either individually or collectively, at least annually, to attend an interview or meeting conducted by the designated Principal(s) at which compliance matters relevant to the Company and its associated person(s) are discussed. Such interview or meeting can occur in conjunction with the discussion of other matters and may be conducted at a central or regional location or at the associated person's place of business.

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

- Attendees can ask questions and receive responses in a timely manner, such as being able to send questions via email to the presenter or a centralized address or by telephone and receiving responses directly or via the Company's intranet site, when applicable.
- All associated persons required to attend the annual compliance meeting, whether in person or electronically, are in attendance for the entire meeting and that a record of attendance is maintained.
- Each person attending electronically will be assigned a unique id to log in and will be required to confirm their attendance periodically throughout the presentation as well as at the meeting's conclusion.

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

5.11 Continuing Education

Pursuant to Consolidated FINRA Rule 1250, Veritas Independent Partners, LLC has developed and implemented a program for the continuing education of its covered registered persons. These covered registered persons include registered persons who have direct contact with customers in the conduct of the Company's securities sales, trading and investment banking activities; are registered as an Operations Professional or research analyst; or are the immediate supervisors of such persons.

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

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

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

5.12 Business Continuity

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon Executive Representative: Debra Shannon
Frequency of Review:	Upon creation/implementation of Business Continuity Plan and annually thereafter Annual review of contact person info (Exec. Rep).
How Conducted:	Review (or have reviewed) Business Continuity Plan to assess its continued viability; require changes when necessary to maintain an updated document. Review final, updated plan yearly. Confirm contact info has been provided to FINRA. (Exec. Rep.)

How Documented:	Records of review and approval of original and revised versions.
WSP Checklist:	Consolidated. FINRA Rule 4370
Comments:	

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

The Business Continuity Plan is required under Consolidated FINRA Rule 4370 and must identify procedures relating to an emergency or significant business disruption, designed to enable the Company to meet its existing obligations to customers. The procedures must address the Company's existing relationships with other broker-dealers and counter-parties. The Business Continuity Plan must be updated upon any material change and, at a minimum, must be reviewed annually (see below). The Company must designate two emergency contact persons and must provide this information electronically to FINRA. The Executive Representative will ensure that original contact information has been provided to FINRA and will review and update, if necessary, this contact information annually (within 17 business days of the end of the calendar year) or if any changes occur during the year.

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

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

5.13 Solicitation of Charitable Contributions by Fiduciaries

The solicitation of charitable contributions by employees or agents of a customer raises the potential for conflicts of interest that must be addressed by the member. These concerns are present when an employee of a customer who is acting in a fiduciary capacity (e.g., employees of an investment company, pension fund, or investment manager) solicits substantial charitable contributions from members or employees of the member with whom they conduct or intend to conduct business.

To address these potential conflicts, the following written procedures have been established:

- The firm routinely reviews the business received from the agent or representative soliciting the contribution from the firm or any employees.

These procedures do not apply to the customary charitable giving by member firms or solicitations received directly from charitable organizations, nor do they address policies regarding charitable giving by persons in their individual capacities.

5.14 Foreign Corrupt Practices Act

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Designated supervisors and Branch Office Managers FinOp:
Frequency of Review:	On-going, in the ordinary course of business, including account set-up and transactional activity
How Conducted:	New account/client approval process (KYC); correspondence reviews; funds flow reviews; reviews of gifts and gratuities records and third party vendor contracts
How Documented:	Account records, third party vendor contracts, transaction records, financial books and records, gift records, investigation records, if any. Training records.
WSP Checklist:	Notice 11-12
Comments:	See other sections of this Manual for related compliance obligations

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

If the Company engages in business with foreign customers, the C/E Principal will ensure that associated persons engaged with foreign customers and operations personnel are trained in this area. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

5.15 Political Contributions - Pay to Play – Not Applicable

SECTION 6: REGISTERED REPRESENTATIVE CONDUCT

6.1 Outside Business Activities and Private Securities Transactions ("Selling Away")

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	Review of notification when received; document consideration of OBA. Review of selling away transactions: as described in this Manual, as with all securities transactions (daily).
How Conducted:	Document analysis, restrictions and/or prohibitions of OBA Monitor OBA if necessary based on analysis. Correspondence Reviews Compliance Review, Interviews, Audits
How Documented:	Notification forms, analysis records. Investigation records Checklists
WSP Checklist:	Consolidated FINRA Rule 3110, 3280, 3270; Notice 01-79, 10-49, 14-10
Comments:	

Outside Business Activities (OBA): Consolidated FINRA Rule 3270.

Registered persons with new outside business activities: No registered person of the Company may be an employee, independent contractor, sole proprietor, officer, director or partner of an enterprise/business other than the Company, or be compensated, or have the reasonable expectation of compensation as a result of such outside activity, unless he or she has provided PRIOR written notice to the Company. Registered persons should provide the required notice as far in advance as possible, however, no later than 2 weeks prior to the planned commencement of the activity.

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

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

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

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

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

The Company will maintain records evidencing compliance with these procedures as called for in SEA Rule 17a-4(e)(1) (three years). In addition, each respective registered person's Form U4 must be amended to disclose any outside business activities not previously reported, in accordance with U4 reporting instructions.

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

Private Securities Transactions ("Selling Away"): Private securities transactions (otherwise known as "selling away") are outside business activities involving securities transactions and are governed by FINRA. The term "private" is meant to connote all those securities transactions, including direct participation programs and other financial products, engaged in by the individual outside his or her regular course of activities as an associated person, or other investment transactions which may mislead customers or participants into believing the transactions are sponsored by the Company.

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

The Company requires strict adherence to the following policy:

> Under no circumstances is the Representative to purchase or sell a security for, to or from a client without reporting the transaction for recording on the Company's books. No Representative may engage in any private securities transaction without the prior express written permission of the Company. Veritas Independent Partners, LLC will terminate a Representative if instances of "selling away" are discovered and will

notify the regulatory authorities. Under no circumstances is any Representative to purchase or sell a security that is not publicly traded to, from or for a client without prior approval by a principal of the Company.

The Principal designated to approve and review these Outside Business Activities and Private Securities Transactions is also required to comply with these procedures. The designated Principal is the only person with supervisory authority in the Company and will therefore supervise his or her own compliance with these policies. This designated individual must ensure that the policies described above are enforced and documented and must document and follow up on any violations discovered.

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

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

6.2 Personal Accounts and Trading

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	Upon transactions (internal) or monthly/annually
How Conducted:	Review of notifications, Review of duplicate statements issued by outside brokerage firms to employee or his family member, if required, Verify that outside firms were notified of associated person's association with the Company. Annual attestations, if used. Discussions with employees.
How Documented:	Notifications and consents maintained in associated person employment/registration files, Confirmations/statements initial by reviewer and maintained in outside account or associated person's employment/registration file Annual attestations initialed and filed in associated person employment/registration file.
WSP Checklist:	Consolidated FINRA Rules 2010, 3110, 3210, 5130; Notice 91-27, 08-57, 14-10; MSRB G-28
Comments:	

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

Securities Accounts Prior to opening a new account at another broker-dealer or financial institution through which securities transactions can be executed ("covered accounts"), all associated persons must notify the Company in writing of their intention to open a new

account. If the account was opened prior to joining the Company, associated persons must notify the Company in writing at the time of or within 30 days hiring regarding their accounts and their intention to maintain them after hire.

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

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

The Company permits associated persons to maintain securities accounts away from the Company with prior written consent from the designated Principal.

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

If the associated person maintains an account that is limited to transactions in UITs, registered mutual funds, municipal fund securities, 529 plans and/or variable contracts (i.e., no equities or other trading may take place in the account)—for instance, an account held directly at a mutual fund company with no brokerage capabilities--the requirements under Consolidated FINRA Rule 3210 do not apply. If an associated person has questions as to whether consent is required, they should consult their supervisor or the designated Principal for guidance.

Duplicate Statements. The designated Principal has requested duplicate statements on accounts held away from the Company. The designated Principal will review statements and confirmations and will evidence his/her review by dating and initialing the reviewed documents.

Trading In transacting business for themselves all Company personnel must observe principles of conduct announced in this Supervisory Procedures Manual and elsewhere by the Company in order to foster professionalism and integrity in the Company's business.

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

Annual Attestation the Company requires registered representatives to attest annually regarding the accounts they hold and that their activities in these accounts comply with all applicable securities rules and regulations and the company's policies. The designated Principal shall review these attestations.

The designated Principal required to review notifications, provide consent and review statements is also required to comply with these procedures. The designated Principal is the only person with supervisory authority in the Company and will therefore supervise his or her own compliance with these policies. This designated individual must ensure that the policies described above are enforced and documented and must document and follow up on any violations discovered.

6.3 Insider Trading and FIRM POLICY on Insider Trading

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

6.3.1 In General

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

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

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

- Mergers, acquisitions, tender offers or restructuring;
- Securities offerings or share purchases;

- The appointment of an investment banker or signing a letter of intent with an underwriter;
- Possible proxy fights;
- Asset valuations;
- Dividends or earnings changes (or changes in estimates);
- Significant shifts in operating or financial circumstances such as write-offs, cash flow reductions, changes in accounting methods and the like;
- Imminent change in credit rating by agency;
- Voluntary calls of debt or preferred stock issues;
- Major new products, discoveries or services or loss of any of these;
- Significant new contracts or loss of business;
- Regulatory developments (such as FDA approvals);
- Significant litigation or litigation developments;
- Extraordinary management developments; and
- Forthcoming publications or articles, such as research reports, that may affect market prices.

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

"Solicited orders" include all orders for which the inducement to sell or purchase comes from within the member firm and includes orders in discretionary accounts initiated by the account executive or such other managing director, officer, or employee holding discretion.

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

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

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

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

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

The Company has designated the principals in the table above as responsible to monitor trading activities and communications among Company personnel and

between personnel and customers to ascertain whether "inside information" has been improperly used. The Compliance department shall maintain records of such monitoring activity.

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

6.3.2 FIRM POLICY on Insider Trading

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

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

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

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

In addition, all third-party vendors or consultants doing work for the Company, who may have access to inside information received by the Company, shall be required to certify that they have received, read and understand the Insider Trading Policies of the Company and that agree to abide by the restrictions therein. The designated Principal shall maintain a list of all such vendors or consultants, including their names and contact information, along with a copy of their signed certification. Such information shall be provided to regulators or law enforcement if requested during an investigation of insider trading activities.

6.3.3 'Chinese Wall' Requirements – Not Applicable

6.3.4 Restricted or Watch Lists – Not Applicable

6.3.5 Other Information Barriers – Not Applicable

6.3.6 Training and Updates

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

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

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

6.4 Foreign Licensing/Securities Business

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

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

6.5 Commission/Fee Splitting and Referrals

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	In the daily course of business
How Conducted:	Trade Reports Commission Reports Interviews Approval of referral agreements
How Documented:	Compensation documentation, agreements
WSP Checklist:	

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

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

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

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

Commission sharing arrangements with other representatives of the Company may be permitted and must also be pre-approved by the designated Principal.

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

The following restrictions are in place:

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

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

6.6 Improper Use, Prohibited Guarantees and Sharing in Accounts

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	In daily course of business
How Conducted:	Trade Reports Transaction documentation Correspondence Written authorizations
How Documented:	Error/correction files Investigation file Customer, personnel files
WSP Checklist:	Consol. FINRA Rule 2150, Notice 03-21, Notice 09-60 MSRB G-25(b), SEC 15c3-3
Comments:	

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

The Company will not hold customer funds and securities and therefore qualifies for exemptive provisions of the Rule.

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

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

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

An associated person may enter into an arrangement whereby s/he shares in the profits and losses of a customer account (carried by the Company or another broker-dealer), If s/he:

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

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

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

6.7 Foreign Corrupt Practices Act (FCPA) Policy

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

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

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

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

6.8 Receipt of Non-Cash Compensation, Sales Incentives, Gifts and Gratuities

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	In daily course of business.
How Conducted:	Correspondence reviews, interviews with RRs and clients. Review of records of non-cash compensation; Review of invitations to training and or educational events.
How Documented:	Notation to employee file or compensation file. Gifts and Gratuities Log

WSP Checklist:	Consolidated FINRA Rules 5110, 3220, 2341, 2320, 2310, 0150 MSRB G-20; Notices 98-75, 99-55, 01-63, 03-53, 06-69, 08-57, 09-49, 09-50, 11-12
Comments:	

Non-cash compensation, sales incentives, gifts and gratuity items (including travel bonuses, prizes, and awards offered by any sponsor or program) CANNOT BE PAID DIRECTLY to any associated person of Veritas Independent Partners, LLC. The Company, itself, however, is permitted to provide non-cash compensation to its Representatives provided no sponsor, affiliate of a sponsor, or program, including an affiliate, directly or indirectly participates or contributes to providing such non-cash compensation.

All compensation to be received by an associated person that is related to his or her securities activities or association with the Company must be paid directly to Veritas Independent Partners, LLC. Veritas Independent Partners, LLC shall control distribution of compensation to the associated person and will record the receipt and distribution in its books and records.

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

6.8.1 FINRA Rules on Non-Cash Compensation

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

Non-Cash Compensation, Defined: This term is identical in applicability in the Rules referenced above and encompasses any form of compensation received by a member in connection with the sale and distribution of securities that is not cash compensation, including, but not limited to, merchandise, gifts and prizes, travel expenses, meals, lodging and securities. Certain employee benefits such as company stock options, bonus awards and other compensation arrangements are not covered.

Receipt of Compensation From Outside the Company: The Rules prohibit any person associated with the Company from accepting any compensation from any person or entity other than the Company, unless approved in accordance with the procedures described in Section 6.1, above, on Outside Business Activities and Private Securities Transactions. No compensation may be received in the form of securities of any kind.

6.8.2 Prospectus Disclosure of Cash Compensation

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

6.8.3 Gifts and Gratuities

Consolidated FINRA Rule 3220 permits associated persons to give or receive gifts that do not exceed an aggregate annual amount of $100 per person per year. In addition, personal gifts such as wedding, birthday, anniversary or gifts related to other special occasions and de minimis or promotional items with a nominal value are exempted from the Rule. Items that are valued at or near $100, even if promotional in nature, would not be considered nominal and would be need to be included in the aggregate annual value of gifts.

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

The value of gifts is the higher of the cost or fair market value, exclusive of taxes or delivery charges. In determining the value of tickets, the higher of the cost or face value must be used. The value of a gift presented to multiple recipients must be pro-rated among the recipients and a record must be kept as to this pro-ration. For example, a gift basket valued at $250 delivered to an office of 3 individuals would be allowed since the per person pro-rata value is less than $100.

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

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

Following his review, the designated Principal shall advise the associated person whether the gift may be given or received. Evidence of the Principal's review and approval shall be recorded on a log, which will contain the following and will be maintained in the Company's Gifts and Gratuities file:

- Name of recipient

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

Gifts or Payments to Public Officials Some states have laws governing the receipt of gifts by public officials. Therefore, Registered Representatives are prohibited from providing gifts to public officials without prior approval from the designated Principal. If a Registered Representative has questions as to who is considered a public official, they should consult the designated Principal for additional information. The MSRB requires firms that offer Municipal Securities to report contributions and payments to certain public/government officials, see Section 15.4.5 for more information on these requirements.

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

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

6.8.4 Entertainment Expenses

Expenses incurred in conjunction with business related meetings and events as well as activities at which business may be conducted or where an associated person of the Company is present is generally considered entertainment. Interpretive letters issued by FINRA indicate that Consolidated FINRA Rule 3220 does not limit ordinary and usual business entertainment provided by a member or its associated persons to the member's clients and their guests. However, where the member or associated person is not personally hosting the entertainment, the provision of the Rule would be applied and the cost would be considered a gift and subject to the recordkeeping requirements and limitations thereof. Associated persons should consult the designated Principal if they have any questions as to whether the expense is entertainment or a gift. Entertainment expenses should be brought to the attention of the designated Principal for their review prior to any expense reports being presented to the applicable department for reimbursement, where applicable, and prior to the expense being incurred where there may be a question as to its nature under the Rules.

6.8.5 Training and Education

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

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

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

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

6.8.6 Securities as Compensation in Offerings

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

6.8.7 Payments to Affiliates

There is an exception permitting non-cash compensation arrangements between the sponsoring firm and its associated persons, and between a non-FINRA member sponsoring firm and its sales personnel who are associated persons of an affiliated FINRA member. This exception does not cover programs that benefit broker-dealers or their associated persons who are not affiliated with the sponsor. For example in the life insurance industry, non-member insurance companies may hold non-cash sales incentive programs for their sales personnel who are also associated persons of the non-member's affiliated FINRA broker-dealer and are licensed to sell both variable contract securities and non-securities insurance products. As a practical matter, an insurance company or investment company affiliated with a broker-dealer is in a position to contribute to and affect the structure of its affiliated broker-dealer's in-house incentive compensation program. These permissible non-cash arrangements are subject to four conditions: (1) the non-cash compensation arrangement must be based on the total production of associated persons with respect to all investment company or variable product securities distributed by that member, (2) the credit received for each investment company or variable contract security must be equally weighted, (3) no unaffiliated non-member company or other unaffiliated member may directly or indirectly participate in the member's or non-member's organization of a permissible non-cash compensation arrangement, and (4) the recordkeeping requirements must be satisfied. The rules are quite clear that any of these arrangements must not be "product-specific" or otherwise designed to favor any one product over the others. Records of all such compensation must be maintained, including the nature and value of non-cash compensation.

6.8.8 Differential Compensation; Single Security Sales Contests – Not Applicable

6.9 Ethics

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

Personnel are prohibited from knowingly violating any of the policies and procedures in this Manual, applicable securities laws, regulations, and rules.

6.10 Delivery of Form CRS

As described in Section 2.5 above, Form CRS must be delivered to new or existing retail investors at or before the occurrence of certain events. Registered representatives must ensure that the Form has been delivered when required and document the customer records related to the delivery. Registered representatives with questions related to the delivery of the Form CRS should consult the requirements outlined in the Manual or consult with the CCO or their designated Supervisor.

Failure to deliver the Form CRS as required could result in disciplinary action against the Company the Representative.

SECTION 7: CUSTOMER RELATIONS

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

7.1 "Know Your Customer"

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Designated Branch Office Managers
Frequency of Review:	Daily/on-going
How Conducted:	Oversight of business practices; correspondence reviews; office inspections; account reviews.
How Documented:	New account approvals; correspondence; approval of business activity.
WSP Checklist:	Consolidated FINRA Rule 2090, Notices 11-02, 11-12
Comments:	

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

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

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

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

7.2 Suitability

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon All supervisors and principals assigned to oversee new accounts and customer activity

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

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

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

In complying with suitability obligations under the Rule, the following important concepts must be understood:

- Even if the term "recommend" or "recommendation" is not used in communications with the customer, a person may be deemed to have made a recommendation based on the applicable facts and circumstances.
- RRs are recommending a security or a strategy if the *content, context and manner of presentation* of a communication to the customer can be reasonably viewed as a suggestion that the customer take action (or refrain from taking action).
- The more individually tailored the communication is to a particular customer or customers about a specific security or investment strategy, the more likely the communication will be viewed as a recommendation.
- A series of actions, for instance, e-mails, notes on telephone conversations, and publications provided that all speak to the same investment or strategy, may constitute a recommendation when considered all together.
- For recommendations to *existing* customers, the rule applies whether or not a transaction is consummated. It is the recommendation, itself, that triggers obligations under the rule, not the ultimate action taken by the customer.
- For recommendations to *potential* customers, the suitability obligations apply only if a transaction occurs (that is, when the potential customer becomes an actual customer of the Company). If a potential customer acts on the recommendation away from the Company—that is, through another BD—the suitability rule does not apply to the original recommendation made by the Company or its RR.
- It is clear that trades in discretionary accounts are recommended trades and that associated persons who effect transactions on a customer's behalf without informing the customer have implicitly recommended those transactions, and thereby trigger the suitability rule.

- Variable annuity and life sales would generally be considered recommended; unless such products are offered on an online platform where customers can purchase one without talking to a RR.
- When recommending rollovers from 401(k) plans to IRAs, RRs must comply with the procedures in this section and in the dedication section herein.
- For recommendations to move assets from a traditional, commission-based account to a fee-based account or vice versa, the Company must ensure that the transfer is suitable for the customer by evaluating benefits to the customers as well as the fees and charges to be imposed on the customer as a result of the change.

Further, the Company and its associated persons should understand that 'strategy' is now included in the suitability rule and consider the following:

- If a person recommends an investment strategy—for instance, using margin or home equity to purchase securities or employing a swap strategy—the suitability requirements apply. Also, if a Representative recommends selling a security to invest in a non-security (or vice versa), it is considered a recommendation and must be deemed suitable.
- A discussion with a customer about what he/she wants to do with invested funds should be documented, as it will likely be considered a "strategy." By recording the plan of action in notes or on internal forms, as well as all required investment profile factors that support the strategy, the RR will be in a position to defend investment recommendations.
- Non-specific recommendations like those recommending diversification, broad investment areas (like "equity" or "debt"), or the opening of an investment advisory account would not trigger the suitability rule; however, a discussion of how to diversify, which types of securities (like "high dividend companies") or sectors to buy, or what the IA account should invest in may well be deemed so.
- A recommendation to hold a position in a security is also viewed as a strategy, and therefore triggers the suitability rule. This applies even if the Representative did not originally recommend the purchase. However, should a RR not, in any communication, recommend holding a position, for instance if s/he does not comment on transferred positions, then no suitability analysis would be necessary (this type of 'implicit' recommendation is not covered under the rule). RRs recommending a hold do not have an obligation to monitor the position and make subsequent recommendations.
- When the Company and its associated personnel make use of certain publications or educational material, those materials will not be considered recommendations of strategies if they *do not* include a recommendation of a particular security or securities—whether on a stand-alone basis or in combination with other communications. These types of communications are in this category:
    - General financial and investment information, including (i) basic investment concepts, such as risk and return, diversification, dollar cost averaging, compounded return, and tax deferred investment, (ii) historic differences in the return of asset classes (e.g., equities, bonds, or cash) based on standard market indices, (iii) effects of inflation, (iv) estimates of future retirement income needs, and (v) assessment of a customer's investment profile;
    - Descriptive information about an employer-sponsored retirement or benefit plan, participation in the plan, the benefits of plan participation, and the investment options available under the plan;

- Asset allocation models that are (i) based on generally accepted investment theory, (ii) accompanied by disclosures of all material facts and assumptions that may affect a reasonable investor's assessment of the asset allocation model or any report generated by such model, and (iii) in compliance with Consolidated FINRA Rule 2214 (Requirements for the Use of Investment Analysis Tools) if the asset allocation model is an "investment analysis tool" covered by that rule; and
- Interactive investment materials that incorporate the above.

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

- RRs with outside business activities such as investment advisory or financial planning services, must follow all applicable procedures in this Manual. It is generally expected that recommendations of investment strategies, including those with both a security and a non-security component, that are made as part of an outside business activity will be subject to the rules, standards and procedures governing those activities (for instance, as outlined in the IA WSP manual); however, when recommendations are made by RRs acting on behalf of the Company, that activity will be supervised as described in this Section. Regardless of the enterprise from which RRs make investment strategy recommendations, all designated Principals, when reviewing RR activity, must be prepared to investigate red flags, such as those indicating unsuitable strategies.

The Company and its associated persons may not attempt to avoid responsibility for a recommendation by using disclaimers, such stating that it is not a recommendation. It is incumbent on the RR serving the customer to determine suitability and to keep in mind that a transaction or strategy that is not in the best interest of the customer based on the circumstances will be deemed unsuitable even if the customer agreed to it in writing (for instance, in an e-mail exchange).

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

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

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

- Reasonable Basis Suitability requires associated persons to have a reasonable basis to believe, based on reasonable diligence, that the recommendation is suitable for at least some investors. What constitutes reasonable diligence will vary depending on,

among other things, the complexity of and risks associated with the security or investment strategy and the Company's or associated person's familiarity with the security or investment strategy. In summary, RRs *have to* understand the characteristics of the products they are recommending, including potential risks and rewards. The Company's product approval process must be thoroughly completed, and, importantly, associated persons must be trained to understand the complexities of each product s/he recommends.

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

- Quantitative Suitability requires that when a RR has actual or de facto control over a customer account, s/he has to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together. Factors such as turnover rate, cost-equity ratio and use of in-and out trading in a customer's account are clues to unsuitable recommendations/trades. De facto control is established when the customer routinely follows the RR's advice because the customer is unable to evaluate the broker's recommendations and to exercise independent judgment.

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

Investment Profile: Consolidated FINRA Rule 2111 requires the Company or its associated persons have a reasonable basis to believe a recommendation is suitable. To help assess suitability RRs should attempt to gather and understand the following component factors of a customer's investment profile, which may be recorded on the New Account Form or similar document:

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

The Company expects its RRs to analyze these factors for each customer based on the circumstances. As such, different emphasis may be put on different factors.

In some cases information contained on the investment profile of a customer may conflict with a very reasonable recommendation, given the markets and the security at hand. In

situations like this, the key is to make sure the recommendation is reasonable at the time. RRs should document their reasons for believing it is reasonable. When reviewing business activities, the designated Principal will rely on such records when determining whether the suitability rule was met.

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

Investment experience, when considered, should be that of the person controlling the account, such as a guardian, trustee or custodian, when the controlling party is not the account owner.

When customers refuse to provide profile information RRs may make recommendations based on the information they have; however, they may not make assumptions about missing information. If an RR does not have sufficient understanding of the customer's profile due to missing information, s/he should not make recommendations.

When customers present conflicting information, an attempt should be made to understand the reasons or assist the customer in understanding apparent contradictions in order to correct the record. RRs should be aware that customers may have a different investment objective, risk tolerance or liquidity need for different accounts, based on the underlying purpose for establishing the account. The 'other investments' factor should be considered only to the extent they are known and the customer wants the RR to base his recommendations on the 'big picture.' Sometimes the customer would prefer that RRs limit their recommendations to those that make sense *only* in light of their stated investment factors on any given account.

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

Supervision: Reviews of new accounts and account activity will take place in accordance with the respective procedures in this Manual and will be documented as described. See Section entitled "Suitability Review" for specifics.

Documentation: While certain components of suitability compliance will always be documented (e.g., all applicable investment profile factors on the new account form), others may not. For instance, for a customer with a stable and well-known investment profile and a history of traditional, familiar securities investments, a RR may not document the basis for every recommendation made. In this example, suitability will be self-evident and easily justified should an inquiry be made. In other instances, though, documentation of the suitability analysis should be documented—such as when a recommendation contradicts any factors in the investment profile, as described above, or in the case of complex products with multiple, complicated investment features

Documentation of "hold" recommendations may or may not be required, again, due to circumstances and profiles. A suitability analysis of a hold recommendation should be documented when dealing with: leveraged ETFs, REITs, securities of companies in trouble, positions that are overly concentrated, class C mutual funds, and securities inconsistent with customer's investment profile. *As a general rule, the Company requires documentation to support the recommendation if the basis for suitability is not evident from the recommendation itself. That is, if suitability is not obvious to the informed investment professional, documentary evidence should be in place for the recommendation.*

7.2.1 Sales to Seniors

A senior is defined as any natural person who is age 62 or older, retired, or transitioning to retirement, and persons that are joint owners in accounts with at least one individual meeting this definition. Additional factors should be taken into consideration when conducting business with "senior" investors. Factors that should be considered in addition to the person's age include, but are not limited to:

- Employment plans – now and in the future
- Other sources of income – investments, savings, pensions, etc.;
- Ongoing expenses – mortgage, living expenses;
- When will they need the money they want to invest;
- Types of current investments or savings plans;
- Healthcare needs & insurance – now and in the future; and
- Income and investment needs – their goals.

In dealing with senior investors, Representative must provide clear, concise information about the products and services being offered and should provide the investor with detailed information in writing to support any such discussions. In some cases, it may be prudent to have a caretaker or relative present to ensure there is no misunderstanding regarding the product or the information being provided. Conversely, age may not be a limiting factor: RRs should pair age with financial sophistication and financial status when weighing its relevance.

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

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

7.2.2 Institutional Suitability – Not Applicable

7.2.3 Suitability: Online Accounts and Electronic Recommendations – Not Applicable

7.3 Fiduciary Duty

A number of states have adopted rules related to the fiduciary duty of representatives and broker-dealers when making recommendations or providing advice to, or when exercising

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

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

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

The designated Principal, during the review of transactions and client information shall ensure that appropriate disclosures are provided when a recommendation is made. The designated Principal will also review recommended transactions and strategies to ensure they are suitable for, and in the best interest of, the investor. The designated Principal will document their review by describe the manner review is evidenced.

Commented [RB[2]: Please provide

7.4 Regulation Best Interest

Regulation Best Interest ("Reg. BI") requires the Company and its Representatives, when making a recommendation to a Retail Customer, to act in the best interest of the customer. Acting in the best interest of a customer means that the Company and its Representative must place the customer's interests above any financial or other interest of the Company or the Representative.

For the purposes of this Regulation, the term Retail Customer is defined as any natural person or legal representative of such person who receives a recommendation related to any securities transaction or investment strategy involving securities and who uses the recommendation primarily for personal, family or household purposes. A legal representative includes non-professional representatives of natural persons.

Prior to or at the time of a recommendation, Representatives are required to provide full and fair written disclosures to the Retail Customer that describes all material facts relating to

- The scope and terms of the relationship with the customer, including
  - material fees or costs, that apply to the transactions, holdings or accounts;
  - material limitations on the securities or strategies that may be recommended to the customer;
  - whether or not the customer's account will be monitored and the frequency of monitoring, when applicable;
  - terms set by the Company related to opening or maintaining an account;
  - the basis for the recommendations; and
  - risks associated with the recommendation using standardized terms.
- Conflicts of interest that are associated with the recommendation. Some conflicts include but are not limited to
  - proprietary products issued by the Company or its affiliates;
  - compensation arrangements; and
  - payments from third-parties.

Where the Company engaged in business with Retail Customers, the SEC will consider the use of the terms "adviser" or "advisor" by a Representative, unless the person is also a supervised person of an investment advisor, municipal advisor or other regulated entity engaged in providing advice, to be a violation of the capacity disclosures required under Reg. BI and Form CRS. Therefore, the designated Principal overseeing communication will review all titling to ensure that such terms are not in use by any Representatives of the Company. Where such instances are found, the Representative will be required to use an alternate title more closely describing their role and relationship to the Company and Retail Customers.

In reviewing recommended transactions and strategies, the designated Principal will review customer information and documentation related to the recommendation to ensure that sufficient information has been gathered to determine suitability and that disclosure has been provided as required under Reg. BI. The designated Principal shall evidence their review by describe the manner review is evidenced.

Commented [RB[3]: Please provide

If a Registered Representative believes, or the designated Principal determines a recommendation was made to a Retail Customer, the designated Principal will work with the CCO to ensure that the customer was provided with required disclosures as outlined in Regulation BI and Form CRS is created and delivered to the customer.

7.5 Documentation and Follow-Up

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

7.6 Address Changes and Mail Holds

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors
Frequency of Review:	Daily account activity reviews; periodic account reviews (per Section 3).
How Conducted:	Review files for evidence of address changes; ensure notification sent to customers. Review status of mail holds; confirm presence of written requests.
How Documented:	Review reports; memos to compliance files.
WSP Checklist:	Consolidated FINRA Rule 3110, SEA Rule 17a-3 and -4, FinCEN ruling FIN-2009-R003
Comments:	

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

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

Should a Registered Representative receive notice of a customer's address change, the RR must furnish the updated account information to the customer within 30 days of updating the records. Revised account records should be sent to the customer's former address and need not contain the customer's tax ID number or date of birth. The designated Principal, in his or her periodic review of account records must ensure that address changes are made to account records and that updated records are forwarded to customers as required. See the section below entitled, "Furnishing Account Record Information" for details on this and related SEC Books and Records requirements.

The Company may **hold customer mail** temporarily if it receives written instructions from a customer who will be traveling or on vacation and away from his her usual address. Appointed personnel may hold mail for up to two months (three months if the customer is abroad). RRs receiving requests for mail holds should advise customers that the request must be in writing; once the written request is received, the RR must forward it to the mail processing area or other administrative staff for implementation. Periodically, the designated Principal must review mail holds in effect and ensure that maximum time frames are honored and written requests are on file.

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

7.7 Death

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

7.8 Telemarketing

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

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

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

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

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

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

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

- The associated person making the call has a personal relationship with the recipient of the call.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7.9 Loans To and From Customers

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	In daily course of business; when requested.
How Conducted:	Review of customer account records and correspondence; Consideration of requests for approval of lending arrangements.
How Documented:	Notes on reviews; written requests and approvals.
WSP Checklist:	Consol. FINRA Rule 3240, MSRB G-25(a); Notices 04-14, 10-21
Comments:	For this procedure, "immediate family" means parents, grandparents, mother-in-law or father-in-law, husband or wife, brother or sister, brother-in-law or sister-in-law, son-in law or daughter-in-law, children, grandchildren, cousin, aunt or uncle, or niece or nephew, and any other person whom the registered person supports, directly or indirectly, to a material extent.

Consolidated FINRA Rule 3240 describes requirements related to loans between customers and registered persons. The Company prohibits its registered persons from lending money to, or borrowing money from, its customers. The Company expects its registered persons to

avoid any indication of exploiting their positions or relationships with a client for the purposes of loaning money to the client or borrowing money from the client. In the designated Principal's reviews of customer activity, should the existence of such lending arrangements be discovered, an investigation and disciplinary action, if warranted, will follow.

7.10 Orders

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

7.11 Privacy of Customer Information

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	In daily course of business
How Conducted:	Privacy notice process Review RR activity/correspondence Customer file reviews
How Documented:	Privacy notices, opt out records Account information
WSP Checklist:	SEC Regulation S-P, Notices 00-66, 05-49; Graham-Leach Bliley Act, as amended
Comments:	

The Company has adopted the following supervisory procedures in order to comply with Regulation S-P (adopted by the SEC in November 2000) and to protect the privacy of customer financial information.

The designated Principal shall ensure compliance with these procedures, and shall use the following text, in addition to other materials, such as technical manuals and office procedures instructions, in order to comprehensively train employees with regard to their obligations under the regulation. Employees are encouraged to review Regulation S-P and Notices 05-49 and 00-66 to augment their comprehension of privacy requirements.

7.11.1 Who is Protected?

The regulation protects only individuals; thus, trusts, partnerships and corporations are not protected. Beneficiaries of trusts, 401(k) participants, shareholders of corporations or partners of partnerships are not protected. IRA beneficiaries are protected since they are individuals. Institutional investors are not covered by the regulation and no disclosures are required to be made to institutional customers.

7.11.2 What is Protected?

With certain exceptions set forth below, the Company is required to protect "Nonpublic Personal Information" ("NPI") defined as "Personally Identifiable Financial Information" ("PIFI") acquired from the customer PLUS any list, description or other grouping of customers derived from using any PIFI. In general, PIFI would include all information of a personal nature supplied on account

applications, questionnaires and other information provided in order to obtain accounts, obtain credit, enter into advisory or other relationships, etc.

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

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

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

THE COMPANY AS A POLICY DOES NOT DISCLOSE ANY CONSUMER OR CUSTOMER NON-PUBLIC INFORMATION TO NON-RELATED THIRD PARTIES OTHER THAN IN CONTROLLED CIRCUMSTANCES AS SPECIFICALLY ALLOWED BY REGULATION S-P.

7.11.3 How is it Protected?

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

7.11.4 Notice Requirements

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

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

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

"Opt Out" Provision: Because the Company does not share NPI, it does not offer an opt-out provision in its Privacy Notice.

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

7.11.5 Books and Records Requirement

The Company maintains records to evidence its delivery of Privacy Notices to customers. Copies of Notices are kept in the customer's account records. Each "opt out" choice is perpetual unless affirmatively revoked by the recipient.

The Company is committed to protecting the confidentiality, security and integrity of all its customers' nonpublic personal information. Compliance with the procedures described herein is intended to ensure such protection.

7.11.6 Superseding Authorities/State Regulations

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

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

7.12 Data Protection

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	In daily course of business
How Conducted:	Customer file reviews Enforce information security procedures; train personnel in information protection
How Documented:	Account information Records of monitoring and testing, if required, of internal systems; ensure and document third party monitoring/testing of systems, if applicable.
WSP Checklist:	SEC Regulation S-ID
Comments:	Also reference Business Continuity Plan for technical details on document back-up and the Company's ID Theft Prevention Program, if applicable.

The Company has adopted the following procedures in addition to those contained within its Identity Protection procedures to comply with Reg. S-ID and related state regulations regarding the protection of confidential client information and the reporting of breaches.

Safeguarding Customer Records and Information: The Company and its employees are required to attempt to:

- Insure the security and confidentiality of customer records and information;
- Protect against any anticipated threats or hazards to the security or integrity of customer records and information; and
- Protect against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer.

The Company's offices are locked when the business is closed; unauthorized access is prohibited. Customer records are maintained in locked cabinets and/or in electronic form that is protected by password entry only and only those employees who are authorized and have been registered and fingerprinted may have access to such records. Unauthorized access is strictly prohibited. The Company's computer system is protected by firewall and anti-virus software. As described herein, the Company's IT staff or outside vendor will monitor changes in technology used by Company personnel and will ensure that these changes do not result in gaps in information protection ("monitor, evaluate and adjust"); training of personnel is required when technologies change to ensure continued customer information protection.

Personnel are required to comply with the Company's information barriers, which are described elsewhere in this WSP Manual. Control of the flow of information between personnel, departments and outside vendors is an important tool in protecting non-public information.

Destruction of hard-copy confidential customer information is accomplished via a paper shredder. In the event the Company wishes to purge electronic records or dispose of computer equipment the hard drive will be removed or magnetically erased to ensure that no confidential company or customer information can be retrieved by unauthorized parties. Remote access to company computers will be strictly controlled and protected through passwords and encryption technology.

Registered representatives or other Company personnel using personal computers, laptops or wireless devices in conjunction with Company business or to access Company computers are required to utilize only secure wireless or hard connections. Computer files must be password protected and the computer must have firewall and virus protection software to prevent

unauthorized access. Personnel who leave the employment of the Company are prohibited from taking customer information with them if it is non-public in nature (such as SSNs, investment preferences, etc.). In accordance with the Company's privacy policy, RRs who leave the employment of the Company may take certain customer contact information and non-public information such as investment preferences if customers have not opted out of this information sharing. The designated Principal will review customer choices in situations like these to prohibit unauthorized sharing.

The Company shall also ensure that any information maintained by a third-party, including but not limited to their clearing firm, is protected and that destruction of confidential company or customer information is done in a manner so as to protect it from unauthorized access. The treatment of such confidential information by third-parties should be contained within the Company's contract with these parties or in a separate confidentiality agreement signed by the vendor.

Monitoring/Testing of Controls: The Company will monitor the controls it uses to safeguard its customers' personal information. Monitoring will be conducted to ensure the effectiveness of:

i. access controls on personal information systems,
ii. controls to detect, prevent and respond to unauthorized access to personal information, and
iii. employee training related to the Company's information security procedures.

For (i) and (ii), monitoring will generally consist of designated IT personnel's routine maintenance of IT and other systems (such OMS, electronic communications software, and database systems) and troubleshooting when required. Such maintenance may include, among other processes, ensuring that firewalls, anti-virus software, and encryption technology are in place and functioning; and that all data relay systems, such as those used to route orders to the clearing firm, are secure. In addition to maintenance and troubleshooting, IT personnel will respond to and correct perceived failure of any system that could result (or has resulted) in a privacy breach. Noted deficiencies will be corrected immediately, and all such instances will be documented and reported to the CCO.

For (iii), the CCO is responsible for ensuring that employees are properly trained in the use of all systems so as to conform to the safeguards described herein and expected by regulators. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

The monitoring and, if applicable, testing, described herein, whether conducted by the Company and/or its outside vendors will be supervised by the CCO and documented. Such records will be maintained for three years.

If any person associated with the Company detects or become aware of any breaches to the Company's electronic or paper records that could comprise confidential information, he or she must immediately notify the Executive Representative and/or CCO. The Executive Representative and/or CCO shall investigate any reported breaches. If the breach comprised customer confidential information, the Executive Representative and/or CCO will immediately notify state or federal regulatory authorities, if applicable, take any necessary steps to secure the information from future breaches and notify customers regarding the

compromise and any remedies available to them to detect or prevent possible identity theft or other issues relating to the breach.

The threat of potential threats to the security of customer information is also addressed in the Company's Business Continuity Plan, as are the Company's information back-up systems—please reference that document for details. For a discussion of permitted communications via electronic means and protection of information, see the sections called "Electronic Mail" and "Use of Electronic Media." In addition, the Company's Identity Theft Prevention Program addresses safeguards for preventing online account intrusion and subsequent compromise of customer information security, such as internet authentication methods. This Manual does not address those specific procedures: Company personnel should consult the ITPP for related procedures. The respective designated Principals shall be responsible for overseeing the strict adherence to these policies.

7.13 Forwarding Material Information – Not Applicable

7.14 Investor Education

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

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

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

- FINRA Broker Check Hotline Number--(800) 289-9999;
- FINRA Website Address—www.finra.org; and
- A statement as to the availability to the customer of an investor brochure that includes information describing FINRA Broker Check.

The Company, because it does not carry customer accounts or introduce accounts to a carrying FINRA member firm, is not required to provide these annual disclosures. However, it is required to provide the information above to its customers *at or prior to* the time of the

customer's initial securities purchase. The information will be provided under separate cover upon closing initial securities transaction.

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

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

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

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

7.15 Financial Exploitation of Specified Adults

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

A specified adult includes natural persons who are:

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

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

The Company may place a temporary hold on a disbursement of funds or securities from the account of a specified adult if the Company:

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

Person(s) has engaged, is engaged, or will engage in the financial exploitation of the specified adult; and

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

A temporary hold placed under this Rule will expire no later than 15 days after it was placed unless terminated or extended by a state regulator or an agency or court of competent jurisdiction.

If the Company's review of the facts and circumstances support the member's reasonable belief that financial exploitation of a specified adult has occurred, is occurring, has been attempted or will be attempted, the temporary hold may be extended for up to an additional 10 days, unless terminated or extended by a state regulator or an agency or court of competent jurisdiction.

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

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

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

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

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

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

7.15.1 Senior Safe Act

The Senior Safe Act became federal law on May 24, 2018. It was included as Section 303 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The

Senior Safe Act ("SSA") addresses barriers financial professionals face in reporting suspected senior financial exploitation or abuse to authorities. The purpose of the Senior Safe Act is to provide financial institutions and certain eligible employees with immunity from liability in any civil or administrative proceeding for reporting potential exploitation of a senior citizen provided certain requirements have been met. The SSA defines a senior citizen as any person 62 years of age or older.

To ensure that the Company and its associated persons qualify for immunity under the SSA, the Company will ensure that all associated persons in supervisory, compliance or legal positions, registered representatives and other persons who may have regular contact with seniors ("SSA covered person") will receive training at least annually. The training may be part of the Company's Firm Element training program or conducted separately. Training will include the following:

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

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

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

SECTION 8: REPORTING REQUIREMENTS: CUSTOMER COMPLAINTS AND OTHER DISCLOSURES

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

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

8.1 Customer Complaints

Notice to Customers. The designated Principal ensures that the Company provides to each customer a notice of the address and telephone number to which any complaints may be directed. This notice is provided with the Initial Privacy Notice. If provided on the Company's NAF or on a different form or document, the disclosure should be prominent and easily distinguishable from other text. A record is kept of the delivery of such notice to customers.

Definition, Review and Resolution For purposes of this Manual, a securities complaint is defined as any written communication from a person with whom the Company has engaged, or sought to engage, in securities activities that expresses a grievance against the Company or an associated person. Occasionally, customer complaints raise serious questions about the Company's operating procedures or question the honesty of its personnel. Complaints should be forwarded promptly to the designated Principal. Associated persons should inform the Company of any complaint received from a former, existing or prospective customer, whether written or oral, and may also disclose any violations of security law to a regulatory authority without fear of retaliation. Note that Tweets and text messages are considered 'written communications' and must be disclosed to the Company when received, as with all written complaints

During an investigation of the complaint, I associated person will be asked to produce any documentation and records related to the complaint. The designated Principal or designee will analyze the complaint to determine the Company's reporting obligations; he or she will

coordinate the Company's follow-up to the complainant, and will maintain copies of all written responses and the resolution. The designated Principal will initial the written complaint and sign or initial the Company's response(s) as evidence of Principal review. Associated persons who have reported matters to a regulator must respond to any questions from the regulator regarding the issues reported and provide documentation as requested. The associated person may also request assistance from the CCO or other member of senior management in addressing questions or requests for documentation without fear of retaliation by the Company, any person associated with the Company or any persons acting on behalf of the Company, such as vendors.

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

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

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

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

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

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

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

1. *The Company or an associated person is the subject of any written customer complaint involving allegations of theft or misappropriation of funds or securities or of forgery.* This applies to a complaint received from any person (other than a broker or dealer) with whom the Company has engaged, or has sought to engage, in securities activities (meaning, former, existing or prospective customers). Reporting is required via U4, U5 or Form BD and via the online "Rule 4530 Application" section of the Regulatory Filings Application system. Filings must be made within 30 calendar days after discovery of the complaint. (See below for exceptions for duplicative reporting.)
2. *The Company or an associated person is the subject of a written customer complaint not reportable under number 1, above.* This applies to complaints received from customers with whom the Company has engaged in securities business (meaning, former or existing customers—not prospective customers). Reporting is required quarterly by 15th day of the month following the calendar quarter in which written customer complaints are received by the Company. Reporting is made via the online "Rule 4530 Application" section of the Regulatory Filings Application system. *NOTE*:
    a. Although complaints from prospective customers are not normally reportable quarterly, any complaint reportable under no. 1, above, is also reportable by the Company in its quarterly statistical complaint filing; and
    b. Quarterly complaint reporting is only required to the extent complaints were received in the prior quarter: If no complaints were received, as described here, then no report need be filed.

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

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

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

via Firm Gateway. The designated Principal will ensure proper recordkeeping of all complaint filings.

8.2 Disclosure Events and Other Reporting

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

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

discipline that significantly limits the person's activities, whether temporarily or permanently.
- *Internal Conclusions of Violations*: Conclusions reached about violative conduct by associated person or the Company. See below for details.

All of the above events (except findings and actions by FINRA) must be reported to FINRA on the online "Rule 4530 Application" section of the Regulatory Filings Application system and respective uniform forms, depending on the circumstance (for instance, on Form BD for the Company, and Forms U4 and U5 for individuals). However, events already reported on Form U4 with an affirmative request to satisfy Rule 4530 reporting requirements do *not* require separate reporting. The Licensing and Registration Principal must ensure that required filings are made within 30 days of the Company learning of these reportable events, and that all forms are reviewed and signed by the appropriate signatories as described elsewhere in this Manual. The designated Principal will ensure proper recordkeeping of all such filings and related documentation.

Note on former associated persons: Reporting must be made for conduct (i.e., not just the event, but the conduct that led to the event) that occurred while a former associated person was registered with the Company. If reportable conduct is disclosed on Form U5 filings (on Questions 13, 14 and 15) because the person was associated within the prior two years, it need not be reported via the 4530 Application system. However, if the conduct is reportable under Rule 4530 but not reportable on Form U5 due to it being outside the U5 date range, the Company must report it on the Rule 4530 Application.

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

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

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

Additional Reporting Each associated person must also immediately inform the designated Principal if:

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

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

8.3 Internal Conclusions of Violations

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

The following will be considered reportable violative conduct committed by:

- The Company: Conduct that has widespread or potential widespread impact to the Company, its customers or the markets, or conduct that arises from a material failure of the Company's systems, policies or practices involving numerous customers, multiple errors or significant dollar amounts.

- An associated person: Conduct that has widespread or potential widespread impact to the Company, its customers or the markets; conduct that has a significant monetary result on other FINRA member firms, customers or markets; or multiple instances of any violative conduct.

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

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

This requirement applies to instances where the Company "reasonably should have concluded" that misconduct has taken place. That is, no supervisory or managerial personnel

may turn a blind eye to perceived misconduct: matters are reportable to FINRA if a reasonable person would have concluded that a violation occurred. This 'good faith' determination standard is essential to ensuring compliance with the Rule.

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

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

When matters have been reported to a supervisor, the supervisor should discuss the matters with the CCO; in the event the subject of the matter is the CCO or the supervisor, him/ herself, internal reporting should be directed to a member of senior management. Supervisors may also report violations of securities laws directly to a regulator as they determine appropriate with fear of retaliation.

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

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

SECTION 9: CUSTOMER ACCOUNTS, NEW ACCOUNTS, ACCOUNT TRANSFERS

9.1 New Account Form - General

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors/designated Branch Office Managers if applicable (see Section 3.5) Section 3.2 and 3.5
Frequency of Review:	Upon account opening
How Conducted:	Review NAF for completeness of information including investment profile factors, proper type of account, unacceptable accounts (minors; fictitious; numbered accounts without ownership disclosure, etc.), proper address format; apparent suitability; sanity of initial transaction, proper registration and licensing of assigned RR. Ensure proper set-up of master/sub-accounts
How Documented:	New Account Form plus any other necessary documentation (such as guardianship agreement, joint account agreement, corporate trading authorization, third party authorization, corporate resolution, W9 Form, etc.) ;Initials on NAF upon approval.
WSP Checklist:	Consolidated FINRA Rules 2090, 2111, 2268, 3110, 3120, 3210, 3250, 4512, SEA Rule 17a-3(a)9, 17a-3(a)(17); MSRB 6-8(a)(xi); Notices 10-18, 11-02, 11-19
Comments:	

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

In addition, the Registered Representative is responsible for seeing that all required backup documentation has been filled out and is included with the NAF: *this includes all documentation with respect to any transaction(s) being undertaken at the time the account is opened.* Transactions will not be processed if the required documentation has not been submitted and approved.

Each Registered Representative should make sure that all NAF documentation in his or her customer records is updated so that it is current and relevant. While SEC books and records rules call for updating account information at least every 36 months, the RR on the account must keep pace with customer profile changes to assure continued suitability. This requires periodic communication with customers to update their NAFs. The Registered Representative is responsible for the accuracy of the information contained in the NAF and shall obtain such information directly from the customer. The Registered Representative shall use reasonable diligence to know the essential facts concerning his or her customer so as to be able to determine whether it is appropriate for the Company to do business with such customer, and in what capacity. The Registered Representative shall make inquiry into the customer's investment profile and financial ability for all types of accounts in accordance with FINRA Rule 2111, the suitability rule (see Section 7). SEE SECTION 16.10 BELOW FOR DETAILED RECORD KEEPING REQUIREMENTS RELATED TO CUSTOMER ACCOUNT INFORMATION.

A critical part of the NAF are the prompts for investment objectives, risk tolerance, investment time horizon and liquidity needs, among others. Care must be taken to discuss the form input fields with the client and to make sure that the input is not inconsistent. Section 7 of this Manual describes the required suitability factors that must be gathered and analyzed when making recommendations; in general, these factors should be included on the NAF, regardless of whether RRs will be making recommendations: it is required to 'know your customer' in order to serve him or her well. Certain other considerations, including those relating to senior citizens, investments of liquefied home equity, and specific products are important to understand and are described in other sections of this Manual. RRs must read this Manual to thoroughly understand their obligations when recommending securities to customers. The Principal reviewing the new account will check any proposed transaction against collected customer data and related RR reflections to rest assured that a suitability analysis has taken place, when required. Subsequent reviews of account activity must include reviews of changes to account information, including address and investment objectives, to determine that information is up-to-date and that changes are conveyed to customers via some form of notification (see Section 16.10).

Orders entered for a new account must be reviewed for approval by the designated Principal. Approval, if granted, must take place within one business day. Approval of new accounts will take place in timely fashion and will be evidenced by the Principal's signature on the NAF.

The Registered Representative shall make certain that the customer is aware of and understands the nature, significance, and obligations of every type of account opened and maintained for the customer and the significance of each order placed. If the NAF contains a Pre-Dispute Arbitration Agreement, the RR should review the section in this Manual addressing such Agreements and must ensure that the customer receives a copy of any such signed Agreement.

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

If the account is established for a Corporation, copies of resolutions empowering an agent to act on behalf of a corporation must be obtained. In the case of a trust, partnership or other entity, applicable documentation showing the duties, powers and authority of the trustee, partner, or other party must also be received.

9.2 New Account Information

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

- Consolidated FINRA Rule 4512 requires the following for all accounts:

  - The names of each associated person responsible for the account and their respective roles (e.g. the RR opening the account and any other RR charged with servicing the account) must be recorded and maintained; generally this information will be in the NAF. If the account was subjected to a suitability analysis, the RR responsible for that must sign the NAF;
  - Customer's name and residence;
  - Whether the customer is of legal age;
  - If the customer is a corporation, partnership or other legal entity, the names of any persons authorized to transact business on behalf of the entity (for instance, by receiving 'trading authorizations' signed by the proper signatory);
  - Whether the customer is an associated person of another member (see rule for specific exceptions);
  - The designated Principal (a partner, officer or manager of the company) must sign the NAF to denote that the account has been accepted in accordance with the Company's account opening procedures—this signature may be electronic if standard electronic signature procedures are followed (such as those that comply with the E-Sign Act);
- Consolidated FINRA Rule 4512 requires dated, manual signatures of those individuals with discretionary authority—see section below for these procedures;
- For recommendations, Consolidated FINRA Rule 2111 requires certain investment profile information; in the case of institutional accounts, certain conditions must be met to be exempt from a customer-specific suitability analysis: see Section 7 herein;
- Each account must usually be opened in the full legal name of the customer including the full first name and the customer must sign the NAF; however, accounts may be carried on the books that are designated by a number or symbol instead of the customer's name, as long as the Company maintains information regarding beneficial ownership of the account that has been signed by the customer (for instance, the NAF with the customer's name and showing the symbol or number by which the account will be identified in the records);
- Joint accounts must include the type of joint tenancy, e.g., Joint Tenants, Tenants-In-Common, Tenants-By-Entirety, or Community Property;
- Estate or trust accounts should include specific descriptive titles—e.g., pension, profit-sharing, testamentary or living trust—and the names of the trustees and the date of the trust, pension plan, or retirement plan must be included;
- Corporate status should be indicated in the title of the account and the file must include the necessary authorizing resolution;
- The mailing address should be a permanent residence or permanent business address. All addresses should include a zip code. If the mailing address is other than the customer's home address (for instance, a P.O. Box or third party address), the home address must also be noted and the first duplicate monthly statements and confirmations should be sent to the customer's home address in addition to the mailing address. The account form should also include the number of years the customer has been at that address and should include the home telephone number;
- Social Security Number (for individuals) or Tax Identification Number (for entities) must be entered for all accounts in accordance with the following rules:
  - If custodian account—use the SSN of the minor;
  - If trust account—use the SSN of beneficiary or TIN of the trust, if applicable;
  - If joint account in name of husband and wife—both SSNs are necessary;
  - If an entity—use the TIN;

- For individuals, the Registered Representative should indicate the name and address of the customer's employer, years employed, business telephone number and, in addition, if customer is married and spouse is employed, indicate the name of the employer of the spouse (Under the Rules, this requirement is not required for accounts with non-recommended transactions, held at investment company sponsors—however, it is good business practice and generally applies to all customers who are natural persons); see below for procedure about customers who are FINRA employees;
- For individuals, date of birth;
- If the customer is an organization, the Registered Representative should describe the type of organization specifically; e.g., hedge fund, investment partnership, broker-dealer, investment advisory partnership, etc.;
- If the customer is an investment partnership, the Registered Representative should note that in compliance with the Registered Representative's obligation (and that of the Company to know the customer, certain additional information must be obtained in advance in writing with respect to both the limited and general partners: the names of the general and limited partners; their respective occupations and business addresses; whether the general or limited partners are U.S. citizens; the status of each of the partners (whether sophisticated, accredited, etc.); and whether any of the general or limited partners—or members of their immediate families—fall within restricted categories, such as persons associated with brokers, dealers, mutual funds, banks, trust companies, insurance companies, etc. If a general or limited partner is associated in any capacity with a member of the NYSE, AMEX, or FINRA, written consent from such member organization should be obtained as well as the name of the person at such organization who is to receive copies of transaction documents of the investment partnership involved;
- The type of account opened (either cash, margin, option or custodian) must be noted on the NAF;
- Notation whether customer is an associated person of another broker dealer or a more than 10% shareholder in a public company; and
- To the extent available, electronic entry of account data should be accomplished in the customer database of the Company.

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

9.2.1 Trusted Contact Person

Consolidated FINRA Rule 4512 requires the Company to make a reasonable attempt to obtain the name and contact information of a trusted contact person at the time an account is opened for non-institutional customers. A trusted contact person is someone who is over 18 and can be contacted about the customer's account.

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

- To contact the trusted contact person and disclose information about the customer's account to address possible financial exploitation,

- To confirm the specifics of the customer's current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or
- As otherwise permitted by Consolidated FINRA Rule 2165.

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

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

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

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

9.2.2 UGMA/UTMA Accounts

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

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

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

The designated Principal is responsible for ensuring that accounts established under UGMA/UTMA, are appropriately titled and that accounts are moved out of the control of the controlling adult once the beneficiary reaches the age established within

the applicable state law related to the release of UGMA/UTMA assets. The designated Principal will ensure that the Company maintains records related to such accounts and the transfer of assets to the minor when required.

9.3 Signature Guarantees – Not Applicable

9.4 Discretionary Accounts; Unauthorized Trading – Not Applicable

9.5 ACATS and Other Account Transfers

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors
Frequency of Review:	Upon request for approval of account transfers
How Conducted:	Review account transfer documentation and notate approval or suggested follow-up actions.
How Documented:	Authorized instructions from customer wishing to transfer; Broker-to-broker transfer instruction from receiving broker-dealer; Written identification of, and instructions for disposition of, nontransferable assets (asset validation report); Notes in account files providing any necessary clarification.
WSP Checklist:	Consolidated FINRA Rules 2140 and 11870; Notices 04-47, 04-58, 04-72, 07-50 08-48, 08-57, 09-20, 10-49
Comments:	

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

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

Upon receipt from the customer of an authorized broker-to-broker transfer instruction form to receive such customer's securities from the carrying member, the receiving member must immediately submit such instruction to the carrying member through ACATS. The carrying member must, within one business day following establishment of such instruction:

- Validate and return the transfer instruction to the receiving member with an attachment reflecting all positions and money balances to be transferred; or

- Take exception to the transfer instruction for reasons other than securities positions or money balance discrepancies and advice the receiving member of the exception taken.

The carrying member and the receiving member must promptly resolve any exceptions taken with regard to the transfer instruction.
Account asset transfers accomplished under the Uniform Practice Code are subject to the following conditions which the customer must be informed of, affirm, or authorize through their inclusion in the transfer instruction form which is required to be completed and signed in order to initiate the account transfer:

- To the extent that any account assets are not readily transferable, with or without penalties, such assets may not be transferred within the time frames required by the rule and the customer will be contacted in writing by the carrying member with respect to the disposition of any nontransferable assets;
- If securities account assets in whole other than retirement plan account assets are being transferred, the customer must affirm that he or she has destroyed or returned to the carrying member any credit/debit cards and/or any unused checks issued in connection with the account; and
- The carrying member and the receiving member must promptly resolve and reverse any nontransferable assets that were not properly identified during validation.

In all cases, each member shall promptly update its records and bookkeeping systems and notify the customer of the action taken.
In the case of non-transferable assets described above, the customer may ask the carrying member to liquidate the asset, continue to retain the asset, or transfer the asset in the customer's name to the customer.
The receiving member will review the asset validation report, designate those proprietary and/or third party assets it is unable to receive/carry, provide the customer with a list of those assets and request instructions from the customer regarding their disposition. The customer may instruct the receiving member to liquidate the asset (in which case the receiving member must inform the customer of resulting fees and remaining balance distribution information, and must refer the customer to the fund prospectus or to the RR at the carrying firm for fee information), continue to retain the asset, transfer the asset in the customer's name to the customer, or transfer the asset to the third party that is the original source of the product. Most importantly, the transfer of the other assets in the account will occur simultaneously with the receiving member's designation of nontransferable assets. These procedures should eliminate the need for reversing the transfer of third party and/or proprietary products, thereby reducing delay and the cost of customer transfers incurred by members under the current system. These procedures also will substantially reduce customer confusion in that customers will no longer receive multiple account statements from the carrying and receiving firms as they transfer and then reverse transactions.

If the customer has authorized liquidation or transfer of such assets, the carrying member must distribute the resulting money to the customer or initiate the transfer within five (5) business days following receipt of the customer’s disposition instructions.
With respect to mutual fund shares, a receiving member must deem receipt of a mutual fund re-registration form evidencing book-entry shares in an account as adequate delivery for purposes of transferring such shares, provided the registration form contains the customer’s new account number at the fund. The carrying member is also responsible for obtaining this number and entering it on the form prior to submission to the receiving member. This

provision is applicable to book-entry shares and is not intended to preclude the delivery of physical certificates.

The provisions of the Rule should be consulted in the case of transfer of retirement plan securities accounts. Important: the carrying member must inform the customer that the choice of method of disposition of such assets may result in penalties or a tax liability.
If cost basis information is electronically available for transfer (for instance, through the Cost Basis Reporting Service), and the customer has decided to change firms, it is a violation of Consolidated FINRA Rule 2010 for the Company to refuse to transfer the information upon request or take any steps to interfere with its transfer to the customer's new firm. The designated Principal must make sure that operations personnel are complying with this requirement, if applicable (the Company is not required to create cost basis records upon customer request if electronically transferable records do not already exist).
Consolidated FINRA Rule 11870 should be referenced for specific requirements on close-outs. Recent changes to the rule make the notice and completion of closeouts of fail contracts resulting from the non-completion of a transfer of a customer's account conform to the time frames for all close-outs as specified in Consolidated FINRA Rule 11810 (Buy-In Procedures and Requirements)

9.5.1 Bulk Transfers Using Negative Response Letters

Should the Company wish to transfer a group of customer accounts, there are situations where a negative response letter may be appropriate to provide for the efficient transfer of those accounts (a negative response letter generally informs the recipient of the letter of an impending action, and requires the recipient to respond or act within a specified time frame if the recipient objects to the action. If the recipient does not respond, he or she is deemed to have consented to the action). In identifying these situations, the designated Principal must consider the need to effect a timely transfer of the account and the interests of customers affected by the transfer. Company personnel must adhere to FINRA guidance on this subject and may consider the use of negative response letters to be appropriate in the following circumstances:

- A Member Experiencing Financial or Operational Difficulties. An introducing firm that is experiencing financial or operational difficulties may seek the transfer of all of its customer accounts to another introducing firm using negative response letters;
- An Introducing Firm No Longer in Business. When an introducing firm has gone out of business, the clearing firm may effect the transfer of all of the introducing firm's customer accounts to another introducing firm using negative response letters;
- Changes in a Networking Arrangement with a Financial Institution. Upon the conclusion or termination of a networking arrangement with a financial institution pursuant to Consolidated FINRA Rule 3160, a member may seek the transfer of all customer accounts established pursuant to the networking arrangement to a new firm with which the financial institution has formed a networking arrangement using negative response letters;
- Acquisition or Merger of a Member Firm. When a firm is acquired by or merges with another firm, the firm originating the accounts may seek the transfer of all of its accounts to the new firm using negative response letters; and

- Change in Clearing Firm by an Introducing Firm. When an introducing firm decides to enter into a clearing arrangement with a different firm, the introducing firm may use negative response letters to transfer customer accounts to the new clearing firm.

In addition, applicable rules permit the Company to use "negative response letters" to obtain authorization to take certain actions on behalf of its customers without obtaining affirmative consent, but only in limited circumstances. For instance, Rule 2510(d) allows a member to use negative response letters in certain situations to effect the bulk exchange of a customer's money market mutual fund for a different fund without the affirmative consent of a customer, provided certain conditions are met. (However, the use of negative consent letters to change the BD of record in mutual fund or variable annuity accounts held at product sponsors or issuers ("application-way" accounts) is NOT permitted; affirmative customer consent must be sought and obtained to change the BD of record.) FINRA trade-reporting rules regarding riskless principal trading also permit the use of negative response letters to document an institutional customer's agreement to trade with a firm on a net basis.

The use of a negative response letter to facilitate the bulk transfer of customer accounts in these situations may be appropriate, given the potential risk to investors and costs to firms that could result if firms were required to solicit individual transfer instructions from each customer. The bulk transfer of accounts in these situations also helps minimize interruptions to customers' access to their accounts and the trading markets. Should the Company wish to use negative consent letters in bulk transfers in circumstances outside of the scenarios described above, it will seek specific guidance from FINRA through FINRA's interpretive letter process, as needed.

While the use of negative response letters by the Company to transfer customer accounts may be appropriate in the situations described above, negative response letters may not be used by Registered Representatives to transfer customer accounts. Should a Registered Representative wish to transfer accounts by these means, he or she must contact her/her designated Principal to seek approval. Certain exceptions may be granted by the designated Principal due to special circumstances or following FINRA guidance. The designated Principal will make records of exceptions granted, if any, and maintain them in the appropriate files (RR and customer).

Required Disclosures in Negative Response Letters

The Company, when seeking to transfer customer accounts using negative response letters, will provide account holders, consistent with just and equitable principles of trade under Consolidated FINRA Rule 2010, with adequate time and information to decide whether to object to the transfer. Appointed staff will provide each customer with the following information in the negative response letter:

- A brief description of the circumstances necessitating the transfer;
- A statement that the customer has the right to object to the transfer;
- Information on how a customer can effectuate a transfer to another firm;

- A sufficient time period for the customer to respond to the letter (at least 30 days from the receipt of the letter unless exigent circumstances exist that warrant a shorter timer period);
- Disclosure of any cost that will be imposed on the customer as a result of the transfer, including costs to the customer if the customer initiates a transfer of the account after the account is moved pursuant to the negative response letter; and
- A statement regarding the Company's compliance with SEC Regulation S-P (Privacy of Consumer Financial Information) in connection with the transfer.

Should the Company receive customer accounts pursuant to a transfer by a negative response letter, it must furnish customers with any applicable customer account information and agreements upon the receipt of the accounts. Both the transferring and receiving firms in a customer account transfer situation must be in full compliance with SEC Regulation S-P. Regulation S-P governs the collection, use, and maintenance by a financial institution of nonpublic personal information of consumers and customers. Unless the transfer is being conducted pursuant to a permitted exception to Regulation S-P, the transferring firm should have reserved the right to transfer customer accounts in its privacy notice that was previously sent to its customers. Generally, firms receiving the customer accounts must provide privacy notices upon the establishment of a customer account. (See Section 7.11)

EXCEPTIONS TO THIS RULE: Given current market conditions, FINRA has issued interpretive guidance regarding changes to money market sweep accounts when the existing account ceases to accept new deposits or issue additional shares without giving adequate notice to permit the Company to notify its customers 30 days prior to making changes in their sweep account. In these cases, the Company may cease attempting to sweep balances into current designated money market accounts and select and activate an alternative sweep arrangement for the client under the following conditions:

- The Company must use its best efforts to select a new sweep option that is appropriate for its customers considering the yield, fees, investment objectives, risks and current market conditions;
- The Company must establish instructions (notify its clearing firm) to sweep cash balances into the newly selected money market option;
- The Company must promptly notify its affected customers of the change using negative response letters that included disclosure outlined above; and
- The Company must provide customer written notification as to alternative sweep options available for their account.

The designated Principal, in his or her periodic review of account activity, will review negative consent letters sent to customers in order to confirm that all applicable requirements described above were met.

9.6 Margin Accounts – Not Applicable

9.7 Accounts of Registered Reps of Other Firms

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

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

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

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

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

9.8 Transactions Involving FINRA Employees

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

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

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

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

9.9 Obligations of Associated Persons Concerning an Account with an Investment Adviser, Bank or Other Associated Financial Institution

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors/designated Branch Office Managers if applicable (see Section 3.5) Section 3.2 and 3.5
Frequency of Review:	Continuous; on a daily basis
How Conducted:	Account Review Approval/Disapproval
How Documented:	Account Documents Initials
WSP Checklist:	SEA Rule 17a-4(b)(6)
Comments:	

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

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

If an account subject to this subsection was established prior to the time the Registered Representative joined the Company the person shall comply with this subsection promptly after becoming so associated. (All Company personnel are required to confirm their understanding of these obligations by reading and signing "Firm Policy on Personal Accounts and Trading" herein.)

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

9.10 "Household" Prospectus Delivery

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

9.11 Anti-Money Laundering, FCPA and Reg. S-ID Compliance

9.11.1 AML/CIP and FCPA

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

In accordance with Section 326 of the USA PATRIOT Act, Registered Representatives are required to attempt to identify any person attempting to engage in transactions. The Company's AML Program, under separate cover, provides detailed procedures related to this requirement.

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

9.11.2 Reg. S-ID: Identity Theft Prevention

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

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

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

Red Flags Rules:

The CCO has determined that the Company is neither a "financial institution" nor a "creditor" as defined in applicable regulations, and does not offer "covered accounts." Therefore the Company is not required to implement a written Identity Theft Prevention Program (ITPP) under the Red Flag Rules. The CCO will periodically reassess this determination and will develop and implement an ITPP if deemed required. As a part of this periodic determination, the CCO will conduct a risk assessment that takes into consideration:

(1) the methods the Company provides to open its accounts;
(2) the methods it provides to access its accounts; and
(3) its previous experiences with identity theft.

The CCO will consider whether, for example, a reasonably foreseeable risk of ID theft may exist in connection with accounts it offers or maintains that may be opened or accessed remotely or through methods that do not require face-to-face contact, such as through e-mail or the Internet, or by telephone. In addition, if any of the Company's accounts have been the target of ID theft, the CCO should factor those experiences into his determination.

Credit and Debit Card Issuer Rules:

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

Consumer Reports Rules under the FACT Act:

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

9.12 Online Accounts and Approval – Not Applicable

9.13 Investments of Liquefied Home Equity – Not Applicable

9.14 Pre-Dispute Arbitration Agreements

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

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

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

Each designated Principal overseeing account set-ups must ensure that **within thirty days of signing,** a copy of the signed Agreement is given to the customer—the customer must acknowledge receipt of the copy either on the agreement or on a separate document. If a customer requests a copy of the Agreement, such request should be immediately forwarded to the CCO or Branch Office Manager, who must make sure it is provided within 10 days of the request (the specifics of this time requirement are described under Consolidated FINRA Rule 2268(c). Copies of all signed agreements and acknowledgements of receipt by customers must be maintained in the respective customer files.

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

9.15 Sub-Accounts and IA-Managed Accounts – Not Applicable

9.16 Negotiable Instruments

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

9.17 IRA Rollovers

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors
Frequency of Review:	Upon new account opening; daily transaction reviews.
How Conducted:	Review of customer new account forms and evidence of suitability assessments conducted and disclosures made. Review of communications and fee/commission statements.
How Documented:	Account documents, correspondence, notes to files.
WSP Checklist:	Notice 13-45; Consolidated FINRA Rule 2111
Comments:	

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

9.17.1 Rollovers or Transfers

Investors terminating employment may choose to leave their money in their former employer's plan, roll it into their new employer's plan, cash out the account value or roll over into an IRA account. RRs discussing these options with customers should explore the respective advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. When recommending that a customer roll over assets into an IRA, the RR must analyze various factors related to the potential transaction, such as the availability of investment options, fees and proprietary holdings, and compare their relative importance to the customer so that the recommendation will be deemed suitable.

9.17.2 Rollover Recommendations

As with any recommendation, RRs may not put their own prospective financial benefit before those of the customer when advising on IRA rollovers. RRs are prohibited from recommending a rollover to an IRA if the transfer is not suitable

based on customer- and product-specific suitability factors. The prospect of earned commissions and fees to the RR and/or Company is not sufficient reason to suggest rollovers. Designated Principals charged with supervising RR activity, new accounts and commission statements should endeavor to detect examples of misguided priorities and impaired judgment.

Recommendations to customers to liquidate plan assets and invest cash in an IRA or to sell plan securities and purchase securities in an IRA are subject to Rule 2111, the suitability procedures in this Manual as well as Reg. BI, the delivery of Form CRS and state fiduciary rules. An investment strategy involving plan assets recommended by the RR is also subject to suitability rules.

9.17.3 Communications

As with all communications, those concerning retirement accounts and related services must be fair and reasonable and adhere to all Consolidated FINRA Rule 2210 considerations and the procedures herein. With regard to communication on rollovers, whether in written sales material or an oral marketing campaign, it would be false and misleading to imply that a retiree's only choice, or only sound choice, is to roll over her plan assets to an IRA. See Section 11 for specific requirements and limitations relating to communications about IRA fees and other communication procedures.

9.17.4 Training

RRs who make recommendations or provide advice relate to retirement accounts must be properly trained in retirement saving options and the investment and tax implications of each. Training may be provided through the Company's Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

9.17.5 Supervision

The designated Principal will have overall authority over the Company's practices and procedures relating to retirement accounts. Activities in such accounts will be supervised by the Principals designated throughout this Manual based on the products being offered. All designated Principals should be vigilant in their reviews in order to detect non-compliance with these stated procedures. RRs with a pattern of compliance failures will be subject to disciplinary action.

SECTION 10: TRANSACTIONS

10.1 Charges for Services

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	Daily approval of trades
How Conducted:	Upon or prior to entering fee agreements. Review order records; trade reports Review of market conditions Review justification for mark-ups/downs outside guidelines Review commission reports Review of customer fee agreements; invoicing. Investigations if necessary
How Documented:	Maintain trade docs, NAFs and disclosures. Initial trade reports; include notes if necessary Notes on annual reviews and follow-up.
WSP Checklist:	Consolidated FINRA Rules 2010, 2121, 2122, 2124, 2150(c), 2341,5250; MSRB G-30, Notices 93-81, 92-16, 03-68, 08-36, 08-57, 09-60, 13-23
Comments:	

10.1.1 In General

In accordance with Consolidated FINRA Rule 2122, charges, if any, for services performed, including miscellaneous services such as collection of moneys due for principal, dividends or interest; exchange or transfer of securities; appraisals, safe-keeping or custody of securities and other services, shall be reasonable and not unfairly discriminatory between customers.

In addition, in accordance with Consolidated FINRA Rule 5250, neither the Company nor its associated persons may accept payments, made directly or indirectly, by issuers or the issuers' affiliates and promoters for publishing a quotation, acting as a market maker, or submitting an application in connection therewith. This does not prohibit the Company from receiving payment for bona fide services such as investment banking services, or reimbursement for registration or listing fees. The designated Principal, in his or her reviews of contracts and incoming payments for services, shall ensure compliance with this Rule.

Mutual Funds and UIT Sales: Fees and commissions earned by the Company from transactions in mutual funds and unit investment trusts will be carefully reviewed by the designated Principal in order to identify improper practices such as switching, avoiding or not recognizing breakpoints (or available discounts) and recommending purchases prior to funds going "ex-dividend." See below under "Particular Investment Products – Mutual Funds" for a description of these practices and related supervisory authority.

Retail Brokerage Account and IRA Fees: In communications with the public about fees, or the lack of certain fees, for retail brokerage accounts and IRAs, the Company must provide fair and balanced disclosures that do no mislead the public. See the Communications with the Public section herein for guidelines.

10.1.2 Commissions, Fees and Mark-Ups/Downs Charged for Brokerage Services

With regard to all fees, etc. charged to customers, it is the policy of Veritas Independent Partners, LLC to fully comply with the rules and guidelines set forth by FINRA Rules with regard to fair prices and commissions and just and equitable principles of trade. Specifically, when doing securities transactions with customers (excluding other broker-dealers) in the OTC market or on any exchange, the Company must adhere to the guidelines under Consolidated FINRA Rule 2121. These guidelines do not apply to transactions in municipal securities or exempt securities; however, all Company representatives must comply with Consolidated FINRA Rule 2010 on just and equitable principles of trade.

The Company does not execute orders on an agency basis for customers on an exchange or in the OTC market, nor does it act as principal or riskless principal in transactions. The Company is compensated via commissions on customer orders. Commissions charged in excess of FINRA guidelines will not be permitted.

10.2 Disclosures

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Designated Branch Office Managers
Frequency of Review:	During normal transaction review or periodic activity reviews as described herein.
How Conducted:	Review standard forms, correspondence, scheduled mailings
How Documented:	Notes to files when deficiencies are perceived; evidence of remedial action
WSP Checklist:	Consolidated FINRA Rules 2210, 2241, 2242, 2262, 2263, 2264, 2265, 2266, 2267, 2269, 2360, 2370, 4210, 5121, 5122, 5150, 5310, 5350; Rules 2340, , SEC 15g-2 through 15g-6, 15c1-5, 15c1-6, 15c2-12, 15c3-3, Rule 482, Reg.'s AC and FD; MSRB G-17, G21, G-47
Comments:	

In the course of doing transactions with customers, the Company is obligated to provide certain disclosures, depending on the nature of the transactions and the circumstances. Various SEC, MSRB and FINRA Rules apply and are generally described below and in respective sections in this Manual—concerning, for example: disclosures relating to arbitration, margin accounts, extending hours trading, penny stocks, options and futures products, estimated values of DPP's/REIT's, public offerings with conflicts of interest, loads and other fees, breakpoints, MF and V/A switches, various NCI's, material events (muni securities), SIPC, FINRA Broker-Check, control relationships & participation in primary or secondary distributions, research reports, day trading, investment analysis tools, performance reporting, indications of interest, VWAP's, crossed trades, extreme volatility, stop orders, fairness opinions, customer complaint reporting, Reg. S-P (privacy), business continuity, and verification of identity, among others. These requirements are included elsewhere herein or in procedures under separate cover. In addition, registered persons are expected to disclose the nature, characteristics and risk factors of securities to their customers as part of their sales practice obligations; respective sections of this Manual provide reminders about such investor education efforts.

Control Relationship (Consolidated FINRA 2262): The Company, if controlled by, controlling, or under common control with, the issuer of any security, must disclose to

customers the existence of such control. The designated Principal is responsible for informing RRs of any such control relationships so that the RRs may disclose them verbally to their customers *before* entering into any contract with or for a customer for the purchase or sale of the security; disclosure must be made in writing at or before completion of the transaction.

Participation or Interest in Primary or Secondary Distributions (Consolidated FINRA 2269): If the Company is participating or has a financial interest in a primary or secondary distribution of securities, and it acts as a broker for a customer or as a dealer receiving a fee from a customer for advising on securities, it must notify the customer about its participation or interest when accommodating a transaction for the customer in the subject securities. The supervisor in any such transactions will ensure written notification takes place before completion of the transaction.

Company personnel are required to follow all applicable disclosure requirements and the respective supervisory personnel are required to review, during transaction and periodic activity reviews, the proper implementation of disclosure procedures.

10.3 Churning

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors
Frequency of Review:	Continuous; in the daily course of business Weekly and Monthly reviews of commission runs
How Conducted:	Trade Reviews Commission Run Reviews Interviews of RRs
How Documented:	Maintain trade records and commission runs Records of unusual activity and steps taken to remedy problems.
WSP Checklist:	Consolidated FINRA Rule 2010, Rule 2510, Notice 08-57
Comments:	

"Churning," which refers to executing trades in a client's account for the primary purpose of generating commissions, is forbidden by Veritas Independent Partners, LLC. Rule 2510 states that where the Company has any discretionary power over an account there should be no transactions that are "excessive in size or frequency in view of the financial resources and character of such account."

The designated Principal, in his daily review of trades and periodic reviews of commission runs, shall attempt to identify any churning in customer accounts. Unusual trading activity will be investigated further to discover if churning is taking place and interviews of Registered Representatives will be conducted for clarification and/or to remedy the situation.

10.4 Directed Brokerage – Not Applicable

10.5 Restrictions on IPO Transactions

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Designated New Issue Supervisor: Debra Shannon
Frequency of Review:	Continuous; daily

How Conducted:	Review and approval of transaction in IPO's. Review of documentation used to identify restricted or non-restricted accounts. Commission Reviews
How Documented:	Order tickets; account documentation, including representations. Trade Reports Investigation Records, when applicable
WSP Checklist:	Consolidated FINRA Rule 5130 and 5131, Notices 03-79, 05-65, 08-54, 08-57, 10-60
Comments:	

Consolidated FINRA Rule 5130 prohibits Veritas Independent Partners, LLC or any person associated with it from: selling, or causing to be sold, a new issue of equity securities ("Initial Public Offering" or "IPO") to any account in which a restricted person has a beneficial interest; purchasing an IPO security in any account in which the Company or person associated with it has a beneficial interest; and continuing to hold new issues acquired by the Company as an underwriter, selling group member, or otherwise, except as otherwise permitted within the Rule.

Consolidated FINRA Rule 5131 prohibits certain practices that undermine the market for new issues. Respective procedures, if applicable, are in the "Public Offerings" section of this Manual.

New issues, as defined in the Rule, do not include private placement securities (and 144A stock); commodity pools; rights offerings, exchange offers, or offerings made pursuant to a merger or acquisition; investment grade asset-backed securities; convertible securities; offerings of preferred securities; registered investment company offerings, securities that have a pre-existing non-U.S. market; BDCs (business development companies); DPPs; REITs; or certain exempted securities. Consolidated FINRA Rule 5130 should be consulted by personnel with questions about the nature of "new issue" securities.

Therefore, neither the Company nor any person associated with it shall be permitted to participate in the purchase or sale of a new issue *except* when purchases are by, and sales are to, the following accounts or persons, whether directly or through accounts in which such persons have a beneficial interest:

1. An investment company registered under the Investment Company Act of 1940;
2. A common trust fund or similar fund as described in Section 3(a)(12)(A)(iii) of the Act, provided that:
   - the fund has investments from 1,000 or more accounts; and
   - the fund does not limit beneficial interests in the fund principally to trust accounts of restricted persons;
3. An insurance company general, separate or investment account, provided that:
   - the account is funded by premiums from 1,000 or more policyholders, or, if a general account, the insurance company has 1,000 or more policyholders; and
   - the insurance company does not limit the policyholders whose premiums are used to fund the account principally to restricted persons, or, if a general account, the insurance company does not limit its policyholders principally to restricted persons;
4. An account if the beneficial interests of restricted persons do not exceed in the aggregate 10% of such account;

5. A publicly traded entity (other than a broker/dealer or an affiliate of a broker/dealer where such broker/dealer is authorized to engage in the public offering of new issues either as a selling group member or underwriter) that:
   - is listed on a national securities exchange; or
   - is a foreign issuer whose securities meet the quantitative designation criteria for listing on a national securities exchange;
6. An investment company organized under the laws of a foreign jurisdiction provided that:
   - the investment company is listed on a foreign exchange for sale to the public or authorized for sale to the public by a foreign regulatory authority (funds, such as hedge funds, that are limited to high net worth individuals are not eligible for this exemption); and
   - no person owning more than 5% of the shares of the investment company is a restricted person;
7. An Employee Retirement Income Security Act benefits plan that is qualified under Section 401(a) of the Internal Revenue Code, provided that such plan is not sponsored solely by a broker/dealer;
8. A state or municipal government benefits plan that is subject to state and/or municipal regulation;
9. A tax exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code; or
10. A church plan under Section 414(e) of the Internal Revenue Code.

The Rule describes further exemptions related to: issuer directed securities, issuer-sponsored programs, anti-dilution provisions, stand-by purchasers, and under-subscribed offerings. RRs and their supervisors must consult the Rule for specific guidance on these exemptions.

Company personnel, when considering a purchase or sale of new issue securities, whether for a customer, the Company or an associated person, must review Consolidated FINRA Rule 5130 or consult their supervising Principal for guidance. Every prospective transaction in IPO securities must undergo detailed scrutiny in order to identify restricted persons, as defined in the Rule. Prior to conducting a transaction in a new issue, the RR must ensure that the following preconditions have been met. Before selling a new issue to any account, the RR must ensure that the Company has obtained within the twelve months prior to such sale, a representation from:

- Beneficial Owners--The account holder(s), or a person authorized to represent the beneficial owners of the account, that the account is eligible to purchase new issues in compliance with this Rule (in the case of accounts that are funds of funds, the Company need only receive this representation from the master fund); or
- Conduits--A bank, foreign bank, broker-dealer, or investment adviser, or other conduit that all purchases of new issues are in compliance with this Rule.

Associated persons may not rely upon any representation that it believes, or has reason to believe, is inaccurate. The first such representation from an account must be a positive affirmation; thereafter, personnel may use annual negative consent letters to affirm the account's non-restricted status. Oral representations and affirmations are not acceptable; they must be in writing or via electronic communication. The designated Principal must ensure maintenance of copies of all records and information relating to whether an account is eligible

to purchase new issues (for instance, the exemption relied upon) in respective files for at least three years following the Company's last sale of a new issue to that account.

10.6 Fictitious Accounts

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon And assigned supervisors
Frequency of Review:	In the daily course of business; upon opening accounts
How Conducted:	Review New Account documentation Trade Reviews Commission Reviews Correspondence reviews Employee supervision
How Documented:	Trade Reports Investigation Records
WSP Checklist:	Consolidated FINRA Rule 2010, 2510, Notice 08-57
Comments:	

Establishing fictitious accounts in order to execute transactions is strictly prohibited and considered a fraudulent practice. For example, such accounts could be used to conduct securities transactions based on insider information or to illegally purchase new issues since neither the selling broker-dealer nor the Registered Representative's broker-dealer would have knowledge of the transaction. Similarly, a Registered Representative could conceal his/her involvement in an account of an immediate family member in order to execute transactions which otherwise would be prohibited. The term immediate family shall include parents, mother-in-law or father-in-law, husband or wife, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, and children. In addition, the term shall include any other person who is supported, directly or indirectly, to a material extent by the Company or an associated person.

Company Principals, in the daily course of their supervisory duties, will make every effort possible to identify fictitious accounts. Should any such accounts be suspected, this information will be brought to the attention of the Chief Compliance Officer, who will investigate the matter and forward it for regulatory review, if necessary.

10.7 Illiquid Investments

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Designated Branch Office Managers
Frequency of Review:	Upon unsolicited request from client to liquidate illiquid investments
How Conducted:	Review new account information from both sides of the transaction; Review trade reports and related notes regarding the transaction; Review statements of understanding from customers
How Documented:	Notes to files; Initials on new account information, statements of understanding and trade reports
WSP Checklist:	Notice 08-30
Comments:	

In June 2008, FINRA issued guidance regarding unsolicited transactions in illiquid securities where the customer is aware of specific buying interest in that security. In this guidance FINRA stated that there are no specific rules that would require the Company to refuse to

follow the customer's instructions, even if the Company had a reason to believe the market or price for the securities was not favorable at the time the customer wishes to do the transact. However, if those instances, the Company must disclose the pricing risks to the customer and would be required to obtain a written acknowledgment from the customer that he or she understands the pricing risks.

While delays in following the customer's instruction could violate Consolidated FINRA Rule 2010, FINRA recognizes that there may be circumstances when such a delay is warranted, such as when the Company has reason to doubt the identity of the person giving the instructions. However, the Company may not delay acting on instructions from the customer regarding the sale of illiquid securities if the following conditions are met:

- The customers on both sides of the transaction have indicated their understanding that the transaction is not being recommended by the Company and that the Company is not making a suitability determination;
- The customers understand that the Company cannot reach a view as to the sufficiency or competitiveness of the pricing; and
- The Company has no legitimate concerns about the ability of either side to settle the proposed transaction.

The Registered Representative upon receiving such a request from the customer should ensure that the customer has adequate information regarding any buy interest in the security. In addition, he must also disclose whether the Company has any financial interest in the transaction.

To ensure that sufficient information is available to permit the Company to ascertain the information set forth above, the Registered Representative must obtain the following information for review by the designated Principal:

- A New Account, or other form as designated by the Company, from the customers on both sides of the transaction;
- Documentation that includes information sufficient to determine that each party has the ability to fulfill their obligations relating to settlement of the transaction;
- A statement from each party as to their understanding that Veritas Independent Partners, LLC
    - Is not recommending the transaction;
    - Is not making a determination of suitability regarding the transaction; and
    - Cannot reach a view as to the sufficiency or competitiveness of the pricing.

The designated Principal shall review the information provided and shall evidence his review by initialing and dating the information reviewed.

SECTION 11: COMMUNICATIONS WITH THE PUBLIC

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	When required, depending on item (on-going, as occasioned) Prior to use or filing, when required.
How Conducted:	Pre-approval reviews when required; review of telephone book listings, websites/Internet communication.
How Documented:	Files to include all required records, depending on type of communication—see below
WSP Checklist:	Consolidated FINRA Rules 2210, 3110, 3160, 4511, 5230. Notices 03-17, 03-38, 04-86, 08-12, 08-27, 09-10, 09-42, 10-06, 10-10; , 10-52, 11-49, 11-52, 12-02, 12-29, 13-03, 13-18, 14-30, 15.50; Info Notice 04-29-09; MSRB G-21. SIPC By-laws, Article 11, Section 4
Comments:	The designated Principal will ensure cooperation with FINRA when subjected to spot-checks. After receiving a written request, all requested communications with the public must be provided to FINRA within the specified time frame. See specific product sections within this WSP Manual for other applicable requirements (for instance, SEC rules related to investment company advertising).

It is important for all Company personnel to understand the significance of the Company's and its regulators' restrictions on the various forms of communications with the public. The detailed procedures in this section and others must be followed. Note that Consolidated FINRA Rule 5230 forbids providing or allowing payments that involve publications that influence the market price of a security (except in the case of paid advertising and research reports, as authorized by the Company). Associated persons may not attempt to influence or reward the actions of any person involved with such publications, printed or online. Disciplinary action will be imposed when willful violations are discovered and confirmed.

11.1 Review, Approval and Recordkeeping

The designated Principal is responsible for determining the nature of the communication and the requirements relative to its review and approval as set forth in Consolidated FINRA Rules 2210 and 3110.
Associated persons creating content should consult their designated supervisors or the Principals designated in this section if they need assistance determining which category their materials fall into. Items requiring pre-review must not be distributed without it.

11.2 Content Standards and Guidelines

The content standards and other requirements relating to various communications with the public are outlined in Consolidated FINRA Rule 2210 and other sources (SEC/FINRA guidance and other rules). Associated persons and compliance staff should consult Rule 2210 and related guidance to ensure compliance with content standards applicable to their communications.

During their reviews—whether pre- or post-use, or spot reviews—Principals designated herein will review communications for compliance with these content standards. Deficiencies such as non-conforming content or missing disclosures must be brought to the attention of the preparer; items subject to re-use or distribution must be corrected first. Evidence of deliberate non-compliance or blatant disregard for these important procedures will be met with disciplinary action.

11.3 Filing with FINRA Advertising Review Department

Consolidated FINRA Rule 2210 sets forth the requirements related to filing various types of communications with the FINRA Advertising Review Department. The designated Principal shall review the requirements and shall file materials as required. The Company may also make voluntary filings of materials that so do not require review.

11.4 Reminders and Certain Clarifications

Principals designated to review and approve communications must be properly licensed and qualified, and have technical expertise in the respective product area. Series 16-licensed persons may review research reports on debt and equity securities and items not meeting the definition of 'research report' as included in Consolidated FINRA Rule 2241 (such as market letters or other items), as long as they have the requisite expertise. Certain designated principals will require specific registrations—for instance, those reviewing options or futures communications.

When **prior approval** is withheld, the designated Principal will return the item to the preparer with an explanation as to disapproval and will include recommended changes, if any, required to bring the item into compliance. The final revised item must be again forwarded to the designated Principal for final review and approval. No unapproved items must be used or distributed, and altered versions of previously approved materials may not be used without Principal approval of the alterations.

Spot-checked or post-use reviewed items should be revised when the designated Principal has determined changes are necessary. Continued use and distribution without required changes could lead to disciplinary action.

Evidence of review and approval (if required) generally consists of the reviewer's initials or signature and date of review notated on the file copy of the material. If performed on-screen (electronically), evidence may consist of a separate log referencing each specific piece or electronic notation on the electronic document itself.

Media Contact is limited to authorized personnel only. If any employee or associated person is contacted by members of the media (TV, radio, print or online magazines/newspapers, and all other types of media), he or she must not comment; rather, the request should be forwarded to the CEO of the Company. This individual may authorize other personnel to speak on behalf of the Company.

Sales Scripts used to market to retail investors, while not distributed to investors, are still considered retail communications. That is, these scripts are not internal communications; instead, they require adherence to retail communications review and approval procedures as outlined above.

Newsletters, if meeting the definition of retail communications, must be subjected to all applicable procedures. If newsletters are written by RRs, and if they contain enough information on which to make an investment decision, they may be deemed 'research reports' and would thus be subject to many restrictions and requirements under Consolidated FINRA Rules 2241 and 2242 as well as Reg. AC (see "Research Reports" for information). The designated Principal should carefully review all newsletters to determine related

requirements. (Note: communications about investment products, such as insurance products, may also be subject to review and approval, if, by virtue of distributing such materials, the intention is to sell securities.)

Free writing prospectus ("FRP") is defined in Securities Act Rule 405 as a written communication, including an electronic communication that constitutes an offer to sell or a solicitation to buy securities in a registered offering by means other than the statutory prospectus. Free writing prospectuses that are exempt from filing with the SEC are exempt from the filing requirements and content standards under Consolidated FINRA Rule 2210. FRPs that are required to be filed with the SEC would not be considered a "prospectus" and; therefore, are not exempt from the content standard or filing requirements.

A **public appearance** is a communication with the public that does not fall into the other categories listed in the table above. When sponsoring or participating in a seminar, forum, radio or television interview, or when otherwise engaged in public appearances or speaking activities that are unscripted—including in an interactive electronic forum—associated persons should consult the designated Principal regarding review and approval requirements.

Associated persons making public appearances must be trained in this subject area. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

Titles using the term "adviser" or "advisor" or any derivation thereof may not be used by any person, who is not also registered as, or supervised by, an investment advisor, municipal or other regulated entities providing advice, in conducting business with retail investors, as defined on Form CRS. Registered representatives wishing to use, or using, a title that appears to imply a relationship other than that which exist between a broker-dealer or a registered representative and its retail investors, must obtain permission from their designated Supervisor prior to using or continuing to use such a title.

11.5 Correspondence

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon Section 3.2 and 3.5
Frequency of Review:	In daily course of business; Random and regular
How Conducted:	Review correspondence, either before or after distribution, as described below; Review and approval of internal standard stationery items and outside stationery items upon request.
How Documented:	Initial or electronically notate reviewed file copies Copies of approved stationery items, initialed and dated.
WSP Checklist:	Consolidated FINRA Rule 2210, 3110; Notices 03-33, 03-38, 09-10, 12-29, 14-10; SEA Rule 17a-4(6)(4); 17a-4(b)(4)
Comments:	

The Company requires that correspondence sent or received by its employees related to its investment banking or securities business, including internal communications, be subject to various retention, review and approval procedures. These review procedures are relative to

incoming and outgoing, written and electronic communications that constitute correspondence.

All correspondence, both internal and external, shall be retained for a period of not fewer than three (3) years after use and shall be readily accessible to examiners during exams or upon request. The Company maintains its correspondence records electronically—see Section 16.17 for a description of the Company's preservation of required records. Following receipt of a written request by FINRA, the designated Principal must provide requested correspondence within the specified time frame. All staff are required to cooperate with all spot-check procedures conducted by FINRA and should bring any requests for information to the attention of the designated Principal promptly.

NOTE: correspondence of a personal nature, not concerning Company business, is generally not considered 'correspondence' for regulatory purposes. However, such correspondence will be subject to supervision and retention by the Company if sent by personnel using Company letterhead or electronic systems. Personnel are strongly discouraged from using Company systems for personal correspondence.

On an on-going basis, the designated Principal will review the efficacy of the correspondence reviews and compliance with Company policies. The designated Principal will document his supervisory reviews and will make suggestions for improvement, if deemed necessary.

11.5.1 Outgoing Correspondence

"**Correspondence**" is defined by FINRA as including any written (including electronic) communication that is distributed or made available to 25 or fewer retail investors within any 30 calendar-day period. *Retail investor* means any person other than an institutional investor, whether or not that person has an account with the Company (thus, both current and prospective customers).

Correspondence may include various categories, such as market letters that do not make recommendations, hard copy letters, faxes, e-mails, IM's, texts, social media site private messages, public appearance/seminar handouts, and form letters (not all inclusive). The determining factors are how many of such communications were sent out and in what time frame—and to whom. For instance, if a RR sends the same letter to 25 potential retail investors in a 30 day period, that communication is correspondence for the purpose of these procedures. If that RR sent the same letter to 26 people in the same period, it would be deemed 'retail communication'—and Section 11 procedures would apply. Likewise for materials provided to groups of investors—such as during seminars—as long as the limits (25 recipients/30 days) are not breached. Letters, etc. sent to institutional investors are NOT included in these correspondence procedures: see Section 11.4 for details.

Certain items that are distributed or made available to more than 25 retail investors in 30 days, and would otherwise be considered retail communications, are treated as correspondence for review/approval and filing purposes. These categories include:

- All market letters that do not contain recommendations;
- Posts to online interactive forums (like Facebook or Twitter); and
- Materials that do not make any financial or investment recommendation or otherwise promote a product or service of the Company—such as administrative or informational materials.

All such materials must be subject to the review and approval procures in this Section, however correspondence does not require filing with FINRA.

Content Standards: All correspondence must conform to the content standards under Consolidated FINRA Rule 2210(d). Those standards are summarized above. In general, correspondence must be based on principles of fair dealing and good faith and provide a sound basis for evaluating the facts in regard to any particular security or securities, type of security, industry discussed or service offered and not omit any material facts. Exaggerated and unwarranted or misleading statements or claims are prohibited. Communications should be clear, balanced and fair in light of the person addressed, the detail of the matter communicated and the context of the communication.

Content standards also address: testimonials, recommendations, tax considerations, predictions, and use of: footnotes, FINRA's name, professional or senior designations. Correspondence concerning registered investment company securities is subject to the content standards described in Consolidated FINRA Rule 2210(d)(5) concerning disclosure of fees, expenses and performance information. Personnel are directed to review applicable text above in order to understand their responsibilities when drafting correspondence.

Besides general content standards, outgoing communications must adhere to the respective procedures herein and FINRA/SEC rules concerning, for example, the use of confidential, proprietary and inside information; anti-money laundering issues; gifts and gratuities; private securities transactions; customer complaints; front-running; and rumor spreading. The designated reviewer will take note of perceived failures to adhere to Company policies, as evidenced in written correspondence.

Inappropriate language or content not in compliance with applicable standards discovered in this review process will be brought to the attention of the author and subsequent pre-reviews of such person's Correspondence may take place to ensure adherence to Correspondence rules. Any heightened supervision regarding correspondence will be documented and the plan of action will be retained in the individual's registration or personnel file.

As described above, all correspondence, including business cards and letterhead, must:

- prominently disclose the name of the Company (or approved d/b/a);
- reflect any relationship between the Company and any non-member or individual who is also named; and
- if it includes other names, reflect which products or services are being offered by the Company.

Letterhead and Business Cards: In all written Correspondence, Company personnel must use pre-approved letterhead and business cards. The designated Principal will maintain a copy of all approved business cards and letterhead either in a separate file, in the Representative's file or in the Advertising/Sales Literature File; such materials should be dated to show effective date and initialed by the Principal to evidence approval.

Stationery items used by Representatives in non-branch offices must include the address of the registered branch or OSJ office overseeing such office. The designated Principal must ensure compliance with all applicable regularly standards and with Company guidelines. Use of unapproved stationery may result in disciplinary action.

The designated Principal shall review all instances where "adviser" or "advisor" or any derivation thereof is being used in titles to determine if the use of such a title will cause confusion regarding the relationship the Company or the Registered Representative maintains with retail investors as described in Form CRS. Where the designated Principal determines a potential; conflict could exit, the Registered Representative will not be permitted to use, or to continue to use, the title.

See procedures below for requirements re: e-mail signature text.

Review of Hard Copy Correspondence: Company requires pre-review of all outgoing hard copy correspondence (such as letters and faxes); the designated Principal will evidence his/her review by initialing copies of this Correspondence. Copies will be maintained in a separate "Outgoing Correspondence File."

If these items are scanned for electronic storage, they must show the letterhead or cover sheets used—that is, the word processing document alone is not a sufficient record. The copy must show the sender's signature.

11.5.2 Electronic Correspondence/E-Mail

All policies related to the content of customer correspondence in general apply to e-mail correspondence. Please refer to "Use of Electronic Media" and this entire Section 11 for additional policies related to the Company's use of electronic communications, including pre-approval policies on certain retail communications, including group e-mails.

Approved E-Mail Accounts The Company has established an e-mail system through which all business related internal or external electronic communications should be sent or received. E-mail addresses will be assigned by the Company upon hire and must be utilized for all business-related communications, unless otherwise permitted, under these procedures.

Personal E-Mail Accounts The Company prohibits registered persons from using personal e-mail accounts or accounts of other entities to send or receive communications related to the securities or investment banking business of the Company from customer, prospects or other associated persons. During his reviews the designated Principal shall attempt to determine if any such communications have occurred by reviewing customer files and other communications records. If such communications are discovered, the designated Principal shall take steps to research the facts and circumstances and will take appropriate disciplinary actions, if warranted.

The associated person must also retain all such e-mails on his computer for inspection by the designated Principal during office inspections. During his reviews, the designated Principal shall access the e-mail accounts in use by the associated person

and shall make a copy of all such communications by either copying them to a CD or by printing them for review. Failure to follow the Company policy regarding retention of such communications shall result in the termination of this privilege and other disciplinary action as deemed appropriate by the designated Principal.

The Company utilizes the services of an outsourced FinOp. The FinOp's e-mail usage is limited to communications with the Company's staff and/or regulators on the Company's behalf. The FinOp does not communicate with customers. All communications with regulators on behalf of the Company will be copied to the CCO or other internal personnel to ensure that it is captured in the e-mail system of the Company, in the same manner as when the FinOp is communicating directly with staff of the Company. The FinOp shall attest to his/her adherence to this policy, at least annually.

Retention All incoming and outgoing e-mail messages will be automatically saved via electronic storage software.

All business-related e-mail correspondence will be retained in accordance with the retention guidelines described above.

In order to meet SEC books and records requirements, the Company stores and backs up its e-mail correspondence records on acceptable electronic storage media. See Section 16.17, Preservation of Required Records, for details.

Review The designated E-Mail Reviewer will review a sampling of e-mail transmissions. The E-Mail Reviewer will periodically access the saved messages and review a sampling of them. The sample shall be chosen based on key words or phrases as identified by the designated Principal that are relevant to the Company's business. The Company requires that at all flagged messages identified in key word searches and at least 1% of other emails, chosen at random, be reviewed monthly. This sample may be adjusted as business needs change or if it is determined that additional supervision of all or certain associated person(s) is required. Evidence of this review will be recorded via the reviewer's initials and date of review or by electronic means. The designated Principal will spot check reviews at least annually to ensure that the reviewer is following Company policies and to verify the quality of the reviews. The designated Principal shall evidence his review by initialing and dating hard copy materials or through electronic means in the email review system.

Content Reminders: All correspondence must conform to the content standards under Consolidated FINRA Rule 2210(d) as summarized herein. All originating outgoing e-mail must include the following: name of the Company, name of sender, department/branch address, phone number and e-mail address of the sender. Given restrictions related to the use of certain titles when engaging retail investors, as defined on Form CRS, the designated Principal should be consulted for review of e-mail signature text.
Certain restrictions apply, including the following:

- Securities licensing requirements necessary for public communications apply to electronic communications;
- Recommendations or communications that require an accompanying prospectus must be accompanied by such—extracts or references to terms from an offering

should not be duplicated in an e-mail communication (full disclosure of offering terms must be made); and

- Any requests to not be contacted should be forwarded to Compliance such that the person may be added to the Do Not Call List.

Should the E-Mail Reviewer deem any correspondence inappropriate or not in compliance with applicable standards, he/she will bring it to the attention of the designated Principal. Any action taken, including notifying and disciplining the author, will be recorded in that individual's registration or personnel files. Where there is a history of violations, Compliance may conduct an electronic audit to determine content of information being retained and require pre-review of all outgoing e-mails.

Devices: Securities or investment banking-related e-mail communication with the public or the Company's customers may be permitted from alternate computers or devices. Personnel wishing to correspond with the public or existing customers via e-mail from devices other than Company-owned or managed computer equipment located in the main office or in branch offices must request and obtain prior approval from the Correspondence Principal (see above). The following may be considered acceptable:

- Home computers,
- Laptop computers used during business travel,
- Hand-held devices, such as "Blackberries," and
- Mobile phones with Internet access.

These alternate work stations may or may not require wireless networks for Internet access. The designated Principal, when considering requests for approval, must determine whether or not the corporate network's protective measures (*e.g.*, firewalls and similar defensive software) may be installed locally in the remote device in order to ensure protection of customer information. Regardless of the protective methods employed or the nature of the connection (Wi-Fi or hard-wire), the designated Principal must consider the protection of customer information when determining whether to allow associated persons to use remote devices for communication. Additionally, approval will be granted only if the Registered Representative or associated person makes use of the Company's e-mail server to send and receive messages at home or at other locations and/or such communications are archived and monitored according to the e-mail review policies described herein.

E-Faxes: Faxes received via e-mail or through other computer messaging technology, also known as e-faxes, are considered to by electronic communications by FINRA and other regulators. Therefore, the receipt or sending of e-faxes will be monitored and supervised the same as e-mail communications and must be captured and retained by the Company. Personnel using e-fax technology must consult the designated Principal to ensure that such communications are being maintained in accordance with Company policy.

Instant Messaging: The Company strictly prohibits communication with the public via instant messaging technology. Discovery of such communication will result in disciplinary action.

Text Messaging: Text messages are considered written correspondence by FINRA. The Company allows this form of communication with the public or customers only with prior approval by the Correspondence Principal and only if such messages are maintained and archived as described above and subject to supervisory review by the E-Mail Reviewer as described in this section.

Handouts, Form Letters and Market Letters that are deemed correspondence **must** be saved according to the format procedures described above (whether sent by hard copy, fax machine, or e-mail/e-fax) and are subject to the following review and approval procedure: All such items must be submitted to the designated reviewer prior to distribution. No unapproved items may be mailed or distributed.

Posts to Online Interactive Forums are treated as correspondence and will be reviewed and maintained in accordance with the e-mail procedures and with the procedures outlined in the "Interactive Forums/Social Networking Sites" Section herein.

11.5.3 Incoming Correspondence

The Company may receive correspondence from customers or the public in hard copy, via fax, and in the electronic formats permitted for use by Company personnel (such as e-mails, IM's, etc.—see above). The recordkeeping requirements outlined in "Outgoing Correspondence" also apply to incoming: it must be kept and readily available for examiner review for three years from receipt. The storage format will depend on the method of delivery: hard copy letters and faxes must be stored in hard copy, of, if scanned, in accordance with the Company's electronic storage procedures; e-mails and IM's must be maintained and subjected to the same storage requirements as outgoing e-mails and IM's; and incoming messages through other means, such as text and third-party systems, must also be maintained, archived and available for review as are their outgoing counterparts. No incoming correspondence from the Company's customers or the public must be destroyed.

All non-electronic incoming correspondence will be opened and reviewed immediately upon receipt by the designated Principal to assure that all securities and checks are properly processed and that the designated Principal is notified of any customer complaints or irregularities.

Prior to being filed in the respective client file, a copy of all correspondence or a log containing information relating to the sender, recipient, and content of the correspondence, will be filed in the Incoming Correspondence File. The designated Principal will periodically review the content of this file or identify materials from the correspondence log for review. This review will be completed at least monthly and review will be evidenced by the designated Principal's initials and date being noted on the correspondence and/or log.

It is the Company's policy that all mail addressed to the Company's offices is deemed to be related to the Company's business, even if marked to the attention of a particular associated person. **Employees, Registered Representatives and associated persons who do not wish their personal mail opened and reviewed should not have it addressed to them at the Company**.

In accordance with SEA Rule 17a-4(b)(4), originals of all Communications received by the Company relating to its business as such shall be preserved for not less than three years. See the section on "Recordkeeping and Reporting" below.

11.6 Equity Research Reports – Not Applicable
11.7 Debt Research Reports – Not Applicable

11.8 Use of Electronic Media

Name of Supervisor ("designated Principal"):	Principals designated above under "Correspondence" and "Communications with the Public"
Frequency of Review:	During review of electronic correspondence; Upon approval of original or changed websites, electronic advertising and sales material. Periodic (as determined) reviews of IT functionality. Periodic review of RR websites.
How Conducted:	Pre-approval of electronic communication devices used for business activity, review of websites/Internet communication. Review and approval of Company and RR websites. Review of website for unapproved material. Review posted prospectuses to confirm authenticity and confirm version is most recent. Meetings with IT staff or vendors; status reports if necessary.
How Documented:	Website approval files; ad approval files; evidence of e-mail reviews; records of customer consent records.
WSP Checklist:	Consolidated FINRA Rule 2210; MSRB G-21; Notices 95-74, 96-50, 98-3, 05-49, 07-02, 10-06, 11-39, 12-29, 15-50; SEC Release No. 33-7233 and Reg. S-P; SIPC By-laws, Article 11, Section 4
Comments:	Company employees should refer to all available IT manuals, technical manuals, or other electronic communication instruction manuals currently in use. Some of these obligations are met by Principal designated to supervise retail communications.

The Company makes use of electronic devices in the normal conduct of its business. It may rely on electronic media to perform functions such as: record storage, order entry, information management and analysis, computing, communications and advertising, among others. The Company has internal staff and/or outside service providers who maintain, repair and update the Company's computer systems. This WSP Manual is not a substitute for the Company's instruction, technological, or operations manuals that provide specific operating and technical guidance with regard to employed hardware and software. In addition, certain sections of this Manual address related topics, such as online accounts and transactions, e-mail correspondence, electronic storage of required records, order entry systems and protection of customer information. Personnel should see the Table of Contents to locate these important procedures.

11.8.1 General Guidelines

In Notice 98-3 outlined the general guidelines as to the use of electronic media for delivery of information to customers. The guidelines include required notice, access and evidence of delivery, as well as, for delivery of personal financial information, confidentiality and security and customer consent.

The Company does not make use of electronic media to deliver required customer information or documents. However, it is important that representatives and other

persons understand the requirements for such delivery. Therefore, the following is included for informational purposes:

Notice: The Company, by virtue of sending and receiving communications to and from its clients in electronic format, considers itself to have notified clients of the electronic availability of information.

Access: All electronic communication must provide the customer with full access to the kind of information that the customer would otherwise have obtained if the communication had been written, including order of presentation. Also, the electronic delivery medium should not be so burdensome that customers cannot effectively access the information provided. Customers, upon request, may receive information in a format other than electronic.

Evidence of Delivery: When delivering information electronically, the Company is required to ensure the delivery was successful (thus ensuring that acceptable delivery obligations were met). In the Company's dealings with institutional clientele, informed consent is assumed, given that electronic communications are the industry standard. In its dealings with retail customers, informed consent is assumed to have been received upon successful exchanges of electronic information or by signature on new account documents that include consent language

Confidentiality and Security: When delivering personal financial information via electronic means, it is imperative that the information be secure from tampering or alteration. See below for system protection procedures.

Customer Consent: The SEC requires, for delivery of personal financial information (including account statements and confirmations) that the customer provide informed consent and acknowledge the consent by manual or electronic signature. The customer must be given the option of refusing this form of communication and information delivery (presently or in the future) and a record of the customer's choice must be maintained in its respective file.

Electronic Signatures: Electronic signatures may be used by designated supervisors to indicate approval/review of new accounts, orders, and other ongoing supervisory reviews. Supervisors will use passwords, which will be changed periodically, to protect the security of their electronic signatures.

PLEASE NOTE: "Broker-dealer use only" material should never be sent over the Internet unless to a clearly designated broker-dealer or Registered Representative under confidential protection.

11.8.2 Hyperlinks

When electronic delivery is used it is often difficult to establish whether multiple documents may be considered delivered together. It should be understood that documents in close proximity on the same website menu are considered delivered together and documents hyperlinked to each other are considered delivered together as if they were in the same paper envelope. Therefore, by linking documents via hyperlinks, issuers and intermediaries are delivering multiple documents simultaneously to investors when so required by the federal securities laws.

When providing prospectuses to customers electronically, the following distinctions should be understood. According to the SEC, information on a website is part of a prospectus only if an issuer (or person acting on behalf of the issuer, including an intermediary with delivery obligations) acts to make it part of the prospectus. For example, if an issuer includes a hyperlink within a prospectus, the hyperlinked information would become a part of that prospectus. When embedded hyperlinks are used, the hyperlinked information must be filed as part of the prospectus in the effective registration statement and will be subject to liability under Section 11 of the Securities Act. In contrast, a hyperlink from an external document to a prospectus would result in both documents being delivered together, but would not result in the non-prospectus document being deemed part of the prospectus. When the Company is responsible for prospectus content, the designated Principal will ensure proper use of hyperlinks in electronic information delivery.

When the Company provides links to third party sites, it is not generally responsible for the hyperlinked content unless it assisted in the preparation of the content, or it or its personnel explicitly or implicitly endorse or approve of the linked content. In this case, all approval and filing requirements that apply to retail communications must be met.

Municipal securities market participants involved in offering and selling municipal securities face similar issues under Exchange Act Rule 15c2-12 in connection with their use of electronic media. Please see Section 15.4 for related information.

11.8.3 Protection of Information

The Company is also committed to complying with Reg. S-P, as described in "Privacy of Customer Information." The designated Principal must ensure that IT staff and outside vendors, if any, are aware of the importance of protecting the integrity and confidentiality of customer information. This Principal must attempt to meet regularly with IT staff and/or outside vendors in order to assess the security of the Company's systems, as well as to judge the adequacy of compliance with various, applicable Rules (i.e., maintenance of records in correct format for required amount of time). While IT staff or vendors may be charged with implementing restrictions and technical applications, they may not remain aware of changing regulatory requirements or failures in the systems to meet those requirements. It is therefore important that compliance personnel monitor IT personnel's performance of their duties. In addition, the designated Principal is responsible for reviewing these procedures and others in this Manual concerning electronic information and communication systems, in order to determine their adequacy in light of changing technologies and regulatory guidelines.

All electronic communication with customers shall be subject to the following policies and procedures designed to safeguard generally the integrity and confidentiality of electronic information, including restricted access, passwords, systems to detect and thwart a security breach, etc.:

- The Company and/or the Registered Representative(s) or associated person(s) utilizing any system of electronic communication shall password-protect access to such system so that unauthorized persons can neither (a) access the system to

communicate or (b) access the system's records to pull up confidential information.

The designated Principal should make sure all personnel making use of electronic systems are given training as to their use and protection of information.

11.8.4 Websites (Company and RR Maintained Sites)

The SEC, FINRA and other regulators have made it clear that websites fall in the category of advertising and must be pre-approved by a Company principal and may require review by FINRA's Advertising Department. Similar forms of Internet communications, such as contributions to interactive forums, are considered retail communications but are reviewed as correspondence. Websites are, therefore, required to undergo the same kind of review and approval procedures set forth above.

The designated Principal will monitor all websites (including testing of hyperlinks for correct destinations) on a regular basis to identify and correct any variances from Company policies and procedures. Registered Representatives and other Company personnel operating websites are reminded of the following; these procedures relate to content posted by the Company and its RRs:

- The identity, content, sample format and operating mechanics of each website must be presented to the designated Principal for review and approval before it is used. Failure to obtain pre-approval is grounds for remedial action, including shutting down the site.
- Any material changes in the content, format or mechanics of the website must be similarly approved before they are implemented.
- Static (non-interactive) blog or other postings provided by Company personnel constitute retail communications, but are subject to the Company's correspondence review/approval standards. In certain instances, the Company may have pre-approved 'template' material that may be posted without separate pre-approval. Associated persons should consult the designated Principal to understand their specific responsibilities.
- Neither the Company nor any RR may establish a link to any third-party site that it, he or she knows or has reason to know contains false or misleading content. Red flags indicative of false or misleading content may not be ignored.
- If offering online trading accounts, the Company must disclose on its website statements warning of potential delayed execution and/or market losses due to Internet overload during periods of market volatility.
- Because of the global nature of the Internet and the inability of the Company and Representatives to control access by visitors in locations where the Company or the Representatives may not be licensed, unless the website is password protected and not available through search engines, specific disclosure regarding the ability of the Company and the Representative to conduct business in various locales must be included.
- Any recommendations for "new issue" securities (including mutual funds) must be pre-approved by the Principal designated to oversee new issues.
- The designated Principal shall maintain a comprehensive address list of all websites in use for the business of the Company and its Registered

Representatives (including associated entities such as registered investment advisors, insurance agencies, etc.).

- When approving Internet advertising, the designated Principal must consider certain important risks concerning the use of key words by contracted search engines. Key words may be used to post ads in the following ways: 1) the search engine pushes the ad out to relevant web pages (for instance, the Company's ad ends up a banner ad on a website advertising a certain securities product or service); and 2) the search engine lists the Company on the 'sponsored links' panel of the search page itself (placement determined by bidding process). This first type of placement may result in unplanned and unwanted advertising, for instance, on scam websites designed for the site owner's illegal profit. While the designated Principal cannot ensure a foolproof solution to this potentiality, s/he should work with the search engine provider to wisely choose key words in order to minimize the risk of improper placement. Company personnel knowing of any instances of inappropriate ad postings as a result of key word placement should contact the designated advertising Principal immediately, who must then take steps to eliminate such placement.
- Registered Representatives must obtain advance approval from the designated Principal before they initiate or change their own websites, *whether or not involving the securities business.* Included in such approval would be (a) any hyperlinks to other sites such as the Company's site and (b) hyperlinks allowed on to the Registered Representative website. See procedures herein for a requirement relating to the Company's or its Reps' references to FINRA membership.
- Should any Company personnel discover the apparent use of stolen ("scraped") Company ads on web pages (for instance, on scam "pump and dump" sites), s/he should immediate report such to the designated advertising Principal for follow up action. While the Company cannot control the illegal use of scraped ads, it should report all those discovered to FINRA or SEC for investigation and enforcement action.
- Broker dealers are responsible for the accuracy of their statements that reasonably can be expected to reach investors or the securities markets regardless of the medium through which the statements are made, including the Internet—and including social networking sites (see below). According to the SEC, broker dealers are responsible if they have involved themselves in the preparation of the information or explicitly or implicitly endorsed or approved the information. In the case of site owner liability for statements by third parties such as analysts, the courts and the SEC have referred to the first line of inquiry as the "entanglement" theory and the second as the "adoption" theory. Should the Company's logo appear prominently on a third-party site, the Company is considered to have adopted the site and is responsible for its content. In view of the potential liabilities related to the use of hyperlinks, the Company requires that the Compliance department review and approve in advance the use of each hyperlink posted by the Company or its representatives. See above for more information on hyperlinks.
- The website should conform to all disclosure rules, such as those relating to the use FINRA and SIPC membership, BCP summary, day trading disclosures, etc.

Since the Company may engage in business with retail investors and expects such investors to visit their website, the Company shall ensure that the home page of its

website and any other webpages that contain a professional profile of any registered persons, that may conduct business with retail investors, contain a readily apparent reference and hyperlink to BrokerCheck. The designated Principal is responsible for ensuring that the hyperlink and reference are clear and easily understood and that the link is active and accurate.

Records of the Company's monitoring efforts will be maintained under the direction of the CCO, who is charged with ensuring proper adherence to these procedures. The CCO will meet periodically with the Company's IT staff in order to discuss the effectiveness of the automated monitoring system; changes will be made when deemed necessary to improve adherence to stated guidelines.

Regulatory Links: If the Company makes reference to its FINRA membership on its internet Web site it must provide a link to FINRA's internet home page, www.FINRA.org, in close proximity to the member's indication of FINRA membership. A member is not required to provide more than one such hyperlink on its Web site. If the member's Web site contains more than one indication of FINRA membership, the member may elect to provide any one hyperlink in close proximity to any reference reasonably designed to draw the public's attention to FINRA membership. This provision also shall apply to an internet Web site relating to the member's investment banking or securities business maintained by or on behalf of any person associated with a member.

Where the Company makes reference to SIPC membership on its website, it must also provide a link to the SIPC website, www.sipc.org so that the customer may obtain additional information from SIPC directly.

11.8.5 Online Offering Materials

The Company requires that before any securities sales literature is used by a Registered Representative, the Compliance Department must have offered confirmation that this literature has been approved for use by FINRA. All communications with the public, including information posted on a website, must be subjected to the procedures outlined in Section 11. Designated Principals supervising specific securities sales will conduct periodic (no less often than monthly) reviews to ensure compliance with website standards. Violations will be reported to the Chief Compliance Officer, who will ensure that steps are taken to correct the problem by changing or deleting unapproved website material.

Except in certain controlled circumstances, posting a mutual fund or other securities offering on a website or utilizing e-mail or other means of communication in interstate commerce to publicize such a securities offering is a "public offering" requiring an SEC registration before it may be made. Similarly FINRA requires pre-offering review of sales materials. The SEC recently issued a private ruling in which it takes the position that merely posting a website is not in itself the making of a securities offering. This is generally taken to mean that "unsolicited" orders to purchase may be routed through the website. In certain circumstances the SEC has allowed password-protected offerings to be made "privately" over the Internet to pre-qualified groups of "accredited" investors. Great care should be taken before becoming involved in any electronic securities offerings and all offerings must be pre-approved by the appropriate designated Principal.

At the state level, the North American Securities Administrators Association (NASAA) has adopted model regulations now followed by most states which allow issuers to distribute offering information over the Internet as long as the offer is not directed to the residents of any particular state or to any person in a state. However, no sales of securities shall be made unless the offering has been registered (or is exempt) and a final prospectus has been delivered to the investor.

Many issuers display their final prospectus on their website and direct Registered Representatives, customers and others to "download" the prospectus. The Company does not forbid this practice as long as (a) the Registered Representative has carefully checked to make sure that the website version is the current version and (b) the other conditions of electronic communication with customers are observed (see below). Registered Representatives will keep records of prospectuses forwarded to customers for supervisory review.

11.8.6 Interactive Forums/Social Networking Sites

To follow are the Company's procedures regarding social networking sites, also called social media sites ("SNS"). The Company will train its associated persons on the use of SNS in order to enforce their understanding of the Company's and FINRA's expectations. The differences between personal and business communications, and between adoption and entanglement will be emphasized. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

When contributing to online forums such as blogs or chat rooms, or making use of social networking sites (such as Twitter, Facebook and Linked-In, among others) for personal communications and social interaction, associated persons are *strictly prohibited* from holding themselves out as agents or representatives (or other) of the Company for the purpose of advertising the Company or its services; they may not use these sites for marketing, advertising or promotional purposes of any sort. Likewise, on such sites associated persons may not recommend securities or engage in discussions about securities or the Company's business. Lastly, associated persons may not:

- link to third party material relating to securities;
- assist third party site participants in preparing such material; or
- comment on/endorse third party posts on such material.

Our Company may, from time to time, request access to social networking sites in order to spot check them for compliance with this prohibition. Perceived violations will be met with disciplinary action.

Social Networking Sites (SNS): The Company does not prohibit its associated persons from using social media sites such as Twitter, Facebook, and Linked-In for *purely personal reasons*; however, it may spot check such sites if it has reason to suspect that business use has transpired. All personnel's sites are subject to these spot checks: refusal to cooperate may lead to disciplinary action.

Associated persons' use of social media sites *for business purposes* must be supervised by the Company under the direction of its designated Principal, Debra Shannon as follows.

Approval: All associated persons wishing to use SNS for business purposes must notify the designated Principal, who will keep a record of the user names of all such users and his/her approval. All such users will be trained in these compliance procedures. Persons with a history of compliance violations will generally not be permitted to use SNS for business purposes; the designated Principal may allow persons after putting into place restrictions and/or heightened monitoring of their use.

Recordkeeping: All communications—including static (non-interactive) posts/profile information and interactive posts and messages—by associated persons must be maintained. Access by associated persons to the sites must be made in a manner that will accommodate the Company's automated monitoring technology (whether via an interface with the Company's network or off-site platforms that provide access and retention). The Company has the ability to retain and retrieve all SNS communications for its internal reviews or regulatory scrutiny. Records will be maintained for the period of time required under SEC 17a-3 (generally 3 years).

Recommendations: Because of the inability to limit access to content on SNS, it is impossible to ensure that recommendations are suitable for every viewer of such recommendations. Therefore, the Company prohibits personnel from recommending securities on SNS and from posting links to recommendations: non-compliance will result in disciplinary action and the poster will be denied further permission to use SNS for business purposes.

Supervision/Content Approval: Communications posted on SNS, while falling into the category of retail communications, are treated as correspondence for the purposes of supervisory review and approval; they consist of both static and interactive content. All posted content is subject to the designated Principal's review in the same manner as electronic correspondence: periodic spot checks and lexicon-based searches are used to monitor these communications for compliance with all applicable procedures (such as on recommendations) and communications/other rules (such as correspondence, research, error, and customer complaint rules). When content is found to have violated these procedures and all guidelines described herein for communications with the public, the reviewer will inform the user and continue to monitor his/her postings for compliance. Users with repeated failures will be denied permission to use SNS for business purposes and may face disciplinary action if warranted.

Third Party Posts: In participating in online forums of any sort, associated persons will encounter third party posts, sometimes directed at them. *The Company prohibits its associated persons from implicitly or explicitly endorsing or approving of third party posted content.* By not endorsing or approving of them, these posts are not considered to be 'adopted' by the Company and are therefore not considered communications with the public under Rule 2210. NOTE: should the Company or an associated person be deemed to have endorsed or approved a third party post or link to a third party site, the Company will be responsible for the third party content and must meet all applicable review and other standards included in this Manual.

While the Company does not have a regulatory obligation to monitor third party posts, it has adopted the following 'best practices' for associated persons using SNS (these practices are not considered enforceable on outside forums/blogs, but may be useful for persons with Facebook accounts, for instance): To the extent possible, approved SNS users should attempt to monitor third party posts to their user sites with the intended goal of:

- Preventing copyright abuse: the user should eliminate any detected posted material that appears to be trademarked or copyrighted by parties other than the person who posted it;
- Preventing unsuitable links: the user should eliminate any detected links to inappropriate or unsuitable websites; and
- Preventing offensive posts: the user should eliminate any detected offensive language.

While complete control of third-party posts is not possible, associated persons using a SNS for business purposes must attempt to maintain a professional and respectable online demeanor: offensive or unsuitable posts by third parties may jeopardize that image and be damaging to the associated person and the Company itself.

NOTE: If the associated person's profile information includes the text, "Member, FINRA" when describing the Company, the "FINRA" must be a link to FINRA's home page, www.finra.org.

SECTION 12: TRADE DESK – Not Applicable

SECTION 13: CUSTODY AND CLEARING

13.1 Customer Funds and Securities

Name of Supervisor ("designated Principal"):	FinOp: Katherine Anderson
Frequency of Review:	Continuous, in daily course of business
How Conducted:	Review Cash & Securities Control Systems and respective blotters
How Documented:	Initial system reports Initial reviewed records
WSP Checklist:	Consolidated FINRA Rules 2150, 3110, 4311, 4522. Rules 3140; 3150; Notices 05-47, 05-72, 08-46, 08-76, 11-26. SEA Rule 15c3-3; 8c-1; 17a-13; 15c2-1; SEC Release 34-70072
Comments:	

Notice 05-47 provides specific guidance on the treatment of a day on which securities markets are unexpectedly closed (i.e., whether that day is considered a 'business day' vis-à-vis such subjects as net capital, reserve formula, possession or control, Reg. T extensions, margin calls, sell order extensions, day trading requirements, bookkeeping entries on the liquidation of customers' money market funds or on the sweep of customers' balances into money market funds, FOCUS reporting, and securities lending). In the event of an unexpected closing of markets, the FinOp and Trade Desk Supervisor must ensure proper treatment of all items detailed in the Notice, where applicable to the Company's business.

Pursuant to SEA Rule 15c3-3, broker-dealers that physically possess or control their customers' securities must promptly obtain and thereafter maintain physical possession or control of all fully-paid securities and excess margin securities carried by the broker-dealer for the accounts of customers. The company only advises retirement plans and does not carry or introduce accounts to a clearing broker. The plan's participants establish accounts directly with the custodian.

The Company's associated persons are required to fully understand and comply with the following (please refer to Section 16: Record Keeping and Reporting for detailed information on the requirements under SEA Rules 17a-3 and 4):

- The Company is not permitted to receive customer checks payable to the Company for settlement of investment transactions or deposit to a client account. However, the Company may from time to time receive checks payable to the clearing firm, escrow agent or product sponsor. Such checks should be forwarded promptly to the proper processing area where they will be copied for the client file, logged in on the Checks Received and Delivered Blotter and forwarded to the clearing firm or escrow agent by no later than noon the following business day. Under recent FINRA and SEC no-action relief, checks related to subscription-way mutual fund or variable annuity business and payable to the issuer/sponsor may be held for up to 7 business dates from the date the complete application package is received by the OSJ to permit the Company to complete their suitability review. Checks received, which are payable to the Company, will be immediately returned to the client with written instruction on how to properly remit payment.

- Accepting cash from a client is not permitted. In the event cash is mistakenly received from a customer, it must be recorded in the cash receipts blotter before being returned promptly to the client. The respective RR or appointed operations staff must then notify the client of its policy to not receive cash. The Company's AML procedures manual should be consulted for additional procedures, if any;
- Checks in payment of customer transactions may not be written on a Registered Representative's own personal or business account;
- The Company is not permitted to receive securities from customers for settlement of investment transactions or deposit to a client account. Certificates received from clients should be forwarded promptly to the proper processing area where they will be copied for the client file, logged on the Securities Received and Delivered Blotter and immediately returned to the client with written instruction on how to properly forward them to the clearing firm.
- With regard to redeeming securities, there may not be a sharing in the profits and losses of a client or an agreement to purchase a security from a client at some future date; and
- Misappropriation, stealing, or conversion of customer funds is prohibited and constitutes serious fraudulent and criminal acts. Examples of such acts include unauthorized wire or other transfers in and out of customer accounts, borrowing customer funds, converting customer checks that are intended to be added or debited to existing accounts, or taking the cash values of insurance contracts or other liquidation values of securities belonging to customers.

13.2 Carrying and Clearing Arrangements – Not Applicable

13.3 The Securities Investor Protection Corporation (SIPC)

The Securities Investor Protection Corporation (SIPC) was established to restore public confidence in the securities industry and to protect customers' assets held by members. SIPC provides up to $500,000 protection per customer for claims of cash and securities with a limit of $250,000 for claims of cash. The Company is currently a member of SIPC.

Membership is composed of all persons registered as brokers or dealers with the SEC as well as all members of any national security exchange. The protection is per "separate customer" and the SIPC account is funded by brokerage firms based on their gross sales volume. In general, a different name should appear if it is to be considered a separate customer.

Only bona fide customers (persons who have stock or cash in their account as a result of or in anticipation of executing trades in the securities market) are eligible for protection under SIPC. Persons, such as providers of services, whose claims for cash or securities are by operation of law and are subordinated to claims of creditors of a SIPC member firm, and persons who are associated with a firm, such as a partner or broker, are examples of persons ineligible for protection.

The Company will not refer to SIPC membership in communications when such references would mislead investors about the applicability of SIPC protections. For instance, SIPC rules prohibit references to SIPC membership or protection in communications regarding commodities, including forex. The principal(s) designated to review and approve communications with the public will ensure proper use or omission of SIPC language. Please see Section 11 for rules related to advertising SIPC membership.

Under Consolidated FINRA Rule 2266, the Company must advise all new customers, in writing, at the opening of an account, that they may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. The Company also must provide SIPC's Web site address *(www.sipc.org)* and inform customers that they may contact SIPC directly at (202) 371-8300. In addition, the Company must provide customers with the same information, in writing, at least once each year.

The Company is required to report, on the form provided by SIPC, all gross income from securities activities on a semi-annual basis. The FinOp will maintain copies of the completed assessment reports in the Company's files, along with appropriate work papers and supporting documentation. The FinOp will ensure that the Company's auditor includes the required 'supplemental report' with annual audited financial statements, as required under SEA Rule 17a-5(c)(4) (unless exempt). In addition, the Company must file a copy of its annual audit with SIPC.

13.4 Fidelity Bond

The Company, as a SIPC member, is required to maintain blanket fidelity bond coverage.

Consolidated FINRA Rule 4360 describes the Fidelity Bond requirements of the Company. The Company's Fidelity Bond must:

- provide against loss covering at least the following: fidelity, on premises, in transit, forgery and alteration, securities and counterfeit currency;
- require the insurance carrier to promptly notify FINRA if the bond is cancelled, terminated or substantially modified; and
- provide for per loss coverage without an aggregate limit of liability.

All associated persons must be covered, except directors or trustees not assuming the normal duties of officers or employees. The amount of coverage required depends on the Company's required minimum net capital and must be the greater of 120% of the Company's required minimum net capital or $100,000; defense costs for covered losses must be in addition to this coverage.

The bond may have a deductible provision not exceeding 25% of the coverage amount. To the extent the deductible amount exceeds 10% of the coverage provided in the bond, a deduction must be taken from net capital for the excess deductible.

The FinOp is charged with reviewing the Company's Fidelity Bond coverage annually, by the anniversary of the date of policy issuance, to determine the adequacy of coverage. He or she must make adjustments when necessary. When determining required coverage, the FinOp must consider the highest net capital requirement that existed during the preceding 12-month period (12 months ended 60 days before policy's anniversary date). As described in the section on FinOp responsibilities, the FinOp will ensure that the proper deduction is taken from net capital to account for the deductible, when required. The FinOp must notify FINRA in writing it the Company's Fidelity Bond coverage is cancelled, terminated or substantially modified.

The FinOp is responsible for keeping records to evidence the annual review of coverage, the initial policy and renewals, net capital deductions, and any notifications made to FINRA.

SECTION 14: INVESTMENT BANKING: PUBLIC & PRIVATE OFFERINGS AND RESALES – Not Applicable

SECTION 15: PARTICULAR INVESTMENT PRODUCTS

Exempted Securities: Consolidated FINRA Rule 0150 enumerates those FINRA Rules and interpretive materials that apply to transactions and business activities involving exempted securities, other than municipal securities. Please refer to this Rule for a complete listing of applicable rules and materials. In conducting transactions in such exempted securities, the Company's supervisory personnel will comply with all the Rules outlined under Consolidated FINRA Rule 0150 in the same fashion as described specifically throughout this WSP Manual.

15.1 Mutual Funds

Mutual funds, for purposes of these policies and procedures, refer to open-end investment companies. The offering and distribution of shares in mutual funds by the Company are subject to the terms and conditions of the mutual fund dealer agreement between the principal underwriter of the respective mutual fund and the Company, as selling broker-dealer. These dealer agreements help ensure the integrity of mutual fund sales and distribution, and thus protect the customer. The CCO or other designated person must review all mutual fund dealer agreements to ensure that they adequately delineate the respective responsibilities of the parties in a manner reasonably designed to help ensure that the Company's mutual fund sales and distribution process protects investors.

The following procedures relate generally to mutual funds sales. The Principal designated in the table below is responsible for reviewing mutual fund transactions on a daily basis in order to ensure that these general procedures are followed and that associated persons comply with their obligations under respective dealer agreements. Note: UIT sales are referenced in the Non-Conventional Investments section, below.

Name of Supervisor ("designated Principal"):	Mutual Funds Principal: Debra Shannon Principals assigned to review advertising and correspondence
Frequency of Review:	Daily
How Conducted:	Review retail communications. Review order tickets or applications, daily transaction report, and customer monthly statements Review for suitability with particular attention to: Funds with high-risk objectives and purchasing multiple funds in different families that may result in higher sales charges. Prospectus Review Review refund process and calculations. Review orders for indication whether customer will sign a letter of intent or qualify for rights of accumulation. Review Orders for indication whether customer and representative signed the "B" and "C" Shares Purchase Form (see forms section). Review for switching. Supervise RR activity and take note of any preferred lists or circulated commission information.

How Documented:	Retain records of reviewed and/or approved communications with the public. Initials on order ticket, applications, daily transaction report and other transaction related records. Copies of Prospectus Prospectus Receipt Form, if used, or other evidence of delivery Records of refunds delivered, if any. Completed Breakpoint Checklist and Breakpoint Worksheet forms, if used. Verify Switch Letter on file.
WSP Checklist:	Consolidated FINRA Rules 2210, 2212, 2341, 2342; SEA Rule 482 ('33 Act); Rule 34b-1 (Inv. Co. Act); Notices 95-56, 95-80, 02-85, 03-38, 03-47, 03-48, 04-72, 05-04, 11-49, 12-29. Member Alert 11-22-05, Investor Alert 6-1-13.
Comments:	See Section 11 for general communications guidelines. If refunds due, FinOp must also review for correct Net Capital calculations and customer funds segregation.

15.1.1 Communications with the Public

Section 11 addresses both general and specific guidelines and requirements related to communications that concern mutual funds (registered investment companies). All designated Principals are required to ensure compliance with these procedures. The following reiterates certain requirements:

- Retail communications prepared by the sponsor, underwriter or Company must be reviewed by FINRA, be used without alteration and be free of misleading and false information;
- Retail communications prepared by the Company must be pre-approved as described in Section 11.1 and must be free of misleading and false information, as well as meet all content standards described in Consolidated FINRA Rule 2210 and approved by the product sponsor or distributor as outlined in the selling agreement;
- Research reports published by research firms must comply with the standards in Consolidated FINRA Rules 2241 and/or 2242;
- The use of rankings in all retail communications should comply with the standards set forth in Consolidated FINRA Rule 2212 concerning permitted types of rankings, necessary disclosures, time periods and categories (these standards are complex and should be consulted by the designated Principal when reviewing items such as sales literature and advertising for approval);
- "482 advertisements" are advertisements defined under SEA Rule 482 of the 33 Act that are not necessarily the statutory prospectus required to be presented to potential investors in all investment company offerings, but that refer to such prospectus. These advertisements must not be accompanied by an application to purchase fund shares. 482 advertisements that contain performance data must include the following information: (i) a statement that past performance does not guarantee future results; (ii) a statement that current performance may be lower or higher than the performance data quoted; and (iii) a toll-free or collect telephone number or a website where an investor may obtain performance data current to the most recent month-end, unless the advertisement includes total return quotations current to the most recent month ended seven business days prior to the date of use. These advertisements must also include a statement that advises the investor to carefully consider the fund's investment objectives, risks, and charges and expenses before investing; explains that the prospectus contains

this and other information about the investment company; identifies the source from which the investor may obtain a prospectus; and states that the prospectus should be read carefully before investing. All these disclosures—whether in print, electronically, or on TV/radio--must be presented prominently in accordance with the standards imposed under Rule 482, so as not to minimize their presentation (i.e., they must meet required type size, style, placement and emphasis guidelines). The designated Principal must ensure that all advertisements used to promote mutual funds meet these requirements or be revised and re-filed with FINRA.

- While Rule 482 does not require a mutual fund performance advertisement to disclose the fund's expense ratio, Consolidated FINRA Rule 2210(d)(5) requires that in all retail communications and correspondence, certain disclosures are made, including those relating to sales charges and operating expense ratios. See summary in Section 11 and the Rule, itself for specifics;
- Mutual funds and 1940 Act ETF's that invest primarily in treasury inflation-protected securities (TIPS) are called TIPS funds. Retail communications that include a TIPS fund's current yield must include certain disclosures about monthly adjustments for inflation that cause variations in calculated yield (these adjustments may lead to exceptionally high yields which might not be repeated and may thus be misleading). The designated Principal should ensure that Notice 11-49 is referenced in order to assure proper disclosures when applicable.
- A return of principal (capital gains distributions) should never be represented as income; and
- When dealing with customers, the Company shall not mislead by implying that the investment will provide a guaranteed income or a particular rate of return, or that past asset values and dividends can be depended on in the future.

In addition, Consolidated FINRA Rule 2213 governs the use of bond mutual fund volatility ratings in supplemental sales literature—that is, communications that accompany or precede a bond mutual fund prospectus. The Company and its associated persons may include bond mutual fund volatility ratings in supplemental sales literature ONLY if it accompanies or precedes the prospectus and if it meets the content and disclosure requirements in the Rule. These types of communications must be filed with FINRA's Advertising Regulation Department for review and approval at least 10 days prior to use. The designated Principal, when reviewing mutual fund retail communications for approval, should review the summary in Section 11 and consult Consolidated FINRA Rules 2210(c)(2)(C) and 2213 to ensure specific requirements are met.

Materials not created by the applicable fund family will be sent to the fund family for review, if required by the Company's selling agreement and will be filed with FINRA Advertising for review.

Copies of the materials showing evidence of review and submission will be retained in the Company's Advertising/Sales Literature or Outgoing Correspondence file depending on the nature of the material being reviewed.

15.1.2 Suitability

FINRA Rules require that Registered Representatives inquire as to the suitability of a mutual funds transaction for a customer. The Representative should consider the customer's investment profile before making recommendations on particular funds. If the customer is making a selection of funds, the Representative must ensure that each fund, as well as all the funds in the selection, is suitable, and that the proportions are also suitable.

15.1.3 Disclosure of Fees and Expenses

When reviewing correspondence related to mutual funds, the designated Principal should watch for the following and investigate further any perceived violations:

- Selling dividends;
- Representing a back-end load fund as "no-load";
- Representing a fund with an asset-based sales or service fee exceeding .25 of 1% as "no-load";
- Representations regarding yield and performance;
- Recommendations that include switching or appear to recommend unsuitable diversification among funds;
- Distribution of dealer-use-only material or institutional communications to retail investors;
- Excerpts out of context from the prospectus that may be misleading; and/or
- Required disclosures as included in Consolidated FINRA Rule 2210(d)(5) and other rules about the fund's investment profile, charges, hedging strategy, tax consequences and other pertinent factors.

The Representative must provide the customer with a current prospectus of all mutual funds under consideration. A copy of the fund prospectus will be sent to each purchaser of a mutual fund. The designated Principal is responsible for establishing procedures to ensure a prospectus is provided to each mutual fund purchaser and that records are maintained to evidence delivery.

Materials provided by fund distributors for dealer use only may not be provided to customers and must not be displayed in a public area such as a reception area. Dealer-use-only material is often provided as educational material for dealers and their Representatives. All dealer-use-only material will be marked as such with limited distribution.

In accordance with recent FINRA interpretations it is the Representative's responsibility to make sure that the customer is aware of ALL fees and expenses associated with a particular investment product, particularly mutual funds. It is inappropriate to use sales presentations or material that give the impression that certain sales charges or "loads" do not apply without a full and fair disclosure of fee and expense requirements that do apply. For example, the term "no load" by itself, with no disclosure of "trails" or other fees, would be inappropriate. The customer must be advised to review the prospectus and keep it for reference.

Any fund or combination "fund of funds" structure in the aggregate must observe a maximum aggregate limit on asset based sales charges of 0.75% of average net assets and service fees of 0.25% of average net assets. Aggregate front-end and deferred

sales charges in any transaction are limited to 7.25% of the amount invested (6.25% if either the acquiring fund or any underlying fund pays a service fee). Representatives may not sell securities of funds that impose a front end or deferred sales charge on reinvested dividends.

15.1.4 Sales Charges: Volume Discounts and NAV Sales

Mutual funds may offer discounts, called **breakpoints**, on the front-end sales charge if an investor makes a large purchase, commits to regularly purchasing the mutual fund's shares, or already holds other mutual funds offered by the same fund family. To determine the appropriate discounts, an investor is often allowed to aggregate his purchases with holdings of other family members. A breakpoint can be reached:

- In a single purchase of Class A shares,
- Over a period of 13 months, with a Letter of Intent, or
- From the time of the initial purchase, under Rights of Accumulation.

Class A shares usually impose a front-end sales charge; Class B and C shares normally do not. Large purchases of Class A shares are normally subject to breakpoint discounts (see discussion of share classes, below).

Nearly all open-end funds at the time of initial purchase permit a purchaser to execute a "**Letter of Intent**" stretching usually over a 13 month period. This letter of intent, while not obligating the purchaser to make additional commitments, nevertheless permits them to buy additional shares of the same fund(s) within 13 months at the reduced sales charge. Letters of intent vary widely between fund managements as to the offering price paid on each purchase, the amount of the breakpoint and methods of adjusting if the *complete* purchase is not made. In addition, many investment companies permit letters of intent to be back-dated to capture previous transactions for the purposes of fulfilling the LOI.

Aggregating purchases of a particular fund or family of funds by one investor (and sometimes family-related purchases) may qualify for **rights of accumulation**. In these cases, a lower sales charge may apply based on the total dollar amount invested. Some funds permit members of immediate families to group their orders in order to achieve breakpoints or to complete letters of intent. General provisions of this grouping are found in the prospectus of the various funds and must be consulted prior to making an offering to see if grouping is permitted and to what extent.

In addition, some funds allow for purchases at net asset value (**NAV**) when:

- The amount of the purchase or aggregated purchases under a Letter of Intent or Rights of Accumulation exceed a specific amount, generally $1 million;
- The client is reinstating previously redeemed shares of the same fund;
- The Representative is purchasing shares for himself or a direct family member;
- The transaction is being made in a fee-based advisory account.

The Representative must ensure that a customer pays the appropriate sales charge and receives the appropriate available discount, whether by reaching breakpoints on a single purchase, under LOIs or via rights of accumulation, or by qualifying for purchases at NAV. To do this, Representatives must understand the terms of offerings

and reinstatements, as well as the entire scope of the customer's mutual fund investments. Representatives are required to gather complete information, including values in the customer's accounts—and in related and linked accounts-- held both directly with the investment company and at other brokerage firms, as well as the dollar size of any pending transactions, the dollar size of anticipated transactions, and amounts previously invested in the specific fund and other related funds, valued as specified in the prospectus.

Before recommending a share class, Representatives must consider the customer's anticipated holding period and all costs associated with each share class including front-end sales charges, annual expenses and contingent deferred sales charges (CDSC), which are described in further detail below. The Representative must be sure that customers making large purchases fully understand breakpoints and the implications of buying "B" or "C" shares rather than "A" shares. Class A shares typically charge a front-end sales charge and also may be subject to an asset-based sales charge, but it generally is lower than the asset-based sales charge imposed by Class B or Class C shares. Class B and C shares typically do not charge a front-end sales charge, but their asset-based sales charges are typically higher and they normally impose a CDSC, paid by the investor when s/he sells the shares. Therefore, even though investors do not pay a front-end sales charge for Class B or Class C shares, the potential CDSC's and the higher ongoing fees significantly affect the return on mutual fund investments, particularly at higher dollar levels.

The Registered Representative, when in doubt about a customer's suitability to purchase "B" or "C" shares or the customer's foregoing breakpoint advantages, should consult his or her designated Principal for review and approval of transactions with the customer. In addition, FINRA offers an online resource for comparing the expenses of exchange-listed mutual funds, called "FINRA Mutual Fund Expense Analyzer." Representatives are encouraged to make use of this tool, and may advise customers to consider using the analyzer.

Records of transactions should include notes on discussions with the customer about share classes and discounts, etc., especially if the customer elects to purchase Class B or C shares instead of A shares. Customers should always be made aware of available discounts. Mutual fund purchase records must indicate rights of accumulation if available and the customer's desire to aggregate purchases to qualify for a lower sales charge. Representatives must review the prospectus and advise clients if the LOI option is available and would benefit the client. The mutual fund order ticket should indicate if the customer will execute a letter of intent. In addition, Representatives must ensure that customers who are taking advantage of a reinstatement privilege that allows for a waived or reduced sales charge are informed of these options.

A customer must always be informed of the next available quantity discount breakpoint at which the sales charge is reduced. RRs may use, or recommend that customers use, FINRA's online resource for researching available breakpoints, called "Mutual Fund Breakpoint Search Tool." Should a customer refuse to take advantage of an available breakpoint, the Representative should make note of such refusal in the customer's file. When executing each "A" share purchase, Registered Representatives must complete a "Breakpoint Checklist" and "Breakpoint Worksheet" (see attached examples). These forms are designed to assist the RR in

gathering the information necessary to assure delivery of available breakpoints. Completed forms must be maintained in the customer's file for future reference and/or Principal review.

Selling mutual fund shares just below the breakpoint to receive the higher sales charge is prohibited under Consolidated FINRA Rule 2342. Such sales can be a serious violation and have been the subject of strong penalties imposed by the SEC and FINRA. Therefore, where a customer is purchasing funds fairly close to a breakpoint, it is incumbent on each Registered Representative to explain where the breakpoint takes place and how additional money could be saved and/or additional shares could be purchased with a smaller sales charge. Where the amount of money involved would reach a breakpoint if only one fund were purchased (rather than a few funds), this must be pointed out even if more than one fund was recommended. In this way the customer may then weigh the advantages of the reduced sales charge versus that of diversification among funds.

With respect to sales at or just above the breakpoint, the Registered Representative should determine that the fund accepts dollar orders or orders for fractional numbers of shares. Care must be taken to ensure that the fund does not automatically convert a dollar order to an order for a specific full number of shares, which could result in a purchase price below the breakpoint. It is the Registered Representative's responsibility to review his or her copy of each customer confirmation for a mutual fund transaction involving a breakpoint to make certain that the customer received the benefit of the breakpoint. Any problems or discrepancies must be brought to the immediate attention of the Mutual Fund Principal.

Recent FINRA pronouncements indicate that sales under a genuine "asset allocation" program offered by the Company in which the size of the purchase is determined by asset-based investment strategies will not be automatically labeled as "breakpoint" sales, even though the customer might have gotten a lower commission if he/she had a greater concentration of assets in a particular fund or funds. The record must show that the customer was informed of the options and chose not to take advantage of the "breakpoint."

Supervisory Review. The designated Principal must review sufficient mutual fund sales documentation to ensure that the customer is charged correct sales loads and is receiving the most appropriate sales charge/breakpoint and that sufficient information has been gathered to evaluate this. The Principal's reviews may include, if necessary, contacting the mutual fund companies to verify a customer's holdings and family holdings. All accounts reviewed by the Principal will include evidence of review (initials on reports or notes generated). If the Principal determines that a breakpoint or waiver of the sales charges has not been applied but is applicable, the transaction will be processed at the appropriate sales charge unless there is sufficient documentation to support the trade as is.

The designated Principal will make changes to these procedures if deemed necessary to reduce errors in sales charges applied. The designated Principal will maintain records of such procedure changes.

Refunds to Customers. The Company must make prompt refunds to those customers who were identified during a Principal's review of trade activity (or during

a self-assessment process) as having been overcharged, as well as other customers who come forward seeking refunds on their own and are owed a refund based on the Company's assessment. Refunds must be made in accordance with the following FINRA guidelines:

- Refunds should be made in cash sent to the customer, or through cash deposits made to an existing customer's account with notice to that customer (in some cases, within two days of determining the proper refund amount);
- Refunds should be equal to the amount of the sales load overcharge plus interest at a simple rate of at least 2.5%, for overcharges that occurred between January 1, 2001, and the present. For transactions that took place prior to that time, members should use a comparable interest rate; and
- Refunds should be made regardless of the performance of the mutual fund purchased by the customer.

The Mutual Funds Principal must review records of refunds and refund requests in order to ensure proper processing and that these guidelines have been met, when warranted. This Principal must also ensure proper recordkeeping of all refund-related documentation in accordance with SEC Books and Records Rules (records should be maintained in an easily accessible place for the first two years). In addition, the FinOp must ensure that Net Capital Computations include refunds payable as liabilities, and that funds necessary to refund customers are segregated correctly and in timely fashion, in accordance with the Customer Protection Rule (see Notice 03-47 for guidance).

15.1.5 "Trails" and Other Contingent Deferred Charges

FINRA rules carefully regulate the amount of sales and other charges that can be collected by the Company and its Registered Representatives from the sale of mutual fund shares. The rules define a "sales charge" to include all charges or fees that are paid to finance sales or sales promotion expenses, including front-end, deferred and asset-based sales charges, excluding charges and fees for ministerial, recordkeeping or administrative activities and investment management fees. A “deferred sales charge” is any amount properly chargeable to sales or promotional expenses that is paid by a shareholder after purchase but before or upon redemption. Class B and C shares normally carry a Contingent Deferred Sales Charge (“CDSC”): while the investor holds the shares, the CDSC normally declines and eventually is eliminated after a certain number of years. After the CDSC is eliminated, Class B shares often "convert" into Class A shares. When they convert, they will be subject to the same, lower asset-based sales charge as the Class A shares. Representatives may no longer sell securities or funds that carry a CDSC unless the CDSC is calculated so that shares not subject to the CDSC are redeemed first and other shares are then redeemed in the order purchased (FIFO redemption).

The rules also define "service fees" as payments by an investment company for personal service and/or the maintenance of investor accounts. These fees, known generally as "trails" are paid directly by the issuer to the broker-dealer as a percentage of average annual net assets of the particular investment. FINRA rules presently limit the amount of "trails" to .25 of 1% of average annual net asset value.
FINRA personnel carefully review the prospectus and selling literature of each fund (and any updates or amendments) prior to use to make sure that the rules are being

observed and proper disclosures are made. The Company and its Registered Representatives are generally entitled to rely on such pre-cleared material for an accurate description of all sales and other charges.

Registered Representatives and other persons involved in the sale of mutual fund shares should exercise extreme care in the use of the term "no load," especially where there are "trails" involved. If the total charges (including sales charges and "trails") exceed .25 of 1% of net assets per annum the investment cannot be described as "no load" under FINRA rules.

All confirms for sales of mutual fund shares with a deferred sales charge must clearly state: "On selling shares you may pay a sales charge. For the charge and other fees, see the prospectus." This statement must appear on the front of the confirmation and in, at least, 8-point type. The designated Principal is responsible for establishing procedures to ensure the presence of such language.

15.1.6 Repurchases and Redemptions

Mutual funds may at all times be redeemed by tendering shares directly to the issuer (with or without a charge as set forth in the prospectus) in exchange for the net asset value (NAV) per share. The Company may also arrange for a sale by the customer to an underwriter or the issuer at the quoted bid price plus a disclosed sales charge, as long as the availability of a direct redemption is also disclosed. If a customer requests liquidation of an outside open-end fund held by the fund, the Registered Representative must obtain the customer's signed letter of authorization. Required signature guarantees must be obtained from operations, if required, before forwarding the letter to the fund.

Occasionally there will be a "repurchase" transaction in which the issuer or an underwriter voluntarily repurchases shares from the investor or from a dealer acting as principal. Such "repurchase" transactions cannot be undertaken unless the investor or dealer (if it is not a member of the selling group) is the record owner of the shares tendered for repurchase.

15.1.7 Switching

Shares of one investment company cannot be exchanged for those of another without the designated Principal's written approval. An exception to this rule is made in cases where funds share the same management and there is only a nominal charge for the exchange. Registered Reps, prior to recommending or accommodating a switch in a customer's account, must do the following:

- Verify that the change of funds is suitable in light of the customer's financial circumstances and consistent with the customer's stated investment objectives by assessing the customer's current and past trade activity, fund objectives, and investment preferences, and comparing the features of the proposed product to those of the existing investment to determine whether the customer will benefit from the switch (if the RR determines that switch may disadvantage the customer, the switch must not be accommodated);
- Try to minimize the customer's cost by switching within the same family of funds;

- Apprise the customer that such switch may result in shrinkage of the customer's capital through additional sales charges and the possibility of capital gains tax liability; and
- Obtain a Switch Letter signed by the customer.

In the Switch Letter the customer acknowledges his understanding of the consequences of the switch. The letter will be retained with or in at least one of the following: the record of the order; the customer file; or a file designated for switch letters. The designated Principal will ensure switch letters are obtained for switch transactions and that switches are justified prior to approving any transactions involving switches and in his periodic review of customer accounts. After reviewing switch letters (or the lack thereof), current and past trade activity, fund objectives and investment preferences, if the Principal determines a switch is not in the best interest of the customer, the transaction will not be approved. In reviewing the customer account, if the designated Principal determines that switches made in the customer's account were unjustified and/or costly, the customer will be notified and additional information will be requested. If deemed appropriate, the customer will be provided with relief and disciplinary action will be taken against the account Registered Representative. The Principal will maintain records of his or her review and will evidence this review by initialing and dating reports and/or notes generated.

15.1.8 Change in BD of Record

When the Company is named as BD of record in mutual fund accounts held directly with the product issuer ("check and application," "application way," or "direct application" accounts), the Company (or RR) generally receives fees or commissions resulting from the customer's transactions in the account. In these situations, the use of negative response letters to change the BD of record is NOT permitted. The Company (and its RRs) must seek a customer's affirmative consent prior to changing the BD of record in the customer's application way account. The designated Principal, in his or her review of customer account documentation, must note the attempted use of negative response letters by RRs and must immediately halt such use, require affirmative consent efforts, and consider disciplining personnel if they are found to have deliberately defied this procedure. Records of customer consent to changes in BD of record should be maintained with customer account documentation.

When a registered representative with an established customer base changes his/her BD, the representative will typically attempt to transfer the customer's assets to an account at his/her new firm or to change the BD of record if the account is held directly with the mutual fund company. In cases where the product is proprietary to the representative's former BD or where the Company does not have a selling agreement with the mutual fund company, the distributor may not permit these assets to be transferred into the customer's account at the new firm or for the BD of record to be changed.

In these situations, the representative would no longer be permitted to service the investment or receive trail compensation from the mutual fund company. In these cases, the representative may consider liquidating and replacing such investments with similar investments available through the Company. The registered representative must consult the CCO, or other designated Principal, to determine whether it would be feasible for the Company to enter into a selling agreement with

the applicable issuer/sponsor, if available, prior to making any recommendations for the customer to liquidate their investment.

If the Company determines that it is unable or unwilling to enter into a selling agreement with the mutual fund, the registered representative must advise the customer of any options the customer may have to continue to hold the investment at the representative's prior firm, before recommending that the customer liquidate or surrender the investment.

The designated Principal will review each recommendation to liquidate and/or the customer's mutual fund holdings to ensure that is suitable for the customer based upon the customer's financial needs and investment objectives. Recommendations may not be a function of the desire of the Company or its new representative to obtain compensation that they would not otherwise receive were the customer to retain their current investment. The designated Principal must review and approve all such transactions prior to processing and will evidence his/her review by initialing and dating applicable customer account and transfer/liquidation requests.

15.1.9 Selling Dividends

"Ex dividend" mutual funds reflect that a dividend has been announced. Consolidated FINRA Rule 2341 specifically prohibits the practice of recommending the purchase of mutual fund shares just prior to their going "ex dividend" unless there are specific, clearly described tax or other advantages to the purchaser. No Registered Representative shall represent that any capital gains distributions are part of the income yield. No Registered Representative shall withhold placing a customer's order for any mutual fund so as to personally profit from such a withholding. If the designated Principal notes any patterns of purchases just prior to funds going "ex dividend" he or she shall contact the Representative to ascertain that the customers understand the benefits and consequences of such purchases.

15.1.10 Selling Compensation

FINRA severely restricts promotional payments or consideration. In compliance with applicable Rule, Company personnel must not:

- Favor or disfavor the shares of specific investment companies (or group of companies) on the basis of brokerage commissions received or expected from any source (k)(1);
- Sell the shares of, or act as an underwriter for, a fund that follows a policy of considering sales of shares of the fund as a factor in selecting broker-dealers to execute portfolio transactions (k)(2);
- Demand, require, or solicit brokerage commissions as a condition to the sale of mutual fund shares (k)(3);
- Demand or accept directed brokerage business in exchange for favoring the sale of such product (k)(4);
- Circulate information to personnel other than management as to the level of brokerage commissions received from a particular sponsor (k)(5);

- If underwriter, suggest, encourage or sponsor any sales incentive campaigns to other firms that are based on or financed by brokerage commissions directed or arranged by the Company (K)(6);
- Provide incentive or additional compensation (bonuses, preferred compensation lists, etc.) for the sale of specific investment company shares to selected Registered Representatives, Branch Managers, or other sales personnel (k)(7)(A);
- Establish "recommended" or "preferred" lists of specific products on the basis of brokerage commissions received or expected (K)(7)(B);
- Allow sales personnel or Branch Managers to share in commissions received by the Company from portfolio transactions of investment company shares that are sold by the Company, if such commissions are directed by or identified with such investment company (K)(7)I; or
- Use the prospect of sales of such product as a means of negotiating favorable concessions on price or commissions from portfolio transactions (K)(7)(D).

Company personnel should be aware of the SEC's Rule 12b1-1, amended to prohibit investment companies (funds) from compensating the Company for promoting or selling fund shares by directing brokerage transactions to it and from indirectly compensating selling brokers, such as the Company, by participation in step-out and similar arrangements in which the selling broker receives a portion of the commission. The ban includes any payment, including any commission, mark-up, mark-down, or other fee (or portion of another fee) received or to be received from the fund's portfolio transactions effected through the Company. Company personnel aware of payment or receipt of any such compensation should alert their designated Principals, who must investigate and take corrective action, if required.

In addition, all cash or non-cash compensation or reimbursements to be provided directly or indirectly by sponsors to the Company or to selected Representatives in connection with the sale of such product shall be paid or provided directly to the Company and not to the Representatives. These payments or benefits shall be treated as cash compensation subject to full prospectus disclosure and to the limitations described above. If special compensation arrangements are made with individual dealers, which arrangements are not generally available to all dealers, the arrangements and the identities of the dealers must also be disclosed in the current prospectus. In all matters of compensation for investment company shares, the designated Principal (or senior compliance staff) must ensure compliance with Consolidated FINRA Rule 2341, the full contents of which are not included herein.

15.1.11 Late Trading

If applicable, please see the Section titled, "Mutual Fund Pricing/Late Trading," in Section 12, above.

Mutual fund shares must be redeemed and sold at a price based on the net asset value (NAV) of the fund calculated after the receipt of orders—that is, after the close of trading. For this reason, mutual fund orders should not be accepted after the market closing; any such orders accepted must be executed the following day. Company personnel must not effect or facilitate after-close mutual fund purchases or redemptions at the same day's NAV. The Trade Desk Supervisor, if applicable, or

the Mutual Funds Principal must review time stamps on orders tickets in order to detect and prevent deliberate late trading. Late trades must be cancelled or corrected. The designated Principal and each respective Registered Representative should attempt to detect repeated orders placed by customers at or just prior to the market close: such order timing may be a deliberate attempt to have trades executed at that day's NAV, calculated prior to their orders. If such patterns are suspected, the Mutual Funds Supervisor must be informed and take action to prevent further violations. The designated Principal, in his her regular review of order activity, must ensure compliance with these procedures. Occasional orders executed after market close will be tolerated only in the event such orders are not deemed to be late trades placed for advantage.

Automated trading systems must not be manipulated to accept late trades after market closing: all Company personnel, including IT and operations staff, must inform the Trade Desk Supervisor or CCO if such manipulation is suspected or discovered. Also, it is the obligation of the Company to not undertake, effect or facilitate "market timing transactions"—mutual fund trades that occur when the purchaser or seller believes that the fund's NAV does not fully reflect the value of fund's holdings. The Mutual Funds Principal should educate personnel as to their obligation to prevent the Company and its customers from any trading activity that might circumvent counteractive measures described by fund companies in prospectuses and supplemental additional information (SAI).

15.1.12 Alternative Mutual Funds – Not Applicable

15.2 Variable Product

Name of Supervisor ("designated Principal"):	Variable Product Principal: Debra Shannon
Frequency of Review:	Daily and periodically as required
How Conducted:	Review and approve of new account documentation for suitability and compliance with internal policies, suitability and sales practices; Review and approve retail communications, including hypothetical illustrations; Review correspondence; Periodic review of account information to confirm proper disclosure, customer information reviews, sufficient documentation and prospectus delivery; Review of customer account activity and quarterly 1035 exchange reports to detect improper replacements.
How Documented:	New account forms; retail communications approvals; correspondence files; trade activity records; account documentation (including investor profiles, risk tolerance, financial and tax status records, investment objectives); compensation records, Variable Product Replacement Forms; switch letters; and 1035 exchange reports, where applicable. Sales Practice Investigation Reports.
WSP Checklist:	Consolidated FINRA Rules 2111, 2320, 2330, 3110, 4511, 4512. Notices 94-36, 96-86, 99-35, 00-44; 04-72, 09-32, 09-50, 09-60, 09-72, 10-05, 11-02, 11-19. Member Alert, May 2004
Comments:	

A variable annuity is an insurance contract that is subject to regulation under state insurance and securities laws. Although variable annuities offer investment features similar in many respects to mutual funds, a typical variable annuity offers three basic features not commonly

found in mutual funds: (1) tax deferred treatment of earnings; (2) a death benefit; and (3) annuity payout options that can provide guaranteed income for life. A customer's premium payments to purchase a variable annuity are allocated to underlying investment portfolios, often termed sub accounts. The variable annuity contract may also include a guaranteed fixed interest sub account that is part of the general account of the insurer. The general account is composed of the assets of the insurance company issuing the contract. The value of the underlying sub accounts that are not guaranteed will fluctuate in response to market changes and other factors. Because the contract owners assume these investment risks, variable annuities are securities and generally must be registered under the Securities Act of 1933. NOTE: Equity-indexed annuities and variable life settlements are discussed in the NCI section, below.

Underlying sub-accounts that are not guaranteed are funded by a separate account of a life insurance company that, absent an exemption, is required to be registered as an investment company under the Investment Company Act of 1940. Variable annuities assess various fees including fees related to insurance features, for example, lifetime annuitization and the death benefit. The fees are typically deducted from customer assets in the separate account.
Typically, variable annuities are designed to be long term investments for retirement. Withdrawals before a customer reaches the age of 59 ½ are generally subject to a 10% penalty under the Internal Revenue Code. In addition, many variable annuities assess surrender charges for withdrawals within a specified time period after purchase. Generally, variable annuities have two phases: the "accumulation" phase when customer contributions are allocated among the underlying investment options and earnings accumulate; and the "distribution" phase when the customer withdraws money, typically as a lump sum or through various annuity payment options.

The myriad features of variable insurance products make the suitability analysis required under FINRA rules particularly complex. Personnel should review Notices 96-86, 99-35 and 07-53 for discussions on this subject. Suitability requirements are described below.

Retention of this customer information can be made in conjunction with the maintenance of basic customer account information that is required in Consolidated FINRA Rule 4512; records may be created, stored and transmitted in electronic or paper form; electronic signatures are permitted.

All contracts, liquidations and transfers require the approval signature of the designated Principal as described below.

In the sub sections to follow, RRs are reminded of the many factors that must be considered in each variable product transaction. These sub-sections must be read carefully and the guidelines and requirements therein must be followed. In summary, each Representative must attempt to confirm the following when offering variable products to their customers.

- The customer understands the type of product they are purchasing, including fees, charges and risks, such as loss of principal;
- The customer has received and signed a variable products disclosure form;
- The customer has received a current prospectus for the product being offered;
- The customer's investment objective is long-term and that he/she would not have a need to liquidate the contract in the short-term to meet income or expense needs;

- The customer's age does not exceed the limitations allowed by the contract issuer and that elderly individuals understand the long-term nature of the contract and the risks involved;
- The customer does not have a physical or mental disability that might hinder their ability to assess the risks associated with these contracts and that such disabilities do not disqualify them for the insurance benefits; and
- The customer's needs and objectives include a need for insurance as provided under these contracts.

The Company requires that its Registered Representatives submit the following **completed forms for each variable product application**:

- Customer account information or New Account Form;
- Product Application;
- Replacement form, if applicable;
- Variable Life, or Variable Annuity, Disclosure Form;
- Switch Letter, if applicable; and
- Any additional forms required by the issuer.

The Registered Representative should forward the above documents, if applicable and any additional information provided by the customer to the designated Principal for review, as described in "Supervisory Review and Approval," below.

15.2.1 Product Identification

In order to assure that customers of the Company understand what security is being discussed, all communications with the public should clearly describe the product as either a variable life insurance product or variable annuity, as applicable. Company materials may use proprietary names in addition to this description. In cases where the proprietary name includes a description of the type of security being offered, there is no requirement to include a generalized description.

Any communication discussing the tax-deferral benefits of variable life insurance should not obscure or diminish the importance of the life insurance features of the product. Any variable life insurance communication that overemphasizes the investment aspects of the policy or potential performance of the sub-accounts may be misleading.

Considering the significant differences between mutual funds and variable products, the presentation should not represent or imply that the product being offered or its underlying account is a mutual fund.

15.2.2 Suitability

Suitability in General: In accordance with Consolidated FINRA Rule 2330, when recommending either a purchase or an exchange of a *deferred variable annuity*, the RR must

1. reasonably try to obtain and consider information about the customer, including:
    - age

- annual income
- financial situation and needs
- investment experience
- investment objectives
- intended use of the deferred variable annuity
- investment time horizon
- existing assets (e.g., investment and life insurance holdings)
- liquidity needs
- liquid net worth
- risk tolerance
- tax status

2. reasonably believe that the purchase or exchange is suitable, based on a variety of factors, including
   a. the customer has been informed, in general terms, of the material features of deferred variable annuities, such as
      - potential surrender period and surrender charge
      - charges for and features of enhanced riders, if any
      - potential tax penalty components
      - insurance and investment
      - mortality and expense fees
      - market risk

   b. the customer would benefit from one or more features of deferred variable annuities, such as
      - tax-deferred growth
      - a death or living benefit
      - annuitization

   c. the particular deferred variable annuity as a whole, underlying sub-accounts, and riders and similar product enhancements, if any, are suitable.

Representatives must also consider whether the customer has a need for life insurance when recommending a variable insurance product, including a variable annuity, and the costs associated with the insurance components of these products in comparison to other investments.

In instances where deferred variable annuity transactions are not recommended, but are instead initiated and requested by the customer, RRs should be able to evidence the absence of a recommendation, for instance, via notes to the customer's files. RRs are prohibited from mischaracterizing recommended transactions as *non*-recommended; supervising principals, when approving V/A transactions should monitor for perceived violations of this procedure. Violators may be subject to internal disciplinary action.

Given the long-term, illiquid nature of variable insurance products, including variable annuities, Representatives must also consider the overall concentration of similar investments within the customer's entire portfolio, whether assets are held at the Company or not, and document their portfolio analysis.

The RR must document his/her suitability determinations, making use of internal forms or other notes/documents that will evidence the process. A complete and accurate application package, including an analysis of the concentration of illiquid investments in the customer's overall portfolio, must be provided promptly (immediately after completion) to the designated Principal in an OSJ for review, as described below under Supervisory Review. Incomplete applications will be returned to the Registered Representative for more information. Non-recommended exchanges must be presented for approval as are other unsolicited transactions.

Additional Firm Suitability Requirements: For each specific variable product offered, the Company follows guidelines established by the respective product sponsor, determining limitations and parameters on transactions with customers. These limitations may include maximum age or percentage of net worth or household income, for instance, and are designed to assist in the review of variable life insurance affordability and excessive amounts of coverage. These guidelines are included in the Company's contract with each product sponsor and must not be violated. Registered Representatives should consult their supervisors to obtain this information on a current basis. If parameters are exceeded, Registered Representatives must submit additional supporting documentation and a written explanation to the designated Principal. If acceptable to the Principal and the sponsor, such exceptions may warrant extra supervision and review, as determined by the designated Principal.

Suitability of Financing: Registered Representatives should not recommend that a customer finance a variable life insurance policy from the value of another life insurance policy or annuity, such as through the use of loans or cash values, unless the transaction is otherwise suitable for the customer. Such financing raises the risk that the required premium for the new variable life insurance policy will exceed the dividend stream or cash value of the original policy. When financing is recommended, Registered Representatives should disclose to the policy owner the potential consequences to both the existing and new policy. The Registered Representative must document the customer's informed consent to the financing. The form should include the customer's acknowledgment, the Registered Representative's signature, and the designated Principal's signature.

Suitability of Share Classes and Riders: Variable annuities are offered with various riders and share classes, which contain different commission structures and a variety of options to customers. Registered representatives must ensure that customers understand any restrictions and costs associated with each share class and/or rider when discussing the benefit of each with a customer and should ensure the customer has reviewed and understands the prospectus and related documentation discussing the share classes and riders. The registered representatives will document the reason for the riders and/or share class chosen in the client file and make notes related to discussions with customers.

The designated Principal in reviewing the share class or riders chosen must consider the cost and commission structure of each where applicable. The designated Principal in reviewing the suitability of each must also consider the customers investment profile and such matters as their investment objectives, liquidity needs, investment time horizon and other matters to determine the suitability of the recommendation made. The designated Principal will contact the registered representative and/or his supervisor if questions or concerns arise during her review to gather additional

information. The designated Principal may also contact the client if needed to address any concerns. The designated Principal will reject any investments where continuing concerns on the suitability exists. The designated Principal shall document the client file to evidence his review as well as any questions and their resolution, if applicable.

15.2.3 Disclosures in Communications with the Public

Company representatives should have a thorough knowledge of the specific characteristics of each variable annuity that is recommended and must discuss all relevant facts with the customer, including liquidity issues such as potential surrender charges and the Internal Revenue Service penalty; fees, including mortality and expense charges, administrative charges, and investment advisory fees; any applicable state and local government premium taxes; death benefits; subaccount choices; withdrawal privileges; and market risk. The RR should provide access to the product's current prospectus and should assist the customer, if necessary, to understand the terms described therein.

For registered investment companies (including variable contracts) representing investments in pools of securities, retail communications containing certain statements related to performance, investment objectives, experience, benefits and risks, and/or fees must be reviewed and filed in accordance with Consolidated FINRA Rule 2210 (see Notices 03-17 and 12-29 for specifics). Under the Rule, the designated Principal or designee must file with FINRA Advertising Regulation Department all variable contract retail communications within 10 days of first use or publication. As described in Section 11, certain items produced and filed by another member firm do not require principal review and filing; see that section for details. Appointed personnel are also required to file the format for hypothetical illustrations used in the promotion of variable life insurance policies, since these formats qualify as retail communications. The Company requires compliance with the review/approval and filing requirements detailed in Section 11.

"482 advertisements" are advertisements defined under SEA Rules 482 of the 33 Act that are not necessarily the statutory prospectuses required to be presented to potential investors in all investment company offerings, but that refer to such prospectuses. Contract prospectuses qualify as 482 advertisements yet may be accompanied by contract applications (that provide for investor allocation of purchase payments to specific underlying funds). 482 advertisements that contain performance data must include the following information: (i) a statement that past performance does not guarantee future results; (ii) a statement that current performance may be lower or higher than the performance data quoted; and (iii) a toll-free or collect telephone number or a website where an investor may obtain performance data current to the most recent month-end, unless the advertisement includes total return quotations current to the most recent month ended seven business days prior to the date of use. These advertisements must also include a statement that advises the investor to carefully consider each underlying fund's investment objectives, risks, and charges and expenses before investing; explains that the contract prospectus and each respective fund prospectus contain this and other information; identifies the source from which the investor may obtain a contract prospectus and the underlying fund prospectuses; and states that these prospectuses should be read carefully before investing. All these disclosures—whether in print, electronically, or on TV/radio, must be presented prominently in accordance with the standards imposed under Rule

482, so as to not minimize their presentation (i.e., they must meet required type size, style, placement and emphasis guidelines). The designated Principal must ensure that all advertisements used to promote variable product meet these requirements or be revised and re-filed with FINRA.

Consolidated FINRA Rule 2211 provides interpretive guidance regarding communications with the public about variable life insurance and variable annuities. *It is important to note that these guidelines apply to not only sales literature and advertisements, but also to individualized communications such as personalized letters and computer generated illustrations, whether printed or made available on screen.* The Company's Representatives, in conducting sales of these products, must comply with the restrictions noted in Consolidated FINRA Rule 2211, including those related to claims about guarantees, performance reporting, product comparisons, use of rankings, investment features and hypothetical illustrations of rates of return. In his or her review of documentation of sales activities, the designated Principal will make an effort to detect and halt non-compliant communications with the public.

When preparing hypothetical illustrations that are designed to depict the tax-deferral feature of variable annuities, the designated Principal must ensure that (1) illustrations designed to show the comparative tax benefits of variable annuities are based upon tax rate and investment return assumptions that are consistent, fair and reasonable at all times while the communication is in use, and (2) the tax rate assumptions in such illustrations are accurate in all respects as of both the date the material is prepared and throughout the period during which the material is in use. Such illustrations must also fully and fairly disclose all underlying assumptions as well as the fact that changes in tax rates and tax treatment of investment earnings may impact the comparative results. The designated Principal must routinely review these marketing communications to ensure compliance with these guidelines. Preparers and reviewers of illustrations are encouraged to consult FINRA's Member Alert dated May 10, 2004 for specific reminders.

Lack of liquidity, which may be caused by surrender charges or penalties for early withdrawal under the Internal Revenue Code, may make a variable annuity an unsuitable investment for customers who have short term investment objectives. Moreover, although a benefit of a variable annuity investment is that earnings accrue on a tax deferred basis, a minimum holding period is often necessary before the tax benefits are likely to outweigh the often higher fees imposed on variable annuities relative to alternative investments, such as mutual funds.

The Registered Representative should inquire about whether the customer has a long term investment objective and typically should recommend a variable annuity only if the answer to that question, with consideration of other product attributes, is affirmative. In general, the Registered Representative should make sure that the customer understands the effect of surrender charges on redemptions and that a withdrawal prior to the age of 59 ½ could result in a withdrawal tax penalty. In addition, the Registered Representative should make sure that customers who are 59 ½ or older are informed when surrender charges apply to withdrawals.

Some tax qualified retirement plans (e.g., 401(k) plans) provide customers with an option to make investment choices only among several variable annuities. Customers

should be made aware that while these variable annuities provide most of the same benefits to investors as variable annuities offered outside of a tax qualified retirement plan, they do not provide any additional tax deferred treatment of earnings beyond the treatment provided by the tax qualified retirement plan itself. Registered Representatives recommending the purchase of variable annuities for any tax qualified retirement account (e.g., 401(k) plan, IRA) should disclose to the customer that the tax deferred accrual feature is provided by the tax qualified retirement plan and that the tax deferred accrual feature of the variable annuity is unnecessary. The Registered Representative should recommend a variable annuity only when its other benefits such as lifetime income payments, family protection through the death benefit, and guaranteed fees, support the recommendation. The suitability analysis and principal approval requirements under Consolidated FINRA Rule 2330 do NOT apply to qualified retirement plan accounts, unless the RR makes recommendations only to an individual plan participant.

15.2.4 Switching and Replacement

RRs are prohibited from recommending variable annuity exchanges that do not materially improve the customer's existing position but, instead, merely generate a new sales commission. Registered Reps, prior to recommending a switch of a customer's variable product, must do the following:

- Verify that the change of product is suitable in light of the customer's financial circumstances and consistent with the customer's stated investment objectives by assessing the customer's current and past replacement activity and investment objectives, and comparing the features of the proposed contract to those of the existing contract to determine whether the customer will benefit from the switch (if the RR determines that switch may disadvantage the customer, the switch must not be accommodated);
- Apprise the customer that such switch may result in shrinkage of the customer's capital through additional sales charges; and
- Complete a Variable Product Replacement Form, as described below.

Representatives should not recommend the switching or replacement of an existing variable contract *unless* it is in the best interest of the customer because:

- the new contract offers the customer features not available in their existing contract;
- the customer's investment objectives have changed and cannot be met by the existing contract;
- the existing issuer is experiencing some type of difficulties, such as financial or regulatory, that could place the customer's contract at risk;
- the customer no longer has the need for the insurance coverage afforded by the existing contract and wishes to switch to another type of investment vehicle; and/or
- the performance of the existing contract does not meet the customer's expectations.

Representatives, when determining suitability for a recommended exchange of a *deferred variable annuity*, also must consider whether the customer:

1. would incur a surrender charge, be subject to a new surrender period, lose existing benefits or be subject to increased fees or charges

2. would benefit from product enhancements and improvements
3. has exchanged a deferred variable annuity within the last 36 months, whether at the Company or at another broker-dealer (RRs should review Company records for exchanges at the Company; they may rely on the customer to inform them of exchanges at other BD's.)

A suitability determination considering these factors and the factors listed above under "Suitability" must be documented by the RR making use of internal forms or other notes/documents that will evidence the process. This procedure applies to exchanges of a deferred variable annuity for another deferred variable annuity, but not exchanges for another product (such as fixed annuity). It applies only to *recommended* exchanges, however, in instances where the customer initiates and requests an exchange independent of a RR's recommendation, the RR must have documentation to evidence the lack of recommendation, as described above under Suitability. Mischaracterized non-recommendations will be investigated and met with disciplinary action.

A complete and accurate application package documenting the exchange must be provided promptly (immediately after completion) to the designated Principal in an OSJ for review, as described below under "Supervisory Review." Incomplete applications will be returned to the Registered Representative for more information. Associated persons are required to make reasonable efforts to deliver a complete and correct copy of these applications: the Company will not tolerate unreasonable delays. *Non*-recommended exchanges must be presented for approved as are other unsolicited transactions, within one day of receipt of completed applications.

For all variable annuity product exchanges, the Company requires completion of a signed 'switch letter' from the customer.

High Rates of Exchanges: FINRA has made it clear in Notice 07-06 and Consolidated FINRA Rule 2330 that suitability determinations or recommendations may not be made on the basis that a variable product switch will yield greater compensation for the Rep or the Company. The designated Principal will periodically review the Company's variable annuity business in an attempt to discern high rates of exchanges. The Company makes use of a client signed suitability form to track replacement activity.

Records of all reviews, findings and follow-up actions will be maintained by the Company in accordance with its retention procedures.

15.2.5 Changes in BD of Record.

When the Company is named as BD of record in variable annuity accounts held directly with the product issuer ("check and application," "application way," or "direct application" accounts), the Company (or RR) generally receives fees or commissions resulting from the customer's activity in the account. In these situations, the use of negative response letters to change the BD of record is NOT permitted. The Company (and its RRs) must seek a customer's affirmative consent prior to changing the BD of record in the customer's application way variable annuity account. The designated Principal, in his or her review of customer account documentation, must note the attempted use of negative response letters by RRs and

must immediately halt such use, require affirmative consent efforts, and consider disciplining personnel if they are found to have deliberately defied this procedure. Records of customer consent to changes in BD of record should be maintained with customer account documentation.

When a registered representative with an established customer base changes his/her BD, the representative will typically attempt to transfer the customer's assets to an account at his/her new firm or to change the BD of record if the contract is held directly with the issuer/sponsor. In cases where the product is proprietary to the representative's former BD or where the Company does not have a selling agreement with the issuer, the product sponsor/distributor may not permit these assets to be transferred into the customer's account at the new firm or for the BD of record to be changed.

In these situations, the representative would no longer be permitted to service the investment or receive trail compensation from the product sponsor/distributor. In these cases, the representative may consider liquidating and replacing such investments with similar investments available through the Company. The registered representative must consult the CCO, or other designated Principal, to determine whether it would be feasible for the Company to enter into a selling agreement with the applicable issuer/sponsor, if available, prior to making any recommendations for the customer to liquidate their investment.

If the Company determines that it is unable or unwilling to enter into a selling agreement with the issuer/sponsor, the registered representative must advise the customer of any options the customer may have to continue to hold the investment at the representative's prior firm, before recommending that the customer liquidate or surrender the investment.

The designated Principal will review each recommendation to liquidate, replace or surrender a variable contract to ensure that is suitable for the customer based upon the customer's financial needs and investment objectives. Recommendations may not be a function of the desire of the Company or its new representative to obtain compensation that it would not otherwise receive were the customer to retain their current investment. The designated Principal must review and approve all such transactions prior to processing and will evidence his/her review by initialing and dating applicable customer account and transfer/liquidation requests as described in this section.

15.2.6 Liquidity

Considering that variable life insurance and variable annuities frequently involve substantial charges and/or tax penalties for early withdrawals, the Company should not make any representation or implication that these are short-term, liquid investments. Presentations regarding liquidity or ease of access to investment values must be balanced by clear language describing the negative impact of early redemption. With respect to variable life insurance, discussions of loans and withdrawals must explain their impact on cash values and death benefits. In reviewing advertisements, sales literature and other communications, as described above, the designated Principal will seek to ensure descriptions of liquidity are appropriate and correct.

15.2.7 Sales Charges; Promotional Payments

The Company will not accept compensation in excess of those amounts outlined in the prospectus. All compensation relative to the sales of variable insurance products must be received by the Company and registered representatives are strictly prohibited from receiving any compensation relating to the sale of these products directly (certain exceptions exist for promotional and other payments). The Company shall maintain records of all compensation received in conjunction with these sales and will appropriately account for them in their financial statements.

FINRA severely restricts promotional payments or consideration. Consolidated FINRA Rule 2320 governs sales practices in the sale of variable product. The Company and its associated persons may not:

- Demand or accept directed brokerage business in exchange for favoring the sale of such product;
- Use the prospect of sales of such product as a means of negotiating favorable concessions on price or commissions from portfolio transactions;
- Provide incentive or additional compensation for the sale of specific variable product to selected Registered Representatives;
- Establish "recommended" or "preferred" lists of such product on the basis of brokerage commissions received or expected; or
- Circulate information as to the level of brokerage commissions received from a particular sponsor.

In addition, should cash or non-cash compensation or reimbursements be provided directly or indirectly by sponsors to the Company or to selected Representatives in connection with the sale of variable product, such compensation or reimbursements shall be treated as cash compensation subject to full prospectus disclosure and to the limitations and in Consolidated FINRA Rule 2320. The Company will maintain records of all compensation received from offerors, including:

- The name of the offeror,
- The names of the associated persons
- The amount of cash
- The nature and value of non-cash compensation received (may be estimated if Company doesn't have records to evidence exact value).

The designated Principal in his/her reviews shall seek to determine if any commission has been received that is outside the amounts allowed in the prospectus or if compensation has been received directly by the registered representative. In the event such payments are detected, the designated Principal shall investigate the circumstances, including contacting the issuer/sponsor, to determine why such payments were made and will take appropriate action as required.

Refer to Section 6.7 on receipt of non-cash compensation for additional information related to receipt of non-cash compensation, sales incentives, gifts and gratuities.

15.2.8 Contract Delivery

If the contract issued by the insurance company for a variable policy is delivered to the representative or the Company instead of the client, the designated Principal must ensure that the contract is delivered promptly to the customer and that a record of the delivery is maintained in the customer's file. Failure to promptly deliver a contract could result in issues with the free-look period or other statutory requirements. If the designated Principal in his/her reviews determines that a registered representative has received contracts that were not promptly delivered, he/she will take appropriate disciplinary action and provide written notification to the insurance companies that all future contracts must be delivered directly to the customer or to the Main Office.

15.2.9 Training

Registered representatives who sell variable annuity products, their supervisors and any Principals responsible for reviewing and approving variable product transactions will undergo training regarding product features, suitability issues and applicable regulatory requirements as outlined in Consolidated FINRA Rule 2330 regarding deferred variable annuities. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

The Continuing Education Principal shall maintain records of all persons required to participate in such training, the course or materials used in the training and evidence that each "covered" person has completed his/her assigned training program.

Failure to complete training may result in disciplinary action including the suspension of the representative's ability to offer variable annuities to his/her clients, fines or termination.

15.2.10 Supervisory Review

As described throughout this section, the principal designated in the table above is required to review and approve of transactions in variable products. The specific review procedures described above must be followed and documentation of approvals must be maintained in accordance with Consolidated FINRA Rules 2330, 4511 and 4512 and SEC books and records rules. Reviews should verify that the recommendation of the policy, subaccount allocation, riders and share class is consistent with the customer's investment objectives, investment time horizon, liquidity needs and risk tolerance.

Reviews of variable product transactions other than recommended deferred variable annuity purchases and exchanges must be completed within one business day and customer checks must be forwarded as described in the section below.

Under Consolidated FINRA Rule 2330, reviews of *recommended deferred variable annuity purchases and exchanges* must be completed within seven business days after a complete and accurate application package has been received at an OSJ.

The designated Principal will review account applications and other account documentation, if necessary, prior to approving or rejecting variable annuity

transactions. With regard to recommended deferred variable annuity purchases and exchanges, the designated Principal:

1. must review each purchase and exchange and determine whether to approve the transaction before sending the customer's application to the insurer for processing, but no later than seven business days after his/her OSJ has received the complete application. The designated Principal must record the date he/she received the complete application for review;
2. can approve the transaction only if he or she reasonably believes that it is suitable based on the suitability factors described above;
3. must document and sign all determinations , making use of in-house forms or other documents.

Applications (and customer checks) may be held up to seven days ONLY for the purpose of allowing principal review as described herein.

15.2.11 Processing Customer Funds

The designated Principal will ensure that the Company maintains a copy of each customer check and creates a record of the date the check was received from the customer and the date the check was transmitted to the insurance company (or other location, as applicable) if approved, or returned to the customer if rejected.

For variable product transactions other than recommended deferred variable annuity purchases and exchanges, customer checks must be forwarded to product sponsors, the designated bank account or the Company's clearing firm, as applicable, by noon the day after the day the check was received (see Consolidated FINRA Rule 2320).

For *recommended* deferred variable annuity purchases and exchanges, the following procedures apply to customer funds received in payment for the transaction. These procedures are designed to ensure proper handling of customer funds during the period between receipt of the funds (i.e., with the application) and approval by the designated Principal (up to 7 days after delivery to the OSJ of the application).

- If the Company is approved to maintain customer funds, it may deposit the transaction funds into its designated, segregated account *prior to* principal approval of the application.
- Lump sum checks made to the Company or its clearing firm in payment of the V/A transaction and other securities may be deposited into the Company's designated account or clearing firm account, respectively, and the Company or clearing firm may apply the portion of the funds designated for purchasing the other securities, while holding the balance until the V/A transaction is approved or rejected.
- Customer checks made out to the insurance company/sponsor (or customer funds, if the Company receives them) may be forwarded to the insurance company IF:
    - The Rep or other, designated personnel informs he customer of the funds transfer;
    - The Company has a written agreement with the insurance company requiring it to: segregate the funds in a special account (such as a "(k)(2)(i)" account); not issue the V/A until notified of Principal approval; and return the funds to customers at the customer's request (prior to Principal approval/rejection) or upon Principal rejection.

- Customer checks made payable to an IRA custodian (or customer funds, if the Company receives them) may be forwarded to the custodian IF:
  - The Company has a written agreement with the custodian requiring it to: forward the funds to the insurance company only after it has been informed of Principal approval; and, if the transaction is not approved, inform the customer of such and seek instructions regarding disposition of the funds (put into another investment, forward to another custodian, return the funds, etc.).

In any event, following approval, funds must be forwarded to the insurance company/sponsor or 'released' for payment of the transaction. If the transaction is rejected by the designated Principal, funds must be returned to the customer or processed as described above. In all instances, the variable annuity must not be issued prior to the insurance company receiving notification of Principal approval.

15.3 Equity-Indexed Annuities

Equity-indexed annuities (EIAs) are financial instruments in which the issuer, usually an insurance company, guarantees a stated interest rate and some protection from loss of principal, and provides an opportunity to earn additional interest based on the performance of a securities market index. Additional features of EIAs are described in Notice 05-50: sales and supervisory personnel are encouraged to review this Notice. Some EIAs are not registered under the Securities Act of 1933 based on a determination that they are insurance products that fall within that statute's Section 3(a)(8) exemption and therefore are not considered to be securities; other EIAs are securities registered for public sale with the SEC.

Registered EIAs. When offering *registered* equity-indexed annuities, Company personnel are required to adhere to all applicable procedures and guidance contained in this Manual, including those concerning suitability, sales material, supervisory oversight and order documentation. In general, many of the procedures described in the Variable Annuities Section, above, apply to sales of registered EIAs. In addition, personnel are required to adhere to the general and specific standards in this NCI section.

Unregistered EIAs.
The Company does not permit its RRs to offer or sell unregistered EIAs, whether in-house, in selling away transactions, or as an outside business activity. Offering and selling unregistered EIAs as investments or alternatives to investments is a violation of Company policy and will be subject to disciplinary action.

While unregistered EIAs are not registered under the Securities Act and are therefore not deemed securities, the Company requires that these products be treated as securities from a supervisory and regulatory perspective. The Company adheres to the guidance in Notice 05-50, where FINRA suggests that all broker-dealers adopt special supervisory procedures for the sales of EIAs.

15.3.1 Sales and Marketing Materials

When presenting the advantages of EIAs, associated persons must balance promotional materials with disclosures of the corresponding risks and limitations of the product (see "Due Diligence" and "Promotional Materials," above). All correspondence and sales materials used in offering EIAs must be subject to the

review and approval procedures outlined above in "Correspondence" and "Communications with the Public." All offering materials provided by issuers must be reviewed by the designated Principal prior to their distribution. The designated Principal must be careful in reviewing such materials, since many will have been drafted by insurance agents and will not meet FINRA regulatory standards (for instance, including exaggerated claims of principal protection and high returns). In the case of selling away transactions, where an EIA transaction is deemed a securities transaction, these principal review and approval requirements must be met.

15.3.2 Sales/Suitability

The many, varied features of EIAs make the suitability analysis required under FINRA Rules particularly complex. While EIAs may be appropriate for some retail investors, they are not suitable for all investors. For example, features that contribute to their complexity such as caps and participation rates associated with a particular product, minimum guarantees and fees and expenses, including surrender charges, premium bonuses, and multiple premium payment arrangements, must be considered in any suitability determination.

As with all investments, especially NCI's, it is imperative that RRs must attempt to establish the specific suitability of each customer transaction. When evaluating a transaction in an EIA for a customer, each Representative must attempt to confirm the following:

- The customer understands the type of product they are purchasing, including fees, charges and risks, such as loss of principal;
- The customer has received a prospectus (if available) or other offering materials and has acknowledged receipt;
- The customer's investment objective is long-term and they would not have a need to liquidate the contract in the short-term to meet income or expense needs;
- The customer's age does not exceed the limitations allowed by the contract issuer and that elderly individuals understand the long-term nature of the contract and the risks involved;
- The customer does not have a physical or mental disability that might hinder their ability to assess the risks associated with these contracts and that such disabilities do not disqualify them for the insurance benefits; and
- The customer's needs and objectives include a need for insurance as provided under these contracts.

Representatives must explain the various features of EIAs with their customers. Answers to the following customer questions must be known and explained to the customer prior to finalizing sales in EIAs:

- What is the guaranteed minimum interest rate?
- What charges, if any, are deducted from my premium?
- What charges, if any, are deducted from my contract value?
- How long is the term?
- What is the participation rate?
- For how long is the participation rate guaranteed?
- Is there a minimum participation rate?
- Does my contract have a cap?
- Is averaging used? How does it work?

- Is interest compounded during a term?
- Is there a margin, spread, or administrative fee? Is that in addition to or instead of a participation rate?
- Which indexing method is used in my contract?
- What are the surrender charges or penalties if I want to end my contract early and take out all of my money?
- Can I get a partial withdrawal without paying charges or losing interest?
- Does my contract have vesting?
- Does my annuity waive withdrawal charges if I am confined to a nursing home or diagnosed with a terminal illness?
- What annuity income payment options do I have?
- What is the death benefit?

15.3.3 Documentation

All documentation required for Variable Annuity sales is also required for EIA sales, when applicable. To reiterate, the following forms must be completed and maintained in each EIA, when applicable:

- Customer account information or New Account Form;
- Product Application;
- Replacement form, if applicable;
- Product Disclosure Forms;
- Switch (investment change) Letter, if applicable; and
- Any additional forms required by the issuer.

15.3.4 Supervision

The Company supervises the sale of EIAs in much the same way as it supervises the sale of Variable Annuities—both supervisory and sales personnel should reference that section in this Manual to be familiar with expectations. As with other securities sales, all sales of EIAs require Principal review and approval. Supervisors should pay particular attention to suitability and replacement issues when reviewing EIA sales for approval.

15.4 Municipal Securities

Name of Supervisor ("designated Principal"):	Municipal Fund Principal: Gail Murdoch
Frequency of Review:	Daily review of trades; quarterly review of transaction reporting; prompt review of requests/notifications pursuant to MSRB Rule G-37
How Conducted	Trade reviews/approvals; periodic account reviews; review of transaction reporting; correspondence review; review of event notices; review of compliance with SHORT System submissions, when required.
How Documented:	Initials or signatures on trade documentation/reports, customer account documentation reviews, correspondence, and evidence of review and forwarding of event notices; records of SHORT System submissions when required.

WSP Checklist:	Government Securities Act Sec. 102-107; SEA Rule 10b-5, 15(5)(4)(E), 15c2-12, and 17a-3. Exchange Act Release No. 45882. Various MSRB Rules, such as those referenced below, and related Notices. FINRA Notices 09-35, 08-21, 03-17, 00-08, 95-48, 10-41, 15-27.
Comments:	

Government securities are securities issued by federal, state and local governments. Special sets of rules control the issuance of such securities, which are generally exempt from the general regulations under the 1933 and 1934 Acts. The issuance and sale of most government securities are governed by the Municipal Securities Rulemaking Board (MSRB).

Prior to engaging in municipal securities activities, whether as a broker, dealer or advisor, the Company must ensure that it is registered with the MSRB, as required under MSRB Rule A-12. The CCO, or his designee, will ensure that the Company is registered prior to engaging in any covered activities.

If the Company is approved for municipal securities, as shown in their FINRA membership agreement but not registered with the MSRB, the CCO, or his designee will electronically submit Form A-12 and pay applicable fees to the MSRB to become registered. If the Company's FINRA membership agreement does not include municipal securities, the CCO, or his designee, must make a filing with FINRA to amend the Company's membership to include municipal business and obtain approval from FINRA prior to submitting Form A-12. Once approval is granted the CCO, or his designee, will submit Form A-12 and applicable fees to the MSRB to obtain registration prior to engaging in covered activities.

Form A-12 will include information relative to certain contacts with the Company as well as trade reporting information or the Company's exemption from reporting. Form A-12 also replaces Forms RTRS and G-40 and updates to the information contained within these Forms will now be captured and updated on Form A-12.

Form A-12 must be updated within 30 days when there are changes to submitted information. Further, the information on the Form must be affirmed annually. The CCO or Municipal Principal will ensure any required changes are made to the Form as required and will access the MSRB electronic filing system at least annually by the 17th business day following the end of the calendar year to affirm the A-12 information.

Each Representative doing business in municipal securities must hold the appropriate license and registration, depending on his/her role. Three categories of registrations exist for Representatives:

- Municipal Securities Sales Limited Representative: for those who effectuate only sales and purchase of municipal securities (Series 7).
- Municipal Securities Representative: for those who engage in more than just sales and purchases of municipal securities or who engage in more complex securities (Series 52, or Series 7 if it was 'grandfathered').
- Municipal Securities Representatives qualified by virtue of being a Limited Representative – Investment Company and Variable Contracts Products: for those who engage only in sales and purchases of municipal fund securities (Series 6 -- see sub-section below).

Principals overseeing municipal securities business and RRs must hold the appropriate licenses and registrations as described in Rule G-27(b) and Notice 2011-62. Appropriate Principals must be designated, such as *municipal securities principal* (Series 53), responsible for all supervisory functions as they relate to municipal securities; *municipal fund securities limited principal* (Series 51), responsible for supervisory functions, but only as they relate exclusively to municipal fund securities.

MSRB Rule G-3 requires all "covered persons," as defined by the Rule, to participate in continuing education. The requirements shall be comprised of a Regulatory Element and Firm Element, as required by Consolidated FINRA Rule 1250. The Company will ensure that all "covered persons" engaged in municipal securities activities receive annual training related to municipal securities as part of the Firm Element training or through separate training, as applicable. The Continuing Education Principal shall ensure that the Company has included an assessment of the training needs of its municipal "covered persons" annual through its Needs Analysis, will assign training as needed and will maintain records of the training and its completion by required persons.

The Company's municipal securities business is limited to offering 529 Plans and this business is supervised by a Series 51 registered Principal. Representatives offering only 529 Plans may hold the Series 6, 7 or 52.

Certain tax credit bonds are also municipal securities and therefore subject to all applicable MSRB rules and these procedures: Recovery Zone Economic Development Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds, New Clean Renewable Energy Bonds, Midwestern Tax Credit Bonds, Energy Conservation Bonds, Qualified Zone Academy Bonds and Build America Bonds.

Personnel must recognize that certain financial instruments, including some characterized as "bank loans," may be municipal securities. If the Company serves as a placement agent for a "direct purchase" by a bank of municipal securities or as a placement agent for a "bank loan" that is, in fact, a municipal security, the Company is subject to all MSRB rules. The designated principal, when approving new business as described herein, should attempt to discern if it represents municipal business and must ensure that applicable procedures are followed.

The Company considers itself to be in compliance with MSRB Rule G-27 (re: Supervision) by virtue of its having appointed the above-named supervisor and by complying with various, analogous Rules and Regulations of FINRA and SEC. *This WSP Manual does not purport to reiterate every MSRB Rule applicable to the Company's business. The firm is required to maintain a copy of or provide access to the Municipal Securities Regulation Board Manual in each office where municipal securities business is conducted. The MSRB Manual should be consulted by Company Principals, associated persons and regulatory examiners for information on MSRB Rules pertaining to the Company.*

15.4.1 Sales and Trading Practices – Not Applicable

15.4.2 Disclosure of Events

For the sake of these procedures, information is considered "material" if there is a substantial likelihood that the information would be considered important or significant by a reasonable investor in making an investment decision.

Knowledge of Material and Other Information: In order to fully comply with MSRB Rule G-47 (disclosing events to a customer at or prior to the time of the trade), the Company, as a municipal securities broker or dealer, must also have complied with amended SEA Rule 15c2-12. This Rule requires the Company to promptly receive notice of certain events, including:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers or their failure to perform;
- Adverse tax opinions, IRS notices or events affecting the tax status of the security;
- Modifications to rights of security holders, if material;
- Bond calls, if material;
- Defeasances;
- Release, substitution or sale of property securing repayment of the securities, if material;
- Rating changes;
- Tender offers;
- Bankruptcy, insolvency, receivership or similar event of the obligated person;
- Merger, consolidation, or acquisition of the obligated person, if material;
- Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

Prior to the sale of municipal securities to a customer, RRs must review disclosed events on MSRB's EMMA (Electronic Municipal Market Access) portal. EMMA is a publicly-accessible electronic repository of municipal market information, including continuing disclosures submitted by muni bond issuers, official statements and related pre-sale documents filed with MSRB, advance refunding documents, 529 college savings plan offering documents, notices of failure to provide required financial disclosure, credit ratings and real-time and historic trade data for municipal bonds. For material event disclosures before July 1, 2009, RRs should consult an NRMSIR other than EMMA; for disclosures after that date, EMMA is the sole designated source for this information.

EMMA also includes other information submitted voluntarily by issuers and obligated persons —RRs should review the voluntary information for anything that might be of significance to their customers. Voluntary event-based disclosures include the following categories:

- amendment to continuing disclosure undertaking
- change in obligated person
- notice to investors pursuant to bond documents
- certain communications from the IRS
- secondary market purchases

- bid for auction rate or other securities
- capital or other financing plan
- litigation/enforcement action
- change of tender agent, remarketing agent, or other on-going party
- derivative or other similar transaction
- other event-based disclosures

Representatives must also review any other material information that is known by the Company or is reasonably accessible to the market. The use of established industry sources like information vendors (e.g., Bloomberg and Reuters) is expected and encouraged; in some cases, internet search tools may be used in pursuit of material information. The degree to which the Company depends on such sources will vary with the type of municipal security at hand: that is, the Company might draw on fewer industry sources to disclose all material information about a "triple-A" rated general obligation bond than for a non-rated conduit issue. Conversely, to the extent that a security is more complex, for example because of complex structure or where credit quality is changing rapidly, the Company might need to take into account a broader range of information sources prior to executing a transaction. The designated Principal should assist RRs in understanding these obligations and how to meet them; he or she must ensure that the Company has a system in place that allows RRs to access and provide such information.

Disclosure of Information to Customers: As described in Rule G-47, the Company and its RRs must disclose all material information about the transaction and the security to the customer, either orally or in writing, at or prior to the time of the transaction. This obligation includes a duty to give the customer a complete description of the security, including a description of the features that likely would be considered significant by a reasonable investor and facts that are material to assessing the potential risks of the investment. The RR must pass along such information to the customer prior to or at the time of the proposed sale. Time of sale, sometimes referred to as the "time of trade," is when the investor and the RR agree to make the trade. Disclosure is required for all sales: recommended, not recommended, unsolicited, "self-directed," primary and secondary market. Records of having informed the customer may consist of e-mail correspondence or notation to the customer's records or trade records.

Supervision: The designated Principal, in his or her periodic reviews of municipal securities activity, will ensure that disclosures are being reviewed, provided and documented. Supervisors may make use of disclosure reports made available on Report Center, via Firm Gateway. The designated Principal will also ensure that RRs engaging in muni transactions have been properly trained in the use of the EMMA portal and other information sources made available by the Company for these purposes. See sub-section, below, for procedures relating to institutional customers.

In accordance with FINRA guidance in Notice 09-35, if the Company discovers that an issuer has failed to make filings required under its continuing disclosure agreements, it must take this information into consideration in meeting its obligations under Rule G-47 and in assessing the suitability of the issuer's bonds under Rule G-19. Continuing disclosure requirements apply to underwriters/primary distributors of 529 plans—throughout the life of the plan--as well.

MSRB offers paid subscriptions to the EMMA continuing disclosure historical data product, which consists of the same data set (including both documents and related indexing information) as provided by the EMMA continuing disclosure subscription service up to the end of the most recent month. Data dating back to June 1, 2009, is available for purchase.

RRs should consult the designated Principal to determine which material is considered material and therefore disclosable; their determination will vary with individual securities and transactions. Also, historical information and documents submitted to the SHORT System is available on a subscription basis.

15.4.3 Municipal Underwriting – Not Applicable

Fair Practice Obligations. In its business with issuers as underwriter, the Company must adhere to the fair practice standards of MSRB Rules G-17 and G-47. MSRB Interpretive Notice 2012-25 and Notice 2012-38 provide specific requirements and guidance. The Company, when acting as underwriter or primary distributor in negotiated underwritings (as opposed to competitive underwritings), must adhere to *all* G-17 requirements outlined in these Notices. These requirements do not apply to selling group members and do not apply if the Company is acting in the role of advisor (and thus fiduciary) to a municipal entity. The following are addressed in the Notice:

- Robust disclosure to issuer of Company's role, compensation and actual or potential material conflicts of interest;
- Particularized disclosures to issuer when recommending a complex municipal securities financing (one with a structure that is unique, atypical or otherwise complex, as VRDOs and derivatives like swaps), addressing characteristics, risks and incentives to use a complex structure;
- Timing, manner and written acknowledgment of required disclosures;
- Truthful and accurate representations to issuers;
- Duties in connection with information it provides for use in issuer disclosure documents;
- Prohibition on discouraging use of a municipal advisor;
- Reasonableness of compensation (factors to consider include nature of services provided, credit quality and size of issue, market conditions, length of time structuring issue, legal and other costs);
- Duty to negotiate in good faith with issuer, ensuring fair pricing;
- Avoiding conflicts of interest that may arise from payments to or from third parties; profit-sharing with investors; and issuing/purchasing credit default swaps;
- Honoring the terms of a retail order period, if agreed to; and
- Gifts, gratuities and non-cash compensation.

Outside of negotiated underwritings, like when acting as competitive underwriter or strictly as private placement agent of a primary issue (without having structured the issue), the Company has a duty to adhere to at least some parts of these Notices (e.g., those relating to prohibited misrepresentations and excessive compensation, fair pricing, profit sharing arrangements, payments to issuer personnel, and disclosures). Certain disclosures may be made by the syndicate manager on behalf of the co-managers. Notice 2013-08 outlines which disclosures may be or should be made by

various parties. The Notice also describes timing and delivery requirements for each required disclosure, as well as use of omnibus disclosure documents, representations from authorized issuer officials, and acknowledgement of receipt of disclosures.

When applicable, the designated Principal will review the referenced Notices to determine and orchestrate implementation of the Company's specific disclosure responsibilities in light of its role, and will oversee activities and proper recordkeeping.

This Rule applies to certain payments made and expenses reimbursed during the municipal bond issuance process for excessive or lavish entertainment or travel expenses.

Rule 15c2-12 requires municipal securities underwriters of primary offerings to, among other things:

- obtain and review an official statement that the municipal securities issuer deems final;
- send the final official statement to any potential customer; and
- in negotiated sales, send the most recent preliminary official statement, if one exists, to any potential customer.

Participating Underwriters. Under Rule 15c2-12, brokers, dealers, or municipal securities dealers that act as an underwriter in a primary offering of municipal securities with an aggregate principal amount of $1,000,000 or more are included in the term "participating underwriter." When acting as participating underwriter, the Company is responsible for the following:

- Prior to participating in the underwriting, obtain and review a copy of the "near final" official statement.
- Determine and include in a written statement with the issuer or an obligated person on behalf of the issuer, that the issuer will provide in a timely manner not in excess of 10 business days to MSRB, directly or indirectly, through an indenture trustee or a designated agent, certain financial and other information (event notices) as specified in SEA Rule 15c2-12.
- Review and comply with any applicable exemptions from these requirements, under Rule 15c2-12 (note: primary offerings of demand securities occurring on or after 12-1-10 are no longer exempt).

Participating underwriters must also inform MSRB (via EMMA) of the failure of any issuers to provide MSRB with required financial information.

In addition to these requirements, the designated Principal must review other information necessary prior to participating in an underwriting. The underwriting file should include copies of any information reviewed as well as contracts or other agreements with the issuer or the issuer's agent. Supervisors and personnel should consult MSRB Notice 2010-20 for updated continuing disclosure requirements.

Senior Managing Underwriter. When the Company acts as managing underwriter or senior syndicate manager, it is responsible for the following regarding the issue which is the subject of the underwriting. The designated Principal is responsible for

establishing procedures to comply with the requirements. MSRB Rule numbers are referenced below.

- Confirming sales in accordance with MSRB Rule G-11;
- Establishing priority provisions (giving priority to customer orders over orders by members of the syndicate for their own accounts or orders for their respective related accounts, to the extent feasible and consistent with the orderly distribution of securities in the offering--G-11); where there is no syndicate formed, but rather, only a sole underwriter, the underwriter must adhere to priority provisions;
- Providing, in writing, to the syndicate members and members of the selling group (G-11) a written statement of terms and conditions including the following (if the Company prepares the statement instead of the issuer, it must get the issuer's approval before distributing it):
    - All of the issuer's retail order period requirements,
    - Priority provisions,
    - Procedure by which priority provisions may be changed, and changes to the priority provisions,
    - If the senior manager is permitted to deviate from the established priority provisions,
    - If there is an order period, whether orders may be confirmed prior to the end of the order period, and
    - All pricing information and any changes;
- Within two business days following the date of sale, disclose to other syndicate members, in writing, the allocation of securities (G-11);
- At or before the final settlement of the syndicate account, disclose to syndicate members, in writing, an itemized statement of expenses and (G-11):
    - Identity of each related portfolio, municipal securities investment trust, accumulation account, and each person submitting a group order to which securities have been allocated with the aggregate par value and maturity date of each security allocated and
    - The aggregate par values and prices (in dollar prices or yields) of all securities sold from the syndicate account;
- For CUSIP-eligible issues, apply for a CUSIP number for the new issue unless already obtained (G-34);
- Return good faith deposits to syndicate members, as applicable;
- Settle the syndicate account within 30 days following the date all new issue securities have been delivered by the syndicate or account manager to the syndicate or account members (G-11) —for secondary market trading accounts, as well;
- Distribute designated credits (allocations) within 10 days following delivery of the securities to the customer (G-11);
- Provide, upon request, official statements to brokers, dealers, and municipal securities dealers that purchase the new issue securities (G-32) and comply with notification requirements for offerings exempt under Rule 15c2-12(d)(1)(i);
- Pay all underwriting assessments due under A-13, as revised (see MSRB Notice 2009-56); and
- Meeting the applicable requirements of Rule 15c2-12.

The syndicate manager, or if none, the sole underwriter, must maintain records concerning primary offerings as enumerated in Rule G-8.. This rule requires various records such as, among others: a statement of terms and conditions including those of any retail order period; information about retail orders; and whether allotments deviated from the customer priority provisions and the reasons for doing so. Underwriters must retain records of all orders, whether filled or unfilled, for a period of six years.

Syndicate Member. When the Company is a member of a syndicate or submits orders to a syndicate it is responsible for the following regarding sales during the underwriting period (G-11):

- When submitting group orders, disclosing at the time of submission the identity of the person for whom the order is submitted;
- Providing each dealer, with which it has an arrangement to market the issuer's securities, with the written statement of terms and conditions provided by the senior syndicate manager;
- Providing written disclosure, to anyone who requests, of all data on priority of orders and order period and changes in priority of orders as they occur; and
- Providing to the senior syndicate manager or sole underwriter all retail order period representations and disclosures required under Rule G-11(k); these are due from the end of the retail order period but no later than the Time of Formal Award.

Records relating to underwriting will be maintained as described below in this section.

Changes to Bond Authorizing Documents. Issuers may request underwriters, as temporary owners of bonds during the initial distribution period and representing the aggregate principal amount of bonds underwritten, to provide consents to changes to authorizing documents. If the Company consents to such changes it may adversely affect the interests of existing bond owners. Rule G-11(l) prohibits all dealers (including the Company) from providing consent to any amendment to authorizing documents for municipal securities, either in the capacity as an underwriter, remarketing agent, an agent for bond owners, or in lieu of bond owners. The Rule names certain exceptions (such as bond owner consent) and should be consulted when such instances arise.

Registration and Reporting Requirements. MSRB Rule G-34 requires all dealers who act as underwriters in new issue of eligible securities to participate in the New Issue Information Dissemination System ("NIIDS"). NIIDS is an automated, electronic system that receives comprehensive new issue information on a market-wide basis for the purposes of establishing depository eligibility and immediately re-disseminating such information to information vendors supplying formatted municipal securities information for use in automated trade processing systems; certain NIIDS information is integrated into the EMMA system. G-34 information submitted to NIIDS will satisfy G-32 information submission requirements, when applicable. The Municipal Securities Principal shall review the Company's underwriting history to determine if and when registration is required (the Company must register prior to acting as an underwriter for a new issue of municipal securities eligible for submission to NIIDS). If registration is required, he will register through

DTCC and will conduct required testing. A record will be maintained in the Company's MSRB NIIDS Reporting file.

Underwriters who have registered with NIIDS will be required to post information required about eligible underwritings in NIIDS. The Municipal Principal will ensure that all required reporting is completed and will maintain a record of his reviews in the Company's NIIDS Reporting file.

Issuer Disclosures. The Company will not underwrite municipal bonds unless the issuer pledges to provide annual reports and ongoing disclosure of events as required by Rule 15c2-12. Such pledge will be included in the underwriting agreement or other agreement with the issuer. There is an exemption for small issuers—the designated Principal should review Rule 15c2-12(d) for available exemptions. See above procedures for further information on the Company's required receipt of event disclosures.

Official Statements and Other Primary Market Documents. Under MSRB Rule G-32, the Company as underwriter, the issuer or its designated agent is required to submit primary market documents such as official statements and related pre-sale documents, advance refunding documents, and information relating to a retail order period, if applicable, with the MSRB (via EMMA) for all issues subject to SEA Rule 15c2-12, as well as continuing disclosure submissions (including for 529 plans for the life of the plans). Certain filings and notifications are required for primary offerings exempt from Rule 15c2-12: the designated Principal should review MSRB Rule G-32 and Notices 2012-64 and 2013-20 for revised disclosure requirements. Voluntary submissions are accepted as described in Notice 2011-20; this Notice also explains voluntary filing submissions. Notice 2013-18 includes a summary of required submissions and suggested practices in submitting financial disclosures.

The Municipal Principal shall review offering documents to determine if the Company is required to file the primary market and advanced refunding documents. If filings are required, he will ensure that they are made in such a manner as to permit verification of receipt and will keep a record of both the filings and record of receipt in the files related to the applicable underwriting. Submissions made to NIIDS under Rule G-34 will be treated as having satisfied corresponding G-32 submission requirements. For data not reportable to NIIDS, or for primary offerings ineligible for NIIDs, the designated Principal will ensure that all required information will be submitted through EMMA.

Conflicts of Interest. The Municipal Securities Principal should review Notice 2011-29 and -65 to understand and implement any and all applicable limitations imposed by G-23. This rule prohibits the Company from acting as underwriter or agent in issues where it has also acted as financial advisor to the issuer.

15.4.4 Transaction Reporting – Not Applicable

15.4.5 Books and Records

Veritas Independent Partners, LLC shall keep and preserve the books, accounts, records, memoranda, and Correspondence in conformity with all applicable laws, rules, regulations and statements of policy pursuant to FINRA guidelines. Also, the

Company is required to maintain customer accounts showing the following information: name, address, and whether the customer is of legal age, signature of the Registered Representative introducing the accounts and the signature of the designated Principal accepting the account for the Company. If the customer is associated with or employed by another member, this fact should be noted. In discretionary accounts, the Company shall also record the age or approximate age and occupation of the customer as well as the signature of each person authorized to exercise discretion in such account.

The designated Principal must ensure that the Company keeps and preserves either a separate file of all written complaints of customers and action taken by the Company, if any, or a separate record of such complaints and a clear reference to the files containing the correspondence connected with such complaint. In addition, the designated Principal must confirm that investor complaint brochures have been sent to all municipal securities customers upon receipt of complaints, per Rule G-10. Effective October 13, 2017, the designated Principal shall ensure that an electronic record of all written customer complaints is maintained and that records are preserved for a period of 6 years.

The Company, by virtue of its compliance with SEA Rules 17a-3 and a-4, will be in compliance with MSRB Rule G-9 (and G-8, by reference), except that certain records must be maintained for four years instead of three, to accommodate FINRA's examination schedule. However, the Company must also ensure compliance with certain recordkeeping requirements under G-8 that are not included in the SEC books and records rules. The designated Principal must understand and ensure Company compliance with these requirements.

15.4.6 MSRB Rule G-37 (Contributions)

MSRB prohibits brokers, dealers and municipal securities dealers from engaging in municipal securities business with issuers if certain political contributions have been made to officials of such issuers and requires disclosures about certain political contributions, including those to bond ballot campaigns, as well as other information, to allow public scrutiny of these contributions and of the municipal securities brokers/dealers.

The rules described in this section apply to associated persons even if they are employed in divisions or departments other than municipal bond departments. For instance, fixed-income personnel making a presentation to potential issuers of municipal securities (including Build America Bonds or other tax credit bonds) would be considered "municipal finance professionals" of the Company under Rule G-37.

Ban on Business: MSRB Rule G-37 prohibits the Company and its municipal finance professionals (for these purposes, any associated persons doing municipal business) from engaging in any municipal securities business with an issuer for two years after a political contribution to an official of such issuer has been made by the Company, any such associated person, or any political action committee controlled by either of them ("dealer-controlled PAC"). Contributions to 'affiliated PACs' must be analyzed by the designated Principal to a) determine if the affiliated PAC is really a dealer-controlled PAC, and thus subject to the ban on business; or b) if such contributions

by the Company or its MFP's could be viewed as an indirect contribution (a conduit to an issuer official). The indicators listed in MSRB's interpretation (Notice 2010-57) must be addressed and considered in this analysis.

An exception exists for contributions made by municipal finance professionals, when they are entitled to vote and when such contributions, in total, do not exceed $250 to each official of such issuer, per election, including federal elections.

Prohibition on Soliciting and Coordinating Contributions: In addition, the rule prohibits the Company and certain municipal finance professionals from soliciting or coordinating contributions to officials of issuers with which they are engaging in or seeking to engage in municipal securities business, as well as of payments to political parties of states or localities where they are engaging in or seeking to engage in municipal securities business.

Reporting: The rule requires the Company to report all non-de-minimis ($250/year/person/official, party or ballot initiative) contributions to officials of issuers, payments to political parties of states and political subdivisions, and contributions to bond ballot campaigns. Rule G-37(e) describes the specific information that must be reported. The Company also has to report on this form the list of issuers with which it did business during the previous quarter, among other information. If the Company has no reportable information (no contributions; no business) then it does not have to report.

The designated Principal or designee will ensure that required reporting is completed on Form G-37 by the last day of the month following the end of any calendar quarter in which any of the following occurs:

- Reportable political contributions or payments to issuers, political parties or bond ballot campaigns were made;
- The Company engaged in "municipal securities business"; or
- The Company used consultants to obtain or retain municipal securities business (Form G-38t).

The term "municipal securities business" includes negotiated underwritings as manager or syndicate member; private placements; acting as financial advisor to an issuer (on a negotiated basis); and acting as a remarketing agent (on a negotiated bid basis). A "consultant" is any person used by a dealer to obtain or retain municipal securities business through direct or indirect communication by the person with an issuer on behalf of the dealer with the understanding of receiving payment from the dealer or any other person.

***Bond Ballot Campaigns*:** MSRB Notice 2013-09 describes additional reporting requirements relating to contributions made by dealers and dealer personnel to bond ballot campaigns, and any municipal securities business awarded as a result of the corresponding bond ballot measures. When applicable, the Company must report, and maintain records relating to:

- Contributions that represent in-kind contributions, including the value and nature of the goods or services provided, including any ancillary services

provided to, on behalf of, or in furtherance of the bond ballot campaign and the specific date on which such contributions were made;

- The full issuer name and full issue description of any primary offering resulting from voter approval of a bond ballot measure to which a contribution required to be disclosed has been made. Such information is required to be reported in the same calendar quarter in which the closing date for the issuance that was authorized by the bond ballot measure occurred. This requirement has a two-year look back provision for MFPs and non-MFP executive officers; and
- The amount and source of any payments or reimbursements related to any bond ballot contribution received by the Company or its MFPs from any third party.

***Meetings/Conferences*:** With the release of MSRB Notice 2007-13, the MSRB has issued an interpretation that a dealer sponsoring a meeting or conference where an issuer official is invited to attend or is a featured speaker should be mindful of the parameters of Rule G-37, including the prohibition on soliciting and coordinating contributions. For example, if the issuer official (or his/her staff) solicits contributions in connection with the event, or dealer personnel solicit or coordinate contributions, such activities may constitute fundraising activities. If a determination is made that the event is a fundraising event for the issuer official, then expenses incurred by the dealer for hosting the event may be deemed a contribution, thereby triggering the two-year ban on municipal securities business with that issuer as prescribed by Rule G-37. MSRB members are reminded that the dollar amount of an expense incurred by the dealer for hosting the event is not a factor in whether or not the provisions of Rule G-37 will apply. If the event is determined to be a fundraising event, then *any* expense incurred by the dealer may be deemed a contribution to the issuer official, thereby triggering the two-year ban on municipal securities business with that issuer.

Certain reporting exemptions exist under G-37, including one for firms that have not engaged in municipal securities business for eight consecutive quarters. When such an exemption applies, the designated Principal will ensure that proper reporting on Form G-37x is completed.

Internal Procedure: Given the limited exception to and the complexity and broad application of this rule, it is therefore Company policy to restrict such activity unless written prior approval is given by the Chief Compliance Officer or member of senior management. In order to avoid even the appearance of an impropriety and to comply fully with the intent of MSRB Rule G-37, the Company has adopted the following procedure:

All employees, brokers, associated persons, executive officers and municipal finance professionals associated with the Company are required to give prior written notification of all potential political contributions to any officials of a municipal issuer, payments to political parties of states and political subdivisions, and contributions to bond ballot campaigns, regardless of amount. The notification must contain at a minimum, the name of the official/state/subdivision/bond ballot campaign, the amount of the proposed contribution, and a description of the relationship with the recipient if applicable.

The Chief Compliance Officer or other member of senior management will have complete discretion to either approve or deny the proposed contribution. This decision will be in written form and will be given to the requester within a reasonable amount of time, not to exceed ten business days. Copies of both the request and the decision will be kept as part of the routine books and records, regardless of whether the request was approved or denied. If a contribution request is approved, reporting to MSRB will be completed as required (see above). In addition, all requested information relating to contributions, including in-kind contributions and prior contributions, must be provided to the Company upon request.

15.4.7 Fees and Assessments

The Company engages municipal securities business and is required to pay certain fees, including: the initial registration fee under A-12; annual fees under Rule A-11; and underwriting fees and transaction fees under Rule A-13. The FinOp in coordination with the Company's financial officer will ensure payment is made when required.

15.4.8 Prohibition on Payments to Non-affiliated Persons Soliciting Municipal Securities Business

MSRB Rule G-38 generally prohibits the Company from making a direct or indirect payment to any person who is not an affiliated person of the firm (i.e., a partner, director, officer, employee or registered person of the Company or its affiliate). While one exception to this rule exists for transitional payments to consultants working for the Company prior to August 29, 2005, the Company currently is not relying on such exception and therefore allows NO payments to be made to non-affiliated persons.

15.4.9 Municipal Fund Securities (529 Plans)

The Company offers Municipal Fund Securities, otherwise known as Section 529 College Savings Plans, to its customers. 529 Plans have investment features similar to investment company securities or variable annuity contracts. Because they are issued by a state or local governmental entity, these Municipal Fund Securities are considered municipal securities and, accordingly, the Company is subject to the rules of the MSRB. 529 Plans are the only type of municipal securities offered by the Company.

In view of the unique characteristics of Municipal Fund Securities, the MSRB has adopted a series of amendments to its existing municipal securities rules. Included in these MSRB rule amendments are modifications to: transaction fee assessments (A-13); professional qualification (G-3); recordkeeping (G-8); transaction reporting (G-14); customer transaction confirmation requirements (G-15); advertising (G-21); customer account transfers (G-26); new issue disclosure (G-32); and CUSIP assignment requirements (G-34). All other MSRB rules apply to transactions in Municipal Fund Securities.

Rule G-3 Amendments. Under MSRB rule modifications, the Company's investment company/variable contracts limited representatives (Series 6) satisfy the

MSRB qualification standard for sales of Municipal Fund Securities. Supervision of sales of municipal fund securities must be conducted by one of the following categories of principal: "municipal fund securities limited principal" (having passed the Series 51 exam in addition to holding the 24 or 26 license); "municipal securities principal" (Series 53); or "general securities sales supervisor" (Series 8 or Series 9/10). A principal holding the Series 24 or 26 licenses is not qualified to supervise municipal fund securities without having passed the Series 51 exam. The Company's municipal funds securities activities are currently supervised by Gail Murdoch, Municipal Fund Securities Limited Principal.

Compliance with MSRB Rules. The unique nature of municipal fund securities may result in otherwise familiar MSRB rules being applied in unfamiliar ways, or may present a challenge to the Company's Representatives having no other experience in effecting municipal securities transactions. In either case, it is imperative that the Company's Representatives be familiar with applicable MSRB rules. The MSRB in May 2002 provided interpretive guidance regarding the application of its rules to dealers effecting transactions in municipal fund securities. Its "Application of Fair Practice and Advertising Rules to Municipal Fund Securities" notice seeks to provide guidance on the basic customer protection obligations that dealers (such as the Company) have when effecting transactions in municipal fund securities. At the core of the MSRB's customer protection rules is Rule G-17, which provides that, in the conduct of its municipal securities activities, each dealer shall deal fairly with all persons and shall not engage in any deceptive, dishonest or unfair practice.

The Company requires all Representatives engaged in the sale of municipal fund securities to be familiar with, and comply in all respects with, the MSRB rules described in the aforementioned notice, including, but not limited to: Rule G-17 (customer protection); Rule G-19 (suitability); Rule G-21 (advertising); Rule G-30 (prices and commissions); and Rule G-47 (time of trade disclosure). The Company expects its RRs to adhere to all applicable sales practice guidelines, as summarized above in Section 15.4.1, above, and in some cases elaborated upon in this section. The designated Principal, in his or her review of municipal fund securities activities (in accordance with the procedures described previously), must verify and attempt to ensure compliance with these Rules and guidelines.

Disclosure/Suitability. When offering 529 Plans to his or her customers, each Representative must ensure the customer's understanding of the varying Plans, including either Prepaid Tuition Programs or Savings Plans. IRS code applies many restrictions on these securities, including, among others: maximum contribution, applicable gift taxes, qualifying beneficiaries, and penalties for inappropriate use of distribution proceeds. In addition, states apply their own restrictions and benefits, both tax and non-tax. Representatives are required to provide informational material to their customers, intended to fully disclose the various benefits and financial/tax consequences of an investment in these securities.

Rule G-47 requires a broker or dealer, in connection with any transaction in municipal securities, to disclose to its customer, at or prior to the sale of the security, all material facts about the transactions known by the dealer. In addition, all material facts about the security that are reasonably accessible to the market must also be disclosed to the customer at this time. This duty applies to the dealer regardless of whether or not they recommended the transaction to the customer.

Since many states offer favorable tax treatment or other valuable benefits to their residents in connection with investments in their own 529 college savings plan the MSRB has determined that the following disclosures be provided to out-of-state purchasers of these products. These disclosures are required to address the following issues:

- Any favorable tax treatment or other benefits offered by a state for investing in their 529 college savings plan may only be available to residents of that state;
- Any state specific benefits offered with respect to a particular 529 college savings plan should be one of many factors that should be considered in making an investment decision; and
- The customer should consult with the home state and his or her financial, tax, or other adviser to learn more about how certain state benefits (including any limitations) would apply to their specific circumstances.

The out-of-state disclosure obligation may be met if:

- The disclosure appears in the program disclosure document
- The disclosure is incorporated with the program disclosure document in such a manner that it is reasonably likely to be noted by an investor.

In addition to the general suitability guidelines expressed above in Section 15.4.1, RRs, when recommending transactions relating to a Section 529 college savings plan, must remember that these securities are designed for a particular purpose and that this purpose generally should match the customer's investment objective. The following, additional factors should be considered by RRs recommending these securities:

- The potential tax consequences to a customer whose investment objective may not involve use of such funds for qualified higher education expenses;
- The relative tax advantages of investing in 529 plans in the customer's state of residence. These advantages must be understood and explained to the customer; to recommend purchases of out-of-state 529 plans may disadvantage the customer. Disclosure of in-state tax and non-tax benefits must be disclosed to customers purchasing out-of-state plans;
- Information about the designated beneficiary relevant in weighing the investment objectives of the customer, such as the age of the beneficiary and the number of years until funds will be needed to pay qualified higher education expenses of the beneficiary;
- The fact that the person making the investment in a Section 529 college savings plan retains significant control over the investment and is considered the *customer* for purposes of MSRB rules, including assessing suitability under Rule G-19;
- The same municipal fund security of an issuer may be sold with different commission structures (i.e., A shares with a front-end load; B shares with a contingent deferred sales charge or back-end load; and C shares with an annual asset-based charge)--a customer's investment objective are a significant factor in determining which share class would be suitable for the particular customer; and
- Recommending roll-overs from one Section 529 college savings plan to another may result in the loss of federal tax benefit; roll-overs recommended

year after year not resulting in this tax disadvantage may be viewed as churning.

- Many Section 529 college savings plans are sold with different classes and commission structures which may affect the overall performance and/or suitability of the product.

Sales Material. For registered investment companies as well as other securities representing investments in pools of securities, such as municipal fund securities, any sales material prepared or used by the Company that refers to (1) the performance of the investment company securities or investment company families that underlie a municipal fund security, (2) the investment objectives or investment strategies of such an investment company, (3) the experience or capabilities of the investment advisor or portfolio manager of such an investment company, (4) the potential benefits or risks associated with investing in such an investment company and with any service provided to investors in the investment company, or (5) the fees and expenses associated with investing in such an investment company, must comply with Consolidated FINRA Rule 2210.

Municipal fund securities sales materials must comply with the general provisions under MSRB Rules G-17 and G-21, as summarized in Section 15.4.1, above, as well as the specific modifications to G-21 related specifically to municipal fund securities. These modifications include specific requirements regarding the calculation and display of performance data for municipal fund securities in a manner consistent with Rule 482 adopted by the SEC's Securities Act, in connection with the advertisement of mutual fund performance. Supervisory personnel should review MSRB Notice 2005-31 for specific information, in order to ensure compliance. The nature of these changes to G-21 concerns required disclosures accompanying advertisements, including:

- General disclosures;
- Historical performance data;
- Calculation and display of performance data;
- Disclosures accompanying performance data;
- Nature of issue and security;
- Capacity of dealer and other parties;
- Tax consequences and other features;
- Underlying registered securities;

In general, disclosures are required in the format required under SEA Rule 482. The Company requires compliance with the review/approval and filing requirements detailed in Section 11 to the extent they apply to municipal fund securities. The designated Principal should ensure that these procedures are met prior to allowing distribution of retail communications.

All such advertising and sales literature must have been filed with FINRA Advertising Department within 10 days after its first use or publication by any broker-dealer who has distributed material in connection with the offer for sale of securities issued by such companies. Prior to use of any such advertising or sales literature, the Company and its Registered Representatives shall ascertain by inquiry addressed to the registered investment Company that this requirement has been complied with and

that such material is cleared for use. In addition, the designated Principal must approve of the use of such materials by Company representatives.

Supervision. Currently, supervision of sales activity in this area is conducted in accordance with the Company's Mutual Fund sales supervision guidelines, outlined above. Because the investment characteristics of these securities are so similar to securities of an investment company under the Investment Company Act, solicitation of them calls for the same type of supervision applied to investment company securities (while continuing to enforce applicable MSRB rules). Please refer to the section above entitled "Mutual Funds" for a detailed description of the supervisory oversight applicable to 529 Plans.

Transaction Reporting under G-14. While firms that only transact business in 529 Plans are not required to report transactions, the Company is required to report that it is exempt from reporting generally required under Rule G-14. The designated Principal shall ensure that he/she has reported the exemption via Form A-12.

15.4.10 Submissions to SHORT System – Not Applicable

15.4.11 Institutional Customers – Not Applicable

15.5 Options – Not Applicable

15.6 Fixed Income Securities – Not Applicable

15.7 Security Futures – Not Applicable

15.9 Complex and Non-Conventional Investments

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon (Also see Table in Section 2.4 for specific product supervisors)
Frequency of Review:	Continuous; in the daily course of business Spot reviews of NCI transactions and customers
How Conducted:	Due diligence oversight Product review and approval for offering; on-going reviews of products Trade Reviews Sales materials and correspondence review Confirmation of training
How Documented:	Results of due diligence review List of approved NCI's and other products Initial/signature on account docs, trade tickets and sales materials/correspondence. Records of training Notes on non-compliance and resulting disciplinary action, if any, in personnel files.
WSP Checklist:	Notices 03-71, 05-18, 05-50, 05-59, 09-31, 09-53/65, 09-73, 10-09, 10-51, 11-02, 12-03
Comments:	See "TRACE Reporting" section for details on reporting requirements or some NCI's, such as asset-backed securities.

The Company conducts transactions with customers in certain investments that are alternatives to conventional equity and fixed-income investments. These products are "complex," in that they present an additional risk to investors because their characteristics add a further dimension to the investment decision process beyond the fundamentals of market forces. Their complexity arises from qualities such as embedded derivative-like features or a structure that produces different performance expectations according to price movements of other financial products or indices. The intricacy of these products can impair

the ability of registered representatives or their customers to understand how the product will perform in a variety of time periods and market environments, and may lead to inappropriate recommendations and sales.

As with all products offered by the Company, RRs may not offer complex products to customers before the Company has approved, in general, of such product offerings (see below). Transactions in these products are subject to the supervisory procedures and requirements (for instance, concerning account opening procedures and recordkeeping obligations) contained throughout this Manual; in addition, the following procedures must be understood and followed by personnel engaging in NCI business.

To follow are general procedural guidelines applicable to all complex products; later in this section are specific considerations, if any, regarding respective types of securities offered.

15.9.1 Product Approval and Due Diligence

Only approved products may be offered to customers by RRs. No unapproved products must be offered or sold to customers. RRs with questions about certain products should consult their supervisor or the designated Principal named above PRIOR to discussing any complex security with customers. See "New Products," above, for a description of the Company's required new product approval process. In addition to the general new product vetting process, the following questions should be answered by designated compliance personnel prior to approving complex products:

- For whom is this product intended? Is the product proposed for limited or general retail distribution, and, if limited, how will it be controlled?
- Conversely, to whom should this product not be offered?
- What is the product's investment objective and is that investment objective reasonable in relation to the product's characteristics? How does the product add to or improve the Company's current offerings? Can less complex products achieve the objectives of the product?
- What assumptions underlie the product, and how sound are they? How is the product expected to perform in a wide variety of market or economic scenarios? What market or performance factors determine the investor's return? Under what scenarios would principal protection, enhanced yield, or other presumed benefits not occur?
- What are the risks for investors? If the product was designed mainly to generate yield, does the yield justify the risks to principal?
- How will the Company and registered representatives be compensated for offering the product? Will the offering of the product create any conflicts of interest between the customer and any part of the Company or its affiliates? If so, how will those conflicts be addressed?
- Does the product present any novel legal, tax, market, investment or credit risks?
- Does the product's complexity impair understanding and transparency of the product?
- How does this complexity affect suitability considerations or the training requirements associated with the product?
- How liquid is the product? Is there an active secondary market for the product?

Other factors to consider:

- The creditworthiness of the issuer;
- The creditworthiness and value of any underlying collateral;
- Where applicable, the creditworthiness of the counterparties;
- Principal, return, and/or interest rate risks and the factors that determine those risks (the risk/reward profile, including whether, for instance, with regard to structured products, the potential yield may not be an appropriate rate of return in relation to the volatility of the reference asset based upon comparable or similar investments, in terms of structure, volatility, and risk in the market as determined at the time the structured product is issued);
- All features, such as the payoff structure, the characteristics of the reference asset, including its historic performance and volatility and its correlation with specific asset classes, any interrelationship between multiple reference assets, the likelihood that the complex product may be called by the issuer, and the extent and limitations of any principal protection;
- The tax consequences of the product;
- The availability of volume discounts, when warranted (such as with REITs and UITs)
- The costs and fees to the customers associated with purchasing and selling the product.

Once a type of complex product is approved, the designated Principal and/or other appointed personnel must perform appropriate due diligence on specific product offerings to ensure an understanding of the nature of each product and its associated potential risks and rewards (i.e., determine "reasonable basis suitability"). It is the responsibility of the designated Principal to assign qualified personnel to conduct due diligence and to supervise such personnel's efforts.

The designated Principal will document his/her reviews and take action to revise the Company's procedures if changes are deemed necessary for customer protection. If certain complex products appear to be no longer appropriate for customers, the designated Principal will remove them from the approved product list and communicate this change to all interested parties (RRs and their supervisors).

15.9.2 Customer Suitability and Fair Dealing

RRs must be convinced the products are suitable for offering by consulting the list of approved NCI products, established and maintained by the designated Principal.

Prior to offering any NCI to a customer, whether retail or institutional, RRs must understand the investment products offered. The features and risks of each NCI must be understood by RRs prior to recommending them to customers—and must be conveyed to retail customers in all such transactions (note: for institutional customer, who do not have familiarity with the products, a suitability obligation exists and this information must be provided—see the Suitability section, herein).

As described in the Suitability section, suitability must be determined on an investor-by-investor basis, with reference to the specific facts and circumstances of each investor. To this end, RRs must analyze a customer's investment profile prior to

making recommendations in complex products. RRs must be aware that financial status alone is not sufficient to determine suitability. Given the complexity of certain NCI's, all relevant factors must be weighed before recommendations are made—with particular attention to investment experience and risk tolerance. For instance, structured products may have very different risk-reward profiles than their reference assets. Where an instrument is structured such that there is a risk of losing all or a substantial portion of the principal in return for above-market rate current income, the volatility of the reference asset upon which total return of the investment depends will be an important factor in determining whether it is suitable for a customer. RRs are strongly encouraged to record notes on the specific considerations assessed in customer transactions of this sort—this will assist in establishing the suitability of each transaction.

RRs are encouraged to consider whether there is another, less costly or complex product that would achieve the customer's objectives. For instance, by comparing a structured product with embedded options to the same strategy through multiple financial instruments on the open market, a RR may discover a simpler way of meeting the customer's needs.

The Company has the following requirements for customer purchases of complex products:

- RRs have a reasonable basis for believing, at the time of making the Recommendation, that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction, and is financially able to bear the risks of the recommended position in the complex product.

The designated Principal, in his or her periodic review of NCI business, will ensure compliance with these procedures and will attempt to confirm that a suitability analysis has been conducted when required; findings to the contrary will be investigated and disciplinary action may result.

Representatives and supervisors are expected to heed Consolidated FINRA Rule 2111.01 (general principles of fair dealing) when making recommendations or accepting orders for new financial products.

15.9.3 Promotional Materials

Due to the complexity of NCI products, it is imperative that customers be presented with enough informational material to understand the products and to determine if such investments are desirable. All materials provided to the public (including, among others, preliminary prospectuses where securities are part of a shelf distribution) must conform to applicable FINRA and SEC standards, as summarized in related sections of this Manual. Supplementary sales materials should be no less accurate, fair and balanced than the original materials.

When describing NCI's specifically, materials must not claim that certain NCI products, such as asset-backed securities, distressed debt, derivative contracts, or other products, offer protection against declining markets or protection of invested capital unless these statements are fair and accurate. All sales materials and oral presentations regarding NCI's, and structured products in particular, must present a

fair and balanced picture regarding both the risks and benefits. For example, marketing materials should not portray structured products as "conservative" or a source of "predictable current income" unless such statements are accurate, fair, and balanced. In addition, Consolidated FINRA Rule 2210 prohibits exaggerated statements and the omission of any material fact or qualification that would cause a communication to be misleading. When promoting the advantages of NCI's, associated persons must balance promotional materials with disclosures of the corresponding risks and limitations of the product (see " Product Approval and Due Diligence," above). All communications used in offering NCI's must be subject to applicable review and approval procedures outlined above in "Communications with the Public." All offering materials provided by issuers must be reviewed by the designated Principal prior to their distribution.

15.9.4 Registration and Training

All personnel who wish to offer NCI's must be properly registered. Because of the varying characteristics of these different products, certain registration requirements may be applicable. All RRs are required to inquire with the Licensing and Registration Principal about their respective qualifications prior to offering or transacting in NCI's. The designated Principal in his or her review of RR activity must be assured of adequate RR licensing.

Appointed personnel must train associated persons about the characteristics of and risks associated with particular NCI's before associated persons are permitted to offer such products or supervise such business. Training must include factors to consider in determining whether investments are suitable or unsuitable to certain investors. Training may be provided through the Firm Element program, one on one meetings, the annual compliance meeting, office visits or other means as determined by the designated Principal. Documentation of the training will be maintained in the registered representative's registration file or the Company's CE file as applicable based on the nature of the training.

SECTION 16: RECORDKEEPING AND REPORTING

16.1 Principal Responsibilities

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon Assigned accounting personnel (see below)
Frequency of Review:	Daily, Monthly, Quarterly, as applicable
How Conducted:	Data Entry Documentation Reporting through Web CRD and other applicable means Review of: general ledger accounts and supporting information Creation and review of suspense accounts, when necessary
How Documented:	Firm Records Entries in files FOCUS and Other Reports
WSP Checklist:	SEA Rule 17a-3, 17a-4; Consolidated FINRA Rules 4511, 4523; Notice 11-19
Comments:	Final review, approval and reporting of financial data conducted by FinOp

The Principal designated above shall ensure that the Company is in strict compliance with all applicable sections of SEA Rules 17-a-3 and 17a-4, as well as Consolidated FINRA Rule 4511. To comply with Rule 4511, the Company will make and preserve books and records as required under all FINRA, Exchange Act and various exchange rules, when they are applicable to the Company's business. These recordkeeping requirements are described throughout this Manual and later in this Section. The Company will preserve its records in accordance with required time frames under Rule 4511(b) and in an acceptable format per 4511(c) as detailed in sub-sections, below.

Among other responsibilities, the designated Principal shall be responsible for ensuring that the following procedures are implemented:

- All entries to books and records will be posted in a timely manner;
- Confirmations are prepared (by the clearing firm, if applicable) which contain the disclosures pursuant to SEA Rule 10b-10, as summarized in the "Confirmations" section herein; and
- Bank balances, month-end trial balance proprietary positions, relevant sub-ledger balances and trial balances will be reconciled and duly supervised. Final reconciliation of accounts will be conducted monthly by the Company's FinOp.

16.1.1 Accounting Control and Supervision

The Company has, as required under Consolidated FINRA Rule 4523, assigned primary and supervisory responsibility over its general ledger accounts to separate associated persons. These persons must control and oversee entries into each account and determine that the account is current and accurate as necessary to comply with all applicable FINRA rules and federal securities laws governing books and records and financial responsibility requirements. Each assigned supervisor must review each account no less often than monthly to determine that the account is current and accurate; any items that become aged or uncertain as to resolution must be promptly identified for research and possible transfer to one or more suspense accounts. See

Consolidated FINRA Rule 4523 and Notice 11-26 for background information on this requirement.

The Company has designated Debra Shannon as having primary responsibility for making entries to and maintaining the Company's general ledger. The FinOp will oversee the activities of the person designated to maintain the general ledger and will review the accounts in the general ledger at least monthly.

Review Process: The FinOp (other Principal or registered Operations Personnel) has been assigned primary responsibility for supervising the Company's general ledger and reviews the information monthly. If the designated supervisor has any questions regarding entries to the general ledger, he/she will contact the person assigned primary responsibility for the entries for additional details and a record of responses will be maintained with the financial records of the Company. If the designated supervisor has concerns regarding a pattern of inaccurate or questionable entries in the general ledger or the ability of the person responsible for the entries, he/she will bring the matter to the attention of senior management for further review and follow-up action.

16.2 Electronic Media

The SEC and FINRA have issued general guidelines as to the use of electronic media for delivery of information to customers and recordkeeping. In accordance with these guidelines, the Company expects to make use of electronic media to the extent appropriate in its business operations. See the Table of Contents for sections pertaining to electronic mail, online transactions and use of electronic media.

In general, required records may be maintained and stored electronically by the Company subject to the following conditions:

- Written records shall be maintained and stored where legally required (i.e. original customer signatures, cancelled checks or certificates, other documentation required to be available for legal, evidentiary purposes);
- The Company shall maintain duplicate "backup" records in electronic form in a secure storage facility to guard against inadvertent erasures, casualties, theft, etc.; and
- Where required by regulatory and Compliance Department policies and procedures, all such records shall be immediately accessible and capable of being downloaded and printed out for examination.

Under "Preservation of Required Records," below, the format of the Company's primary record storage is explained, including specifications relating to electronic storage.

16.3 FinOp Responsibilities and Net Capital Requirements

Name of Supervisor ("designated Principal"):	FinOp: Katherine Anderson
Frequency of Review:	Monthly and Annually
How Conducted:	Detailed Review of financial reports and accounting records Communicate with senior management on funding and liquidity risk management issues, when deemed necessary

How Documented:	Maintain necessary records including FOCUS reports and other net capital computations, report net capital deficiencies as required.
WSP Checklist:	SEA Rules 15c3-1, 15c3-3, 17a-5 and 17a-11; Consolidated FINRA Rules 2261, 4110, 4120, 4130, 4150, 4521, ,4522, 4523, 4524, 4360. FINRA By-Laws, Schedule A; Notices 03-63, 05-38, 05-45, 05-47, 08-46, 08-66, 09-38, 09-71, 10-08, 10-15, 10-21, 10-44, 10-57, 10-61, 11-21, 11-26, 12.58, 13-41, 13-44, 15-42; SEC Releases 34-70072 and 34-70073
Comments:	See Section 16.1 for description of the recordkeeping oversight responsibilities of the firm's CCO.

The calculation and monitoring of net capital is the responsibility of the FinOp who also is responsible for ensuring the accurate and timely reporting of periodic net capital report. Computations will be performed at least once per month and will be retained for three (3) years. The audited financial statements on Form X 17A-5 (the "Focus Report") contain a net capital computation under Securities Exchange Act Rule 15c3-1; this format can be used for the basic computation. State filings are also required, as are registration amendments and renewals. Some of the FinOp's specific responsibilities include:

- Periodic calculations of net capital and aggregate indebtedness (AI);
- Review and filing of all required financial reports, FOCUS filings and supplemental reports (such as SSOI and Form Custody); periodic review of accounting records;
- Periodic consideration of whether the Company's minimum net capital requirements have changed because of changes in the Company's business;
- Supervising additions to, and withdrawals from, the equity capital of the Company and abiding by temporary SEC orders that limit withdrawals;
- Ensuring that all liability items that qualify are included in the AI calculation, including fines, penalties or orders when imposed;
- Determining necessary fees and assessments due under the provisions described in Schedule A of FINRA By-Laws and under the SIPC (Securities Investors Protection Act);
- When applicable, reviewing at least annually the Company's Fidelity Bond to ensure adequate coverage and compliance with the requirements under Consolidated FINRA Rule 4360 (see the "Fidelity Bond" section herein); and
- When applicable, ensuring prompt transfer of proprietary or customer assets pursuant to Consolidated FINRA Rule 4160, after notified by FINRA of required transfer. See table in 16.3.5, below.

The Company's minimum net capital requirement is $5,000 although it may be higher based on the nature of the business conducted by the Company, an aggregate indebtedness calculation, or higher State minimums.

Net Capital Computation: In accordance with applicable SEC rules and Blue Sky regulations the ratio of the Company's aggregate indebtedness to net capital cannot exceed 15:1 under applicable regulations. In addition, the Company is required to maintain at least 120% of its minimum net capital requirement at all times.

"Net capital" is defined as net worth adjusted as follows--in summary only: consult Rule 15c3-1(c)(2) for specifics:

- Adjusting for unrealized profit or loss in Company accounts, deferred tax income tax liabilities, and certain other liabilities including those relating to expense sharing agreements when necessary;
- Adding future income benefits resulting from unrealized losses (if any);
- Subtracting the Company's Fidelity Bond deductible amount that is greater than 10% of the coverage purchased;
- Subtracting any contribution of capital to the Company that can be withdrawn at the option of the investor or that is intended to be withdrawn within one year (or is withdrawn within one year without FINRA approval);
- Subtracting amounts paid to the clearing firm, if applicable, to satisfy deficits in unsecured and partly secured introduced accounts; and deducting non-allowable termination penalties described in clearing agreements, if required (see 08-46 for details on net capital treatment of clearing deposits);
- Subtracting fixed assets and assets that cannot readily be converted into cash, including, but not limited to, real estate, furniture, fixtures (if any), prepaid rent, insurance expenses (if any), prepaid administrative expenses, goodwill and organization expenses, unsecured advances and loans, and mutual concessions receivable that are outstanding longer than 30 days: see Rule for all details relating to these categories.

The FinOp will ensure proper 'haircuts' are applied to investments as required by 15c3-1 and that any and all regulatory guidance on the temporary treatment of certain securities is followed (e.g., senior unsecured debt issued pursuant to FDIC's Debt Guarantee Program).

If the Company's net capital becomes deficient, the FinOp is responsible for filing the necessary reports with regulators and communicating any resulting restrictions in business activity.

If the Company becomes insolvent as defined in Rule 15c3-1(c)(16), it must cease doing business and notify FINRA and SEC as required for all net capital deficiencies.

The FinOp shall ensure that the Company abides by any directive issued by FINRA or the SEC, as a result of net capital violation, and will ensure the Company suspends all securities-related business operations during any period of time when the Company is not in compliance with applicable net capital requirements as set forth in SEA Rule 15c3-1.

If the Company wishes to change it method for calculating net capital, the Company must submit an application to FINRA and the SEC. The SEC must approve the application before the Company can change its computation method.

The Company, if and when so directed by FINRA, shall not expand its business during any period in which any of the following conditions continue to exist, or have existed for more than fifteen consecutive business days:

- The Company's net capital is less than 150% of its net capital minimum requirement or such greater percentage thereof as may from time to time be prescribed by FINRA;
- The Company's aggregate indebtedness is more than 1,000% of its net capital, if subject to the aggregate indebtedness requirement under SEA Rule 15c3-1;
- A deduction of capital withdrawals, including maturities of subordinated debt, scheduled during the next six months would result in either of the above conditions.

FINRA may direct Veritas Independent Partners, LLC to reduce its business to a point enabling its available capital to comply with the standards set forth above if any of the following conditions continue to exist, or have existed for more than fifteen consecutive business days:

- The Company's net capital is less than 125% of its net capital minimum requirement or such greater percentage thereof as may from time to time be proscribed by FINRA;
- The Company's aggregate indebtedness is more than 1,200% of its net capital, if subject to the aggregate indebtedness requirement under SEA Rule 15c3-1; or
- A deduction of capital withdrawals, including maturities of subordinated debt, scheduled during the next six months would result in either of the conditions described above.

Financial Responsibility: The Company must comply with all applicable SEC, FINRA and State financial responsibility rules. Some of these rules are summarized in this section; others are only referenced due to their complexity and possible inapplicability (i.e., many apply only to carrying or clearing firms). Changes to FINRA financial responsibility rules have been made effective over the years, and FINRA publishes important interpretations of SEC rules on its website: the FinOp should reference, and is expected to be familiar with, all applicable rules and interpretations.

16.3.1 Withdrawals of Equity Capital

The SEC has the authority to issue an order prohibiting the withdrawal of capital in any amount: it may by order restrict, for a period of up to 20 business days, any withdrawal by the Company of equity capital or unsecured loan or advance to a stockholder, partner, sole proprietor, member, employee or affiliate. The FinOp is responsible for ensuring compliance with any such order, if received.

The designated Principal shall track all withdrawals including anticipated withdrawals, advances and loans to assure the Company is in compliance with SEA Rules 15c3-1(e)(1), 15c3-1(c)(i) and Consolidated FINRA Rule 4110. To follow are reminders of these requirements.

Capital contributions may not be withdrawn for one year without the approval of FINRA. See above for net capital considerations.

The designated Principal shall notify the SEC and FINRA two days prior to any withdrawals, advances or loans that in aggregate:

- Are more than $500,000 and
- Exceed 30% of the Company’s excess net capital in any 30-day calendar period.

The designated Principal shall notify the SEC and FINRA within 2 days after any withdrawals, advances or loans that in aggregate:

- Are more than $500,000 and
- Exceed 20% of the Company’s excess net capital in any 30-day calendar period.

The designated Principal must assure that no equity capital is withdrawn which would cause one of the following to happen:

- the Company's net capital would be less than 120% of the minimum dollar amount
- the Company's net capital would be less than 25% of deductions from net worth in computing net capital required by paragraphs (c)(2) vi, f and Appendix A; or
- The aggregate indebtedness exceeds 1000%.

The designated Principal must also make sure that withdrawals of equity capital are not made for the purpose of reimbursing expenses paid or agreed to be paid by a third party, unless corresponding liabilities have been recorded on the Company's books. The FinOp should review SEA Rule 15c3-1(c), Notice 03-63 and the SEC's letter of clarification of expense sharing agreements referred to in the sub-section below, in order to understand and comply with all relevant requirements. A liability that is subject to an expense-sharing agreement with a third party *must* be recorded unless the broker-dealer can demonstrate (e.g., by producing the affiliate's financial statements) that the third party has the financial resources to pay the liability. Notice 09-71 and Consolidated FINRA Rule 4110 should also be consulted for other capital compliance restrictions and requirements as they relate to withdrawals of equity capital.

Notification of capital withdrawals must be filed electronically through the Financial Notifications option under Forms and Filings in the Firm Gateway Additional information or documentation must be provided upon request. Notices must still be provided via e-mail or facsimile to the SEC's Division of Trading and Markets and the SEC's Regional or District office as electronic filing only fulfills FINRA's notification requirement.

16.3.2 Subordinated Loans and Other Financing

Should the Company secure financing from investors and/or customers in the form of a subordinated loan or note collateralized by securities ("subordination") in order to enhance its net capital position, the FinOp will ensure that all requirements under Consolidated FINRA Rule 4110(e)(1), as described in Notice 10-15, are met. To follow is a summary of those requirements:

- For the investment to be treated as allowable capital, under SEA Rule 15c3-1 the subordination must be subject to the terms of a satisfactory subordination agreement. The Company may use a custom document or may rely on one of several standard forms of agreement provided by FINRA;
- The Company must provide FINRA with all required notifications, representations, attestations, disclosures and supporting documentation and must obtain pre-approval by FINRA of the agreement prior to execution and receipt of funding;
- The Company must comply with its obligation to reduce business if in a state of 'suspended repayment"; further, its agreement must obligate the lender to repay or return any amounts, collateral and/or notes received in contravention to FINRA rules; and
- Should the Company wish to amend or renew an existing, approved subordination agreement (other than extending it via an automatic extension of

maturity already included in the agreement), it must meet all requirements described in Notice 10-15 and found in Consolidated FINRA Rule 4110(e)(1).

All requests for approval of new subordinated loan agreements or renewals of previously approved subordinations must be submitted electronically through the Firm Gateway.

The Company must meet any and all other applicable requirements under Consolidated FINRA Rule 4110 relating to sale-and-leasebacks, factoring, financing, loans and similar arrangements.

The FinOp has the responsibility to ensure the proper accounting and net capital treatment of all subordinations.

16.3.3 Expense Sharing Agreements

The FinOp, when calculating and monitoring the Company's net capital requirements, must ensure that all expenses and liabilities are accounted for. If any third party has agreed to pay expenses related to the Company's business, the Company's net capital may be overstated as a result of not properly recording its responsibility to ultimately cover these expenses, either in part or in full. The result may be a net capital violation, punishable by sanction and/or fine.

The FinOp should review the letter issued July 11, 2003, by the SEC's Division of Trading and Markets and FINRA Notice 03-63 to understand the requirements related to an expense-sharing relationship with another party. The FinOp must ensure that the Company complies in all respects with the requirements outlined in the SEC's letter, including the following (in summary only): making a record of all expenses and liabilities incurred by the Company (reasonably allocated); having a written agreement evidencing all liabilities assumed by third parties and specifying the terms of such agreement; verifying that third parties have resources—independent of the Company—sufficient to cover the expenses or liabilities (this is required under amended SEC's Net Capital Rule); prohibiting withdrawals of, or contributions to, Company capital for the purpose of covering expenses paid by third parties; agreeing to provide authorities access to its books and records and to those of unregulated entities party to the expense sharing arrangement; and reporting to FINRA District Office a description of any such agreement, if the Company does not report all its expenses and liabilities in its existing required periodic financial reports.

The FinOp is responsible for ensuring that the net capital of the Company is correctly calculated and reported, and that all expenses and liabilities of the Company, including those related to any and all expense sharing agreements, are reflected, when and as necessary, on the Company's books and records. The FinOp and senior management will review, annually, all such agreements and confirm that all necessary financial and other reporting is accomplished; he or she will periodically assess the ability of the third party to cover respective expenses and liabilities. Erroneous reports must be corrected and filed as required. Records of all reviews, filings and corrections must be maintained in accordance with the recordkeeping rules described herein.

16.3.4 Deficits in Introduced Accounts- Not Applicable

16.3.5 Guarantees and Flow Through Benefits

The FinOp must monitor the Company's arrangements in order to comply with the notification and pre-approval requirements under Consolidated FINRA Rule 4150. The Company must be authorized to obtain the books and records of the other party for inspection by FINRA; such books and records must be kept separately from those of the Company. The Rule should be consulted for all specific notice and informational requirements. Guarantees executed routinely in the normal course of business such as trade guarantees, signature guarantees, endorsement of securities and the writing of options, are not subject to the requirements of this Rule.

16.3.6 Suspense Accounts

When applicable, the Company must record, in an account that shall be clearly identified as a suspense account, money charges or credits and receipts or deliveries of securities whose ultimate disposition is pending determination; records of all known, related information must also be maintained. Examples of suspense accounts include: DK fails, unidentified fails, unallocable securities receipts versus payment, returned deliveries, and any other receivable or payable (money or securities) "suspended" because of doubtful ownership, collectability or deliverability. If suspense items can be distinguished by type, separate accounts may be used as long as the word "suspense" is prominently in the account title. The accounting personnel designated to control and supervise general ledger accounts will be responsible for creating and monitoring these accounts. All records must be preserved for a period of not less than six years.

16.3.7 Funding and Liquidity Risk Management

The Company is expected by FINRA to maintain a healthy financial condition. Because the Company is very small and does not hold inventory positions or carry customer accounts, it has not developed funding and liquidity risk management policies and procedures to prepare for the kinds of adverse circumstances most likely to affect firms that have inventory/market exposure and who carry their customer's accounts. The Company, as described in this Manual, monitors its net capital such that early warnings are detected and reported when required, and additional funding is provided when necessary to meet minimum net capital requirements. While FINRA's guidance provided in Notice 10-57 is instructive, it is not considered applicable to the Company's business at this time. Senior Management of the Company will, at its discretion, implement funding and liquidity risk management policies and procedures when deemed necessary.

16.4 Annual Financial Reports

Name of Supervisor ("designated Principal"):	FinOp: Katherine Anderson Independent Auditor to conduct audit
Frequency of Review:	Annually
How Conducted:	On-site review by auditor of all financial statements, supporting documentation and either Compliance or Exemption Report.
How Documented:	Audit reports as described herein; supporting documentation

WSP Checklist:	SEA Rule 17a-5(d); SEC Release 34-54920, Consolidated FINRA Rule 9552, Information Notice 12/9/09; Notices 02-19, 04-35, 11-46; SEC Regulation S-X, SEC Release No. 34-70073
Comments:	See PCAOB website for list of registered accountants: http://www.pcaob.com/Registration/index.aspx

Reports: Veritas Independent Partners, LLC shall prepare or have prepared, annually, on a fiscal year basis, financial reports consisting of:

- Financial statements and supporting schedules as described in SEA Rule 17a-5(d)(2)
- An Exemption Report as described in SEA Rule 17a-5(d)(4)
- A report prepared by a PCAOB-registered independent public accountant covering each of the reports listed above; these reports must be created in accordance with PCAOB standards.

If the Company is a SIPC member, the reports filed must include a supplemental report as described in SEA 17a-5(e)(4) relating to SIPC assessments when required under the SIPA. This report must be accompanied by an independent public account's report as described in the Rule.

Each report shall contain an oath and affirmation page signed by the same officer who also executes the Exemption Report. This oath and affirmation page must also be notarized.

Audit reports must be filed in accordance with the requirements set forth by the SEC, FINRA and SIPC, when applicable. Reports are due within 60 days of the end of the Company's fiscal year and must be received on or before that date to be considered timely. Failure to file the required report will be a punishable violation under Consolidated FINRA Rule 9552 and the Company will be assessed late fees for filings made after the due date.

Should the Company know that it is not prepared to meet its filing deadline, it may submit a written or verbal request to its FINRA Coordinator for an extension of time to file, no later than three business days prior to the audit due date. Requests must be accompanied by a written explanation and a letter from the auditor making certain representations. The FinOp is responsible for providing appropriate documentation and follow-up, and should reference finra.org for detailed information and guidance.

Some states also require that the Company provide a copy of the report annually. The FinOp should review the requirements for the states in which the Company is registered to ensure submissions are made when required.

A copy of the audit report with an oath or affirmation page containing an original, manual and notarized signature and supporting documentation related to the audit report must be retained in the Company's records for 3 years.

Accountant: SEA Rule 17a-5(f) requires the Company to engage an independent public accountant who is registered with PCAOB and to file with SEC and FINRA, in the form established under the Rule, a statement regarding the designation of the accountant. Carrying or clearing firms must include representations about access to the Company's accountant and to the accountant's audit documentation. This filing must be made annually by the 10th

calendar day of the last month of the Company's fiscal year unless the engagement is of a continuing nature. The FinOp will ensure compliance with this filing requirement.

The FinOp will also annually review the services provided by the Company's outside auditor to ensure that the auditor's independence is not impaired. In his or her review, the FinOp will consult FINRA's guidelines published in Notice 02-19. In addition, the FinOp will seek to obtain an engagement letter from the auditor outlining the services to be provided and the respective responsibilities of both parties as well as a representation from the auditor that he or she is either a certified public accountant duly registered or a public accountant entitled to practice in good standing under the laws of his or her place of residence or principal office.

If the Company replaces its accountant or the accountant terminates the engagement, the FinOp or his designee will file required replacement of accountant notification via electronic means using the Financial Notifications link via the Financial Notifications option under Forms and Filings in the Firm Gateway. Notices must also be sent to the SEC as required under the Rule since the electronic notification only satisfies the notification requirements of FINRA. The Company must provide details of any issues (resolved or not resolved) arising during the preceding 24 months, such as those occurring at the decision-making level – that is, between principal financial officers of the Company and personnel of the accounting firm responsible for rendering its reports. The FinOp should review Rule 17a-5(f)(3)(v)(B) for filing details.

Non-Compliance/Material Weakness: If, during the course of preparing its reports, the Company's accountant determines that the Company is not in compliance with any of the SEA financial responsibility rules or any FINRA rule that requires account statements to be sent to customers, the accountant must immediately notify Company's PFO of the nature of the non-compliance or material weakness. The PFO will then determine if notification to SEC and FINRA is required under Rules 15c3-1, 15c3-3 and/or 17a-11: if notification is required, the Company must immediately make such notification and provide a copy to its accountant within one business day. Further obligations exist: the PFO should review 17a-5(f)(2)(h) for updated requirements and must ensure prompt compliance.

16.5 FOCUS Reports, Supplemental FOCUS Information and Form Custody

On behalf of the Company, the designated Financial and Operations Principal (FinOp) shall file Part IIA of form X-17A-5 within 17 business days after the end of each calendar quarter and within 17 business days after the date selected for the annual audit of financial statements where said date is other than the end of the calendar quarter. Annual FOCUS Schedule I must be filed within 17 business days of year-end and must include municipal securities revenue, if applicable. (Note: A day on which securities markets are unexpectedly closed is not a business day for FOCUS filing purposes.) In addition, in certain situations, the Company may be required by FINRA to file Part IIA of form X-17A-5 on a monthly basis.

Consolidated FINRA Rule 4524 calls for the filing of the Supplemental FOCUS Information. The FinOp should ensure that any required supplemental reporting under Consolidated FINRA Rule 4524 is completed accurately following applicable instructions and submitted through FINRA's eFOCUS system by the applicable due date.

The FinOp shall also ensure that Form Custody, as required by the SEC, is completed and filed quarterly by the 17th business day following the end of the calendar quarter.

All FOCUS filing and other required supplemental reports, including Form Custody, shall be filed electronically, utilizing FINRA's Web based FOCUS or "eFOCUS" system.

Please refer to the table and language under Section 16.3 above ("Net Capital Requirements") for a description of the Company's supervisory responsibility related to determining net capital, for the purpose of reporting such via FOCUS filings.

Certain additional information requirements may come about from time to time (e.g., leverage ratio information for carrying and clearing firms and a Sequestration Statement for certain joint BD/FCMs). The FinOp is responsible for tracking and complying with all newly-announced filing requirements that are applicable to the Company and ensuring filings are made accurately and timely.

16.6 Reporting Required under SEA Rule 17a-11

Name of Supervisor ("designated Principal"):	FinOp: Katherine Anderson
Frequency of Review:	Monthly upon net capital calculations or upon notification from Company principal.
How Conducted:	Review of financial reports and accounting records
How Documented:	Firm Records Necessary reports filed with FINRA and SEC
WSP Checklist:	SEA Rule 17a-11, SEC Releases 34-70072 and 34-70073
Comments:	

Additional financial reporting may be required in order to comply with SEA Rule 17a-11 if the Company finds itself insolvent, in net capital violation, approaches financial difficulties and/or experiences a books and records problem. Rule 17a-11 is designed to function as an all-encompassing reporting vehicle and requires the Company to send immediate electronic notice to the SEC and FINRA at any time when:

- The dollar amount of the Company's net capital is less than its required minimum; or
- The Company's aggregate indebtedness exceeds 1,500% of its net capital (800% for the Company's first twelve months after its effective date of membership with FINRA).

Additionally, in accordance with Rule 17a-11, the FinOp will promptly (within 24 hours of discovery) file notification with the SEC and FINRA if at any point in time:

- The Company's aggregate indebtedness exceeds 1,200% (12 to 1) of its net capital; or
- Its net capital is less than 120% of its required net capital.

Other provisions of SEA Rule 17a-11 require the Company to send telegraphic notice to the SEC and other appropriate agencies when:

- The Company fails to make and keep current the books and records specified under SEA Rule 17a-3. The telegraphic notice must be sent immediately (same day); and within 48 hours of the telegraphic notice FinOp must file a report stating what corrective actions have been taken; or
- The Company discovers or is notified by an independent public accountant, pursuant to SEA Rule 17a-5 or 17a-12, of the existence of any material weakness or inadequacy as

described in those rules. The notice shall be made to the SEC and FINRA within 24 hours, and within 48 hours of the telegraphic notice a report shall be filed stating the corrective steps which have been and are being taken.

Rule 17a-11(c)(5) calls for notification if repurchase and lending activities (excluding government securities) exceed 2500% of tentative net capital (no notification required if Company reports monthly balances to FINRA).

The Company's designated FinOp shall ensure the timely filing of all notices required under SEA Rule 17a-11 using the Financial Notifications option under Forms and Filings in the Firm Gateway, and telegraphically with the SEC's principal office in Washington, DC, the Regional Office of the SEC where the Company's main office is located.

16.7 Customer Account Statements

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon
Frequency of Review:	Spot check Pre-Approval (consolidated report format)
How Conducted:	Review for required disclosures Pre-approval of consolidated report creation systems, formats, distribution methods Spot check during office inspections/3120 testing
How Documented:	Records of deficiencies and remedies Records of system/format approvals and spot checks of consolidated reports
WSP Checklist:	Rule 2340, Consolidated FINRA Rule 2266, Notices 06-72, 08-77, 10-19; SEC Releases 34-70072
Comments:	

16.7.1 Estimated Annual Income and Estimated Yield – Not Applicable

16.7.2 Consolidated Reports

The Company may provide to its customers documents that consolidate information on their various financial holdings ("consolidated reports"). These reports may include assets held away from the Company and may provide account balances, and/or performance data. The reports are generally provided at the request of the customer, who directs which accounts to include and provides access to data for non-held accounts. The Company issues such reports to its customers who are also customers of its affiliated IA firm [and/or by its RRs who also provide IA services to the Company's customers. The Company's consolidated reports do not replace the account statements issued under Rule 2340, described above, and may not be offered a substitute for those required statements.

The Company's consolidated reports are created/distributed as follows:

- Reports are created by the Company and/or its RRs using off-the-shelf software applications.
- Reports are hand-delivered to customers during face-to-face meetings.
- Reports include information on assets held away.

The designated Principal is responsible for supervising the production/distribution of consolidated reports. To follow are the Company's procedures:

Reporting System/Document Format Approval: The Company requires its consolidated reporting systems/programs and report formats to be approved in advance, prior to report production, by the designated Principal. This Principal may work with IT professionals and other compliance or legal staff to determine what types of creation systems, report formats and distribution methods are appropriate and acceptable. The designated Principal will keep records of approved systems, programs, formats and distribution methods and will inform RRs of such. Reports generated outside of pre-approved systems/formats must NOT be distributed to customers; changes made by RRs or branch offices to report formats and/or custom changes to individual reports must be pre-approved. Discovery of violations of this policy will be investigated and may be met with disciplinary action.

Assets Held Away: Assets held away may be included on consolidated reports only if such information—including valuation information--can be verified by information provided by the customer or trusted sources, such as other broker-dealers, banks, mortgage companies, IA firms, or reputable third party vendors. The designated Principal, in his or her pre-approval process, will determine the acceptability of sources of information on assets held away. Only those sources approved by the designated Principal may be used to verify information included on consolidated reports.

Supporting Documentation and Source Documents: The sources of data and methods used in asset valuation—whether for in-house assets or assets held away--must be available for supervisory review and for discussion with customers during presentations of consolidated reports. RRs are required to encourage customers to review and maintain their original source documents that are integrated into consolidated reports (such as account statements from the Company and other broker-dealers).

Disclosures: When applicable, the following disclosures must be included on consolidated reports distributed by or on behalf of the Company or its RRs:

- that the consolidated report is provided for informational purposes and as a courtesy to the customer, and may include assets that the Company does not hold on behalf of the customer and which are not included on the Company's books and records;
- the names of the entities providing the source data or holding the assets, their relationship with each other (e.g., parent, subsidiary or affiliated organization) and their respective functions (introducing/carrying brokerage firms, fund distributor, banking/insurance product providers, etc.);
- a statement clearly distinguishing between assets held or categories of assets held by each entity included in the consolidated report;
- the customer's account number and contact information for customer service at each entity included in the consolidated report;
- identify that assets held away may not be covered by SIPC; and

- if the consolidated report provides aggregate values for several different assets, an explanation of how the aggregated values of the different types of assets were arithmetically derived from separate asset totals.

The designated Principal, during his or her report format approval process, will ensure that all applicable disclosures are included in the Company's approved report templates and custom reports, if any. Spot check or periodic reviews will include a review for required disclosures.

Customers receiving consolidated reports will be provided with notice that they have been provided with the relevant disclosures and are expected to understand the nature and limitations of the consolidated reporting process. Customers will be provided periodic notices of relevant disclosures.

Customer Addresses and Safeguarding Information: Consolidated reports, if mailed directly to customers, must be mailed to the address of record (address included in the customer's most recently-updated NAF). Should customers request that consolidated reports be mailed to a different address, the RR on the account must keep records of such request in order to explain the address discrepancy. As with all customer information, Company personnel are required to protect the confidentiality of consolidated reports; the Company must take steps to prevent unauthorized access to all such hard copy or electronic/online records. If relying on a third party for record creation or distribution, the Company will comply with its 'outsourcing' procedures herein.

Periodic Reviews: Compliance with these procedures and other procedures that apply (such as with the general requirements under Consolidated FINRA Rule 2210 on communications with the public) will be reviewed by designated staff during the Company's internal/branch office inspections and annual testing and verification process.

16.8 Record of Written Complaints

See the Sections on Customer Complaints and OSJ supervision, above, for details on required records relating to complaints received.

16.9 Telemarketing Records

The Company is required to maintain a Do Not Call List that includes the names of persons who requested to not receive calls from the Company. If a third party maintains this list for the Company, it is the Company that will be liable for failures to honor it. The Company must also maintain records to document how it accesses the national do not call database as a means of preventing outbound calls to telephone numbers on that database. The designated Principal will ensure maintenance of these required records. Please refer to the section entitled "Telemarketing," above, for a complete description of the Company's related supervisory procedures and summary supervisory table.

16.10 Customer Account Information

Name of Supervisor ("designated Principal"):	Designated Principal: Debra Shannon And assigned supervisors

Frequency of Review:	Upon account opening and thereafter, as necessary.
How Conducted:	Maintain account information in customer files.
How Documented:	NAFs, suitability forms, Investor Questionnaires, other necessary documentation (such as corporate trading authorization, third party authorization, corporate resolution, W9 Form, self-accreditation forms, etc.). Initials on NAF upon approval.
WSP Checklist:	Consolidated FINRA Rules 2111, 3110, 3210, 4512, SEA Rule 17a-3 and -4, MSRB 6-8(a)(xi)
Comments:	Please refer to the section entitled "Customer Accounts New Accounts, Account Transfers," above, for a complete description of the Company's related supervisory procedures and summary supervisory table

The designated Principals, in the process of reviewing new accounts for approval and performing periodic reviews of existing account records, shall ensure compliance with all recordkeeping requirements described in the following text. The New Account procedures in this Manual include further details.

16.10.1 Account Record

The Company intends to maintain, at a minimum, the following customer records, as required by amended SEA Rule 17a-3 and Consolidated FINRA Rule 4512 (the requirements are combined here):

- Name,
- Tax ID number,
- Address (note: AML regulation requires physical address),
- Telephone number,
- Date of birth (and whether the customer is of legal age),
- Employment status (including occupation and whether the customer is an associated person of a member, broker or dealer or FINRA),
- Annual income,
- Net worth (excluding value of primary residence),
- Investment objectives,
- If the customer is a corporation, partnership or other legal entity, the names of any persons authorized to transact business on behalf of the entity. and
- Names of associated persons with responsibility for the account and the scope of their responsibilities, and
- Signatures of the associated persons responsible for the account (if suitability analysis was conducted) and assigned Principal.

When making **recommendations**, the account record should include the investment profile factors and other information addressed in the suitability rule: see Section 7 herein for specifics on suitability records.

For **joint accounts**, the record must include personal information for each owner of the account, but should include investment objectives of the account, not of each individual owner. Financial information for the owners may be combined.

For **discretionary accounts**, the following are required (unless time and price discretion is granted by the customer for the day only and such discretion expires at the end of the business day granted, per Rule 2510(d)):

- The dated signature of each customer granting the discretionary authority, and
- The dated signature of each natural person to whom such discretion was granted.

For Institutional Accounts (a bank, savings and loan association, insurance company or registered investment company, an investment adviser registered either with the SEC or a state, or any other entity with total assets of at least $50 million), the customer's occupation, employer information and whether the customer is an associated person of a broker dealer are not required records.

In addition to the record requirements listed here, personnel must gather sufficient customer information to confirm suitability, as described in Sections 7 and 9, above.

While the SEC grants an exemption from its record making requirement in the case where the Company is not required under any federal or SRO rules to make a suitability determination as to an account, the Company requires its associated persons to make an attempt to gather this information for all accounts, in the interest of "know your customer" standards. The designated Principal will make a determination with regard to exceptions to this policy, when requested.

Should required account information be missing from the customer account record, Company compliance staff will bear the burden of explaining why this information is unavailable. Registered Representatives are encouraged to make explanatory notes in these cases, and include such notes in the customer's account file, and are required to inform their designated Principals of any failure to obtain required information. The RR should consult the Company's Anti-Money Laundering Compliance Program in order to consider whether a customer's lack of cooperation could be considered suspicious in nature.

16.10.2 Furnishing Account Record Information

SEA Rule 17a-3 requires the Company to furnish account record information to their customers who are "natural persons," as defined in the Rule (accounts that are entities are not included in this definition), as follows:

- Within 30 days of opening a new account;
- Upon periodically updating the account record (at least once every 36 months);
- Following a change in customer name or address (sent to the old address only); and
- Following a change in any other customer information, such as investment objectives.

This requirement will serve to reduce the number of misunderstandings between customers and the Company regarding the customer's situation or investment objectives. When furnishing account records to customers, the Company (or its clearing firm, if applicable) should request that the customer review the information

and immediately reply with any necessary corrections or changes to the information provided.

The Company is not required to include the customer's tax ID number and date of birth in this furnished information (in order to avoid potential perpetration of fraud by unauthorized recipients).

The Company will use all reasonable efforts to update customer records at least once every 36 months and will forward such updated records to customers **within 30 days** of the updating (such as a change in name, address or investment objectives). The Company intends to furnish customer record information via a 36 Month Letter. The designated Principal will ensure that records are maintained of the dates when customer records are furnished to customers and that customer records, including address and investment objectives, are kept up-to-date and all changes are verified through documented contact with the customers.

PLEASE NOTE: THAT IF A CUSTOMER FAILS OR REFUSES TO PROVIDE A TAX ID NUMBER, IRS REGULATIONS REQUIRE THAT THE COMPANY WITHHOLD 31% OF ALL REDEMPTIONS OR DISTRIBUTIONS.

UPDATING OF CUSTOMER ACCOUNT DATA. PROPOSED TRANSACTIONS IN A CUSTOMER ACCOUNT WITH DATA MORE THAN 36 MONTHS OLD MAY BE SUBJECT TO REJECTION OR CANCELLATION UNTIL THE ACCOUNT IS UPDATED.

16.10.3 Written Customer Agreements

Representatives or other appointed personnel are required to furnish to each customer with whom the Company has entered into any written agreement a copy of such agreement (for instance, a copy of the New Account Form with all disclosure and agreement language). The associated person responsible for the account will ensure that a written record has been created confirming delivery of the written agreement to the customer. Should a customer request a copy of a written agreement, the respective associated person (or designee) will provide the copy and will record in the customer file that it was provided. (Also, under Consolidated FINRA Rule 2268, signed agreements with Pre-Dispute Arbitration Clauses must be provided to, and acknowledged by, customers within 30 days of signing, or within 10 days of a customer's request for a copy.)

16.11 FCPA Payment-Related Records and Reporting

Should the Company have Representatives or any other agents/employees working in foreign locations or working with foreign persons in the conduct of their business, all expenses reimbursement or other payments made to or by such persons will be scrutinized regularly to detect improper payments.

The Company prohibits ALL payments to foreign officials, whether or not they are permitted under the FCPA. Perceived violations will be investigated by the CCO and met with disciplinary action and federal reporting if required.

16.12 Preparation of Required Records

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	Daily, Weekly or Monthly
How Conducted:	Review of documentation below, if applicable.
How Documented:	Firm Records Entries in Files
WSP Checklist:	Consolidated FINRA Rules 4511, 4513, 4515, SEA Rule 17a-3. Notice 11-19, SEC Releases 34-70072
Comments:	

The Company, if and when applicable, shall make and keep current the following books and records relating to its business (where applicable):

- Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts;
- A Record of the proof of money balances of all ledger accounts in the form of trial balances, and a record of the computation of aggregate indebtedness and net capital, as of the trial balance date, pursuant to SEA Rule 15c3-1;
- A questionnaire or application for employment or U4 Form executed by each associated person of the Company which shall be approved in writing by the authorized representative of the Company and shall contain, at a minimum, the following information:
  - Name address, social security number and the starting date of association with the Company;
  - Date of birth;
  - A complete, consecutive statement of all business connections for at least the preceding ten years, including whether any employment was part-time or full-time;
  - A record of any denial of membership or registration, and of any disciplinary action taken, or sanction imposed, by any federal or state agency, or by any national securities exchange or national securities association, including any finding of cause of any disciplinary action or violation of any law;
  - A record of any denial, suspension, expulsion or revocation of membership or registration of any member, broker or dealer with which he or she was associated in any capacity when such action was taken; and
  - A record of any permanent or temporary name by which he or she has been known or which he or she has used, provided however, that if he or she had been a Registered Representative of the Company or his/her association had been approved by FINRA or any stock exchange, then retention of a full, correct and complete copy of any and all applications for such registration or approval shall satisfy these requirements.

FINRA Rules and amended SEA Rule 17a-3 require the Company to maintain the following records regarding each associated person:

- All agreements pertaining to the associated person's relationship with the Company, including a summary of the person's compensation arrangement or plan (describing the method by which compensation is determined, if not on a per-trade basis);
- A record of the office(s) at which each associated person regularly conducts business (see "Registered Representative Assignment," below);

- A record of all customer complaints concerning each associated person, as described above; and
- Internal identification numbers and CRD numbers (see "Registered Representative Assignment," below).

The Company shall also maintain the following records for each associated person: the value of non-monetary compensation (such as gifts or trips as sales incentives) directly related to sales. These values should be estimated for the sake of this record-keeping requirement.

16.12.1 Explanation of Records

The Company has designated the following personnel, who can, without delay, explain the types of records the Company maintains and the information contained in those records:

Employee Name OR Title	Office Location	Types of Records Explained	Date of Designation
Debra Shannon, CCO	Main Office	All	8/2014
Katherine Anderson, FinOp	Atlanta, GA	Financial	8/2014

16.13 Offices

For both creation and maintenance of records, the definition of "office" adopted by the SEC includes any location where an associated person regularly conducts business. Company personnel, as designated herein, must make and keep current, separately for each office, certain books and records that reflect the activities of the office, including, as applicable:

- customer account records,
- customer complaints,
- evidence of compliance with securities regulatory rules,
- a list of state record depositories,
- names of persons capable of explaining the records,
- names of any principals responsible for establishing policies and procedures, and
- records relating to associated persons at each local office, including:
  - employment agreements,
  - identification numbers,
  - compensation agreements,
  - sales records relating to associated person compensation, and
  - chronological sales records.

These records may be maintained at the office, or instead, may be produced "promptly" upon request (either electronically or on-site). Promptly is generally meant to mean by the day the after the request was made or at a time mutually agreeable to the Company and the regulator. Such office records must be maintained for the most recent two-year period in a readily accessible location.

For each office located at an associated person's residence, the Company is not required to produce records at such office, provided that: (i) only one associated person, or multiple

associated persons who reside at that location and are members of the same immediate family, regularly conduct business at the office; (ii) the office is not held out to the public as an office; and (iii) neither customer funds nor securities are handled at that office. In this case, records may be stored at some other location within the same state as that office or may be promptly produced at an agreed upon location.

16.14 Records Regarding Approval of Communications

SEA Rule 17a-3 requires the Company to maintain records documenting the Company's compliance with its procedures designed to comply with FINRA rules requiring principal approval of any advertisements, sales literature, or other communications with the public. Appointed personnel will comply with this Rule by virtue of their compliance with procedures described elsewhere in this Manual, relating to communications with the public (see Section 11, above).

16.15 Investigation Records and Submission of Trade Data

Name of Supervisor ("designated Principal"):	Chief Compliance Officer: Debra Shannon
Frequency of Review:	In the process of investigations. Following submission of EBS data.
How Conducted:	Review of documents, etc., produced for copying. Validation of EBS data; review of EBS reporting, if applicable.
How Documented:	Notes on cooperation with investigations and records produced. EBS validation procedures, records of validations, EBS submitted data.
WSP Checklist:	Consolidated FINRA Rules 8210, 8211 and 8213; SEA Rules 17a-25 and 17d-1. Notice 05-58, 08-57, 10-59, 11-56, 12-36, 12-47, 13-06, 13-16, 13-38, 15-44.
Comments:	EBS FAQ: http://www.finra.org/Industry/Compliance/RegulatoryFilings/BlueSheets/P125234

The CCO, with advice of counsel, should ensure cooperation with any and all information requests made by FINRA or SEC. Under Consolidated FINRA Rule 8210, for the purpose of an investigation, complaint, examination, or proceeding authorized by FINRA, the Company, its associated persons and any persons over whom FINRA has jurisdiction are required to provide information that is in their possession, custody or control. The information may be provided orally, in writing, or electronically and in testimony, if instructed. The Company must also allow FINRA to inspect and copy its books, records, and accounts with respect to any matter involved in the investigation, complaint, examination, or proceeding. The Company and its associated persons must also provide information in connection with investigations being conducted by other regulatory organizations. FINRA may deliver 8210 requests directly to Company counsel.

When providing requested information electronically on portable devices such as flash drives, CD-ROMs, DVDs, portable hard drives, laptop computers, discs, etc., Company personnel are reminded to encrypt the data provided. Encryption methods used must meet industry standards for strong encryption. The Company must provide FINRA staff, under separate cover, the confidential process or key regarding the encryption.

All requests for information must be brought to the attention of the CCO, who will establish and monitor a process by which requested information will be produced and provided, with advice of counsel. The CCO will attempt to ensure that all existing information subject to

requests is produced for inspection and copying, except when such is privileged, and that encryption is available and employed when required. The CCO will likewise ensure that the Company has provided FINRA with the name of any attorney(s) representing it in 8210 matters. Associated persons are required to cooperate with all such information requests and must not fail to testify when required or to disclose or produce requested books, records, or account information for copying.

16.16 Records of Cash and Non-Cash Compensation

Veritas Independent Partners, LLC must maintain records of all compensation, cash and non-cash, received from offerors. The records must include the names of the offerors, the names of the associated persons, and the amount of cash and the nature and, if known, the value of non-cash compensation received. Records regarding the "nature" of non-cash compensation received shall disclose whether the non-cash compensation was received in connection with a sales incentive program or a training and education meeting. Thus, for example, records for a training and education meeting shall include information demonstrating that the requirements of a training and education meeting were complied with, including the date and location of the meeting, the fact that attendance at the meeting was pre-approved by a Company Principal and was not conditioned on the achievement of a previously specified sales target, the fact that the payment was not applied to the expenses of guests of associated persons of the Company, and any other relevant information.

16.17 Preservation of Required Records

Name of Supervisor ("designated Principal"):	Principal Operations Officer: Katherine Anderson
Frequency of Review:	Daily, Weekly or Monthly
How Conducted:	Review of respective files required by list below, if applicable.
How Documented:	Firm Records Entries in Files
WSP Checklist:	Consol. FINRA Rules 4511, 4512, 4513, 4514, 4570; SEA Rule 17a-4, 17a-8, Reg. AC; Notices 10-10, 11-19, SEC Release 34-70072
Comments:	

In General: The Company is required by Consolidated FINRA Rule 4511 to preserve all required records in accordance with applicable FINRA, SEC and various exchange rules: some retention time frames are included herein and reflect both FINRA and SEA Rule requirements. Where there is no specific retention under the rules for a given, required record, the Company must preserve that record for a period of at least six years. In general, if the record pertains to an account, the retention period is for six years after the date the account is closed; otherwise, the retention period is for six years after record is made.

Six Years: Veritas Independent Partners, LLC shall preserve for a period of not less than six years, the first two years in an easily accessible place, the following records, as applicable:

- Blotters (or other records of original entry);
- Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts; and,

- Ledger accounts (or other records) itemizing separate entries as to each cash and margin account of every customer and of the Company, broker or dealer and partners thereof (if appropriate) all purchases, sales receipts and deliveries of securities and commodities for such account and all other debits and credits to such account.

Per SEA Rule 17a-4(c) the Company will preserve, for a period of not less than six years after the closing of any customer account, any new account forms or records that relate to the terms and conditions with respect to the opening and maintenance of such account.

Under Consolidated FINRA Rule 4512.01, the Company will preserve: (1) any customer account information that subsequently is updated for at least six years after that update; and (2) the last update to any customer account information, or the original account information if there are no updates, for at least six years after the account is closed.

The Company must retain a copy of each version of Form CRS and delivery information for a period of not less than six years following the last date when the applicable version of the Form was delivered to a retail investor.

Five Years: Veritas Independent Partners, LLC or its clearing agent must preserve for a period of not less than five years the transfer notice records required to be kept under the Bank Secrecy Act (see above under "Trade Desk"). Recordkeeping requirements under the USA Patriot Act are described in the Company's AML Compliance Program.

Three Years: Veritas Independent Partners, LLC or its clearing agent shall preserve for a period of not less than three years after the date of the respective document, the first two years in an accessible place, the following records:

- Ledgers (or other records) required to be made pursuant to SEA Rule 240.17a-3(a)(4);
- Memoranda of brokerage orders required to be made pursuant to SEA Rule 240.17a-3(a)(6);
- Memoranda of purchases and sales required to be made pursuant to SEA Rule 240.17a-3(a)(7);
- Information provided to and used by designated Principals to approve changes made to the name or designation recorded on customer orders;
- Copies of confirmations of all purchases and sales of securities required to be made pursuant to SEA Rule 240.17a-3(a)(8);
- Records of each cash and margin account with the Company required to be made pursuant to SEA Rule 17a-3(a)(9);
- Records of all puts, calls, spreads and other options required to be made pursuant to SEA Rule 17a-3(a)(10);
- All checkbooks, bank statements, canceled checks and cash reconciliations;
- All bills receivable or payable (or copies), paid or unpaid, relating to the business of the Company;
- Originals of all communications received and copies of all communications sent by the Company, including interoffice memoranda and communications relating to its business (whether electronic or paper)--note the Consolidated FINRA Rule 4513 requires that communications relating to customer complaints be maintained for four years;
- All trial balances, computations of aggregate indebtedness and net capital (and accompanying working papers), financial statements, branch office reconciliation's and internal audit working papers relating to its business;

- All guarantees of accounts and all powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account and copies of resolutions empowering an agent to act on behalf of a corporation;
- All manuals describing the Company's policies and practices with respect to compliance and supervision, including any updates, modifications and revisions (for three years after termination of their use);
- Certifications of research analysts in connection with public appearances and/or notifications to authorities and related, required disclosures, in the event certifications are not received, as required under SEC Regulation AC, in addition to other required records under Consolidated FINRA Rule 2241, governing research analysts;
- Risk management control records required under 17a-3(a)(23); and
- A copy of all reports that a securities regulatory authority has requested or required the Company to create, including each examination report.

In addition, Consolidated FINRA Rule 4514 requires that the Company preserve, for a period of three (3) years after its expiration, the express signed authorization of each customer to submit for payment a negotiable instrument drawn on the customer's checking, savings, share or similar account. If the authorization is via the customer's signature on the negotiable instrument, itself, it does not have to be preserved by the Company.

The CCO or designee shall maintain and preserve in an easily accessible place, all questionnaires or applications for employment pursuant to SEA Rule 240.17a-3(a)(12), until at least three years after the "associated person" has terminated his or her employment and any other connection with the Company. Copies of U4 amendments and U5 filings/amendments that do not require signatures of the registered person may be maintained solely on WebCRD; filings requiring manual signature by the registered person must be maintained in the Company's books and records. For filings requiring written acknowledgement from the registered person, such acknowledgment will be maintained in the Company's books and records.

18 Months: For 18 months after the date the report was generated, the Trade Desk Supervisor or other appointed personnel must maintain (or must be able to recreate, or simulate if necessary) reports created to review unusual activity in customer accounts ("exception reports").

Life of Enterprise: All organizational records of the Company, including, but not limited to, articles of incorporation or charters, minute books and stock certificate books, shall be preserved during the life of the enterprise and of any successor enterprise. In addition, the CCO or designee shall maintain, for the life of the entity, copies of Forms BD and all amendments thereto (only those portions of the Form that were amended must be kept).

Custodian of Books & Records when the BD has Ceased Doing Business: Should the Company cease doing business, its CCO or member of senior management will ensure that a Form BDW is filed with FINRA. The Company must comply with SEA Rule 17a-4(g) by continuing to maintain its required books and records for the remainder of respective, specified retention periods.

On Form BDW, the Company must provide contact information of the custodian of its books and records after it has discontinued its business operations; the address where the books and records will be located, if different than the custodian's address; and a certification by the

signatory that the Company's books and records will be preserved and made available for inspection.

Consolidated FINRA Rule 4570 permits the custodian of the required books and records to be either a person who is associated with the firm at the time Form BDW is filed or another FINRA member firm.

The Company must ensure the designated custodian understands its obligations under FINRA Rule 4570 and has consented orally or in writing to act as custodian and complying with the requirements under the Rule. The designated custodian is required to submit a Custodian Consent Form to FINRA concurrently with the Company submitting its Form BDW.

If the custodian identified in the BDW ceases to be responsible for the records or the location of the records changes during the required retention period, the custodian named in the BDW or his/her designee must promptly notify FINRA of the new custodian and/or location of the records.

16.17.1 Format of Primary Records Storage

Under Consolidated FINRA Rule 4511, the Company must preserve all required books and records in a format and media that complies with SEA Rule 17a-4. The Company currently maintains its required books and records in the following formats: paper document storage. The Company's financial records which are subject to later correction are maintained in paper form. The POO is responsible to ensure that records are maintained, stored and duplicated, if required, in accordance with all applicable sections under SEA Rule 17a-4. The Company, if it maintains some or all records in paper format and backs these records up electronically, is not required to back up these electronic records or meet the other requirements for electronic storage of primary records as described under 17a-4(f).

With regard to the Company's primary books and records maintained exclusively in micrographic format or in an electronic format, the POO will ensure that the Company is able to:

- Immediately produce easily readable images for examiners for examination; produce facsimile enlargements upon request;
- Store separate, duplicate copies of records that meet the medium requirements under SEA Rule 17a-4;
- Organize and index all information on primary and duplicate media (and make them available to examiners and keep duplicates of the indexes);
- Implement an audit system providing for accountability regarding inputting of records and inputting of any changes made to every original and duplicate record (and make audit results available to examiners); and
- Maintain and provide to examiners all information necessary to access records and indexes stored on the electronic storage media; or place in escrow and keep current a copy of the physical and logical file format of the electronic storage media, the field format of all different information types written on the electronic storage media and the source code, together with the appropriate documentation and information necessary to access records and indexes.

Duplicate records, original and duplicate indexes, and audit results must be preserved for the time required for the original, respective records.

Because the Company maintains all or some of its primary books and records electronically, it was required to give prior notification to FINRA of its record storage system and has represented to FINRA that the system is able to:

- Preserve the records exclusively in a non-rewriteable, non-erasable format;
- Verify automatically the quality and accuracy of the storage media recording process;
- Serialize the original and, if applicable, duplicate units of storage media, and time-date for the required period of retention the information placed on such electronic storage media; and
- Have the capacity to readily download indexes and records preserved on the electronic storage media to any medium acceptable under SEC and FINRA rules.

The Company was required to give notice 90 days prior to use if the format is *not* optical disk technology (such as CD-ROM).

In addition, because the Company has contracted with an independent, off-site, third party download provider (not affiliated with the Company and on a separate power grid than the Company) who allows for the authorized downloading of Company information by the designated examining authority, the third party provider has notified FINRA that it will provide access or furnish data to regulators as stipulated in SEA Rule 17a-4(f)(3)(vii).

The designated Principal, will periodically test systems used to capture and store required records to verify that records are being inputted or captured and maintained in manner consistent with applicable standards and in accordance with the Company's expectations. This audit of the systems may be done by inputting test files or creating test e-mails and reviewing the content of stored files. In addition, he/she will require certification from the vendor that they have periodically tested their system to ensure that it is operating as per stated specifications and that all features for back-up, access and protection of data have been tested at least annually. A record of the Principal's reviews and the certifications obtained from vendors will be retained in the files associated with the applicable systems.

Notification required under Rules 17a-4(f)(2)(i) regarding the electronic storage method being employed as well as the certification by a third-party as to their system capabilities required under Rule 17a-4(f)(3)(vii) must be submitted to FINRA electronically via the Financial Notifications link on FINRA's website at http://www.finra.org/RegulatorySystems/RegulationFilingApplications/RegulatoryNotifications/index.htm

16.18 Municipal Business

The Company will ensure it complies with MSRB Rules G-8 and G-9 and applicable SEC Rules in maintaining its records related to its municipal activities. The designated Principal is responsible for maintaining such records.

16.19 Investment Banking – Not Applicable

16.20 Options Business – Not Applicable

16.21 RR/RIA Business

Where the Company has RR/RIAs (see above under "Supervisory Procedures") Notice 96-33 sets forth FINRA recordkeeping requirements:

- Dated Notices from RR/RIAs requesting approval of activities;
- Dated responses relative to approval;
- A list of RR/RIAs showing details of approvals;
- A list of RR/RIA customers, including details of customers of the Company and the RIA;
- Copies of customer account opening cards to determine suitability;
- Copies of discretionary account agreements;
- Duplicate confirmation statements;
- Duplicate customer account statements;
- Correspondence file for RR/RIA customers;
- Investment advisory agreements between each RR/RIA and customers;
- Advertising materials and sales literature used by the RR/RIA to promote business, complemented by a process that shows whether proper FINRA filings have been made and whether the Internet is being used;
- Exception reports showing a review of activities;
- Supervisory procedures records, including designation of supervising Principals, recordkeeping, manuals, etc.
- Where an associated person receives compensation based on a share in customer profits and gains, a copy of the Company's written authorization of such arrangements; and
- Where the Company or any of its associated persons receives compensation based on a share in customer profits and gains, a copy of the customer's written authorization of such arrangements.

16.22 Cash or Currency Transactions

Name of Supervisor ("designated Principal"):	Anti-Money Laundering Compliance Supervisor (see AML Program)
Frequency of Review:	Daily monitoring
How Conducted:	Review of records of cash deposits, wire transfers, foreign transfers.
How Documented:	Copies of currency transaction reports.
WSP Checklist:	SEA Rules 17a-8
Comments:	Company personnel are required to comply with the procedures outlined in the Anti-Money Laundering Compliance Program.

The Company will comply with the reporting, recordkeeping, and record retention requirements under the Bank Secrecy Act and the Foreign Currency Transactions Reporting Act of 1970, as enforced by the SEC. The Company does not accept cash or currency from customers; customers will be advised of the Company's policy and will be requested to submit

checks in lieu of cash. If cash is inadvertently received, it must be logged and promptly returned and the Chief Compliance Officer must be informed of the event. The Company does not anticipate engaging in foreign transactions. The Company does not permit the transfer of currency or monetary instruments across US borders.

Details of the Company's compliance with BSA, US Treasury, FINRA and other rules and regulations relating to receipt and reporting of currency and monetary instrument transactions are included in the Company's Anti-Money Laundering Program, under separate cover.

16.23 Security Futures Business – Not Applicable

SECTION 17: IA SUPERVISION

Name of Supervisor ("designated Principal"):	Designated Supervisor: Debra Shannon Designated Branch Office Managers
Frequency of Review:	Continuous; on a daily basis
How Conducted:	Review of transactions and related documentation Approval of activity and compensation arrangements Approval of promotional material and performance reports Review of necessary regulatory filings Review of activities—depends on the capacity in which RRs are acting as IAs
How Documented:	Maintain files (either dedicated or personnel), including approved notices of activities and lists of authorizations. Related advertising and correspondence files
WSP Checklist:	Consolidated FINRA Rules 3210, 3270, 3280. Notices 94-44, 96-33, 01-24, 03-21, 16-22
Comments:	Further reference applicable procedures in this WSP Manual and in the IA Manual (if any)

17.1 Supervision of Advisory Activities -- Where the Company or its Affiliate is a Registered IA

The Company is a registered investment advisor, registered with the state of Arkansas.

Some or all of the Company's Registered Representatives are licensed and registered as advisors and perform advisory services for clients on behalf of the Company or its IA affiliate. All registered persons conducting advisory business, either on behalf of the Company or its IA affiliate, are required to comply with the procedures outlined herein and with all referenced, applicable procedures.

IA Manual. All registered persons conducting advisory business must comply with the procedures outlined in the Company's (or IA affiliate's) Investment Advisory Supervisory Procedures Manual. This IA Manual is required under SEC Regulation 206(4)-7 and contains supervisory and compliance procedures exclusively related to the supervision and administration of the Company's advisory business, addressing such topics as: advertising, customer disclosures, documentation, fees and billing, customer reporting, and portfolio activities, among others. RR advisors must be given access to the IA Manual for the purpose of understanding their responsibilities and the expectations of their supervisors. This WSP Manual does not include all procedures required of registered IAs; rather it is the IA Manual that addresses the Company's supervisory obligations relating to its Registered Representatives who offer advisory services through the Company's RIA or affiliate(s). Advisory representatives and their supervisors are required to reference those procedures in order to understand and abide by them. (NOTE: If the firm or its IA affiliate is state registered and not required to have an IA manual, see attached procedures.)

WSP Manual. In accordance with FINRA interpretation, when Registered Representatives in the exercise of their advisory activities participate in the execution of securities transactions such that their actions go beyond a mere recommendation, FINRA member firms must supervise the transactions involved and must maintain records appropriate to demonstrate this supervisory activity. The Company fully expects to supervise all such securities transactions in accordance with any and all related procedures described in this WSP Manual and, as with

all securities transactions, RRs are expected to adhere to all relevant WSP procedures when executing transactions in the context of advisory services.

Where the Company is dually registered as a broker-dealer and investment advisor, the CCO shall ensure that the Company has created, files and delivers a combined Form CRS as set forth in the instructions for the Form.

17.2 Supervision of Advisory Activities – Outside Business Activity

The Company permits RRs to act as independently registered IAs or as IAR's of third party firms, subject to approval as described in Sections 4.2 and 4.3.

In a series of Notice to Members (Notice) rulings (Notices 91-32, 94-44 and 96-33), FINRA has made it clear that member firms (even if not registered as IAs) have supervisory responsibilities over the investment advisory activities of their Registered Representatives. This supervision requirement is based on certain FINRA Rules, including: Consolidated FINRA Rule 3270 (outside business activities); 3280 (private securities transactions or "selling away"); and 3210 (notice and approval of discretionary authority over client accounts).

Outside Business Activities. Consolidated FINRA Rule 3270, as described in the section above entitled FIRM POLICY On Outside Business Activities and Private Securities Transactions ("Selling Away"), requires that registered persons inform the Company of their outside business activities. In the case where this outside business activity consists of advisory services, the Company also requires that such activity be pre-approved by the designated Principal. The Company has an obligation to generally familiarize itself with the nature of the adviser's business, his/her operations and services provided, and the scope of authority the adviser holds over client accounts. To this end, each registered person desiring to conduct advisory services as an independent IA must provide a notice, requesting approval to conduct an investment advisory business for asset-based or performance-based fees. The notice must contain, at a minimum:

- A declaration that the individual is involved in investment advisory activities and wishes to execute securities transactions away from the firm;
- Identification of each existing customer to which the notice would apply;
- A detailed description of the role of the RR/RIA in the investment advisory activities and services to be conducted; and
- Compensation arrangements.

Registered Representatives who are approved to open accounts and execute securities transactions away from the Company must request written approval from the Company's Compliance Department (the principal designated in the table above) for such activity. Such request must contain:

- The name of the RIA,
- The Custodian(s) (identity of the BD through which trades will be executed),
- The account number (if known),
- The account owner(s) name(s),
- The account registration (type of account) and
- Whether account is discretionary or non-discretionary.

Only after receiving approval in writing from the Company may the Registered Representative engage in this business. If there are any changes made to the information provided in the notice, the RR/RIA must provide the Company with an amended notice.

In instances where the RR/RIAs advisory clients are also the Company's clients, and the RR/RIA is referring them to a particular money management program, the designated Principal may require the RR/RIA to obtain approval of such program for use and may also require the RR/RIA to secure a new account at the Company for the client. Even if a client brokerage account is not opened and the individual advisor is not participating in securities transactions resulting from the advisory work, the Company may impose supervision on the advisory activity, for instance, regarding on-going suitability. The designated Principal, when considering requests for approval of independent advisory services, will determine which additional requirements are necessary, on a case-by-case basis.

Specifically with regard to IAR's of third party firms, the Company's designated Principal will receive and review information about third party advisory services/products. This review will include an evaluation of the third party provider services or products and, to the extent feasible, the direct provider services or products furnished by the advisor to his clients. The Company reserves the right to tell the RR seeking approval to use the "Third Party Provider" that it does not find the advisor's services or products acceptable.

"Selling Away." As stated above, the RR/RIA must provide notice of the intended scope of all securities-related business to be conducted for advisory clients. In addition to this notification and approval process, supervision is required. FINRA has made it clear that when a RR/RIA, in the exercise of his or her advisory activities, "participates in the execution of a securities transaction" such that his or her actions go beyond a mere recommendation, the designated Principal must (A) supervise the transactions involved (whether or not they are accomplished at the firm) and (B) maintain records appropriate to demonstrate this supervisory activity. In instances where the RR/RIAs advisory clients are also customers of the Company, and the RR/RIA is participating in securities transactions, those transactions will be subject to all related procedures contained in this WSP Manual. Where the RR/RIA will be participating in the execution of securities transactions through another custodian and/or utilizing discretionary authority, such supervision will take place pursuant to Consolidated FINRA Rules 3280 and 3210, respectively. Accordingly, to meet the expectations of the SEC (see Notice 96-33) the respective trades must be subject to the designated Principal's review. When RRs are receiving transaction based compensation from their advisory clients, the Principal may either require pre-approval of all such trades or may review trade reports received from the custodian on a T+1 basis. Records of these approvals must be maintained in accordance with the recordkeeping requirements described in this Manual.

Where the RR/RIA is offering planning or consultative services ONLY for a fee, the Company is not required to review or approve such materials or content in advance. However, should the recommendations made pursuant to a financial plan or consultation ultimately lead to securities transaction(s) in which the RR/RIA participates, the supervisory obligations outlined above must be followed.

Additional Supervisory Considerations. Advertising materials, websites, seminars, newsletters, scripts, and other promotional material used by the RR/RIA in the conduct of business are subject to review by the designated Principal of the Company under the "communications with the public"—or "advertising"--rules. Performance reports and other

information provided to advisory clients, whether individualized or general, are subject to review. Individualized reports are treated as "customer correspondence" and must be reviewed and approved by the designated Principal. Generalized reports are treated as "advertising" and are subject to pre-review by the designated Principal. Principals designated to review these materials are name in Section 2, above.

Finally, where the Company employs RR/RIAs, it must be sure to include a module in its continuing education program covering the compliance and supervisory issues raised with regard to conducting advisory business away from the Company.

See "Record Keeping and Reporting" for a discussion of RR/RIA records required to be kept by the Company.

SECTION 18: MISCELLANEOUS

18.1 Outsourcing

Name of Supervisor ("designated Principal"):	Designated Supervisor: Debra Shannon
Frequency of Review:	Upon hiring outsourced party; Periodically thereafter to assess competence.
How Conducted:	Preliminary due diligence. Monitor ongoing performance of duties through meetings and/or review of status reports.
How Documented:	Evidence of qualifications, capabilities; references. Status reports from vendors, if available. Meetings with vendors. Notes on monitoring and periodic reviews.
WSP Checklist:	Notice 05-48
Comments:	

The Company has contracted with outside vendors to perform certain required functions for the Company—or, "covered activities." FINRA defines "covered activities" as order taking, handling of customer funds and securities, and supervisory responsibilities under Rules 3110 and 3120. While the Company may never contract its supervisory and compliance activities away from its direct control, it may outsource certain activities that support the performance of its supervisory and compliance responsibilities. Such activities may be in the areas of accounting/finance (payroll, expense account reporting, etc.), legal and compliance, information technology (IT), operations functions (*e.g.*, statement production, disaster recovery services, etc.), and administration functions (*e.g.*, human resources, internal audits, etc.). Importantly, any parties conducting activities or functions that require registration under applicable rules will be considered associated persons of the Company (unless the service provider is separately registered as a broker-dealer and such arrangement is contemplated by applicable rules – for instance, the Company's clearing firm, if any, is not considered an outsourced party, as described in Notice 05-48). For the purposes of this section, an outside FinOp is considered an outsourced vendor.

The Principal designated in the table above is charged with implementing, or assigning for implementation, the following procedures:

- A formal due diligence process must take place when new vendors/outside parties are considered for outsourcing. Service providers must be screened for proficiency and must be deemed reputable enough by the designated Principal prior to finalizing a contract. Other considerations to address include the vendor's internal procedures, industry (regulatory) knowledge, and business disruption preparedness.
- Written contracts should properly document the terms of service provided and the protection of confidential information. Such contracts must be maintained up to date and must be available for review by regulators, when requested. If the contract does not contain a confidentiality agreement, the Company must obtain a separate agreement to be maintained in the file with the vendor contract.
- For outsourced functions requiring qualification and registration, the Licensing and Registration Principal must ensure effective registration of the vendor prior to the Company using his/her services.
- Outsourced services must be monitored on a periodic basis (depending on the type of service provided) in order to confirm the accuracy and quality of work product, the adherence to both contract terms and regulatory requirements (both existing and

changing), and the vendor's application of its own procedures. The designated Principal may require periodic meetings with the vendor and/or status reports or some other means of periodic reporting from the vendor, which he or she will review or have reviewed. Records of monitoring must be maintained by the designated Principal or designee.

- The FinOp will ensure that the financial effects of all outsourcing contracts are properly considered in the context of net capital/AI calculations, when applicable.

The designated Principal shall be responsible for monitoring all outsourced relationships to ensure compliance with the terms and conditions of the Company's contract. In the event there is a security breach within the outsourced firm that could compromise the confidentiality of information regarding the Company or its customer, the designated Principal will work with the outsourcing firm to ensure appropriate steps have been taken to secure such information. If there is a breach of the Company's confidential customer information, the designated Principal shall report the breach to the appropriate authorities as required under state or federal requirements and will notify customers as to steps to be taken to monitor and protect their financial records and identity if the breach compromised related information.

In addition, all of the Company's vendors or agents acting on its behalf are required to comply with the FCPA. No party operating on behalf of the Company may provide payments to foreign officials (and other parties as described in the policy) without the prior consent of the CCO. In addition, the designated Principal, when engaging new vendors or reviewing existing relationships, will attempt to determine if the vendors represent 'foreign officials' or are in any way subject to the limitations under the FCPA. If so, he or she must take steps to monitor the activities of the vendor for FCPA compliance. The risks of illegal payments should be avoided; in some cases, if the risk is perceived as high, given known allegiances between vendors and foreign governments/officials/political parties, the designated Principal may seek written representations about FCPA compliance or may seek to terminate the vendor's contracts is necessary.

The following table includes information relating to these contracted services.

Name of Vendor	Location of Vendor	Services Provided	Date of Contract
Katherine Anderson	Atlanta, GA	FinOp	8/2014
Global Relay	Vancouver, BC Canada	Email/Twitter/LinkedIn	
Smarsh/CellTrust	Portland, Oregon Scottsdale, Arizona	Facebook/Text	
FORESIDE, formerly NCS Regulatory Compliance	Portland, ME	IA Compliance Consulting BD Compliance Consulting	April 2015 July 2017

18.2 Outside/Part-Time FinOp

FINRA Rule 1022 requires each member to designate a qualified financial and operations principal ("FinOp"). This individual is responsible for the firm's compliance with applicable net capital, recordkeeping, and other financial and operational rules.

In 1999, FINRA clarified that member firms employing outside and/or part time FinOp must hold those individuals to the same standards that a full time in-house FinOp would be held to. FINRA further clarified that member firms are required to develop written policies and procedures which outline and specify the outside FinOp's duties and responsibilities. Member firms were also required to develop and enforce procedures which ensure the proper creation and maintenance of books and records related to the function.

The firm considers many factors when deciding on whether or not to use an outside FinOp.

These considerations include (but are not limited to):

- Performing a thorough due diligence review and background check on the FinOp's:
  - Qualifications;
  - Experience;
  - Employment history (including reference checks);
  - Regulatory history (CRD checks); and
  - General reputation within the industry.
- Ensuring the FinOp has the staffing and resources available to them to handle the firm's needs; and
- Analyzing which functions can be reasonably performed outside the firm along with the costs and benefits of utilizing an outside FinOp to perform those functions.

If an outside FinOp is used, they will typically have full responsibility as the CFO of the Company. The chief compliance officer must assure that the FinOp's duties include the following:

- Responsibility for final preparation and approval of all financial statements and reports submitted to regulatory bodies;
- Supervision of individuals who prepare financial statements and reports;
- Ensuring the proper creation and maintenance of required books and records;
- Supervision of all financial reporting responsibilities under '34 Act;
- Supervision of all back office personnel;
- Supervisory responsibility for any other matter involving the financial and operational management of the member.

In many firms, giving this responsibility to a part time outside sub-contractor comes with much resistance. It is the responsibility of both the FinOp and the compliance officer to educate the staff regarding the FinOp's supervisory responsibilities and authority.

In Notice to Members 06-23, FINRA reaffirmed its expectations with respect to the use of outside/part time FinOp's and provided additional guidance for both member firms and FinOp to follow. This guidance falls into the following general categories:

- <u>On Site Visits:</u>
  - The FinOp should conduct several on-site visits each calendar year to review the firm's books and records;
  - Some or all visits should be on a surprise basis;
  - The FinOp should attempt to coordinate on-site visits to occur (where practical) in months where FOCUS reporting is not required;

  - The FinOp should initial or otherwise document their review of specific books and records during on-site visits;
  - The FinOp should generally expect to provide a written report to the firm's senior management pertaining to any findings noted during the on-site visit.
- Providing Full Access to Books and Records:
  - The FinOp must have full access to the firm's books and records on a continuous basis (i.e. the FinOp must not be granted less access to books and records than would otherwise be granted to a full time on-site FinOp);
  - The firm should not require the FinOp to give prior notice for on-site visits and/or the review of applicable books and records.
- Establishing Procedures Regarding FinOp's Duties:
  - Thoroughly outline and detail the expectations and responsibilities of the FinOp (including an obligation to stay current on all regulatory developments which would affect their duties and responsibilities)
- Ongoing Capabilities Assessments:
  - Ensuring the FinOp maintains adequate resources and competencies to perform all required duties;
  - Ensuring the FinOp is not performing other duties within the firm which might possibly impair, impede or otherwise be in conflict with their ability to properly execute their duties;
  - Evaluating any changes to the firm's business which may necessitate employing a full time on-site FinOp to properly execute these functions.

The part-time outsourced FinOp will receive a file from the Company's bookkeeping system monthly, so that she can review the general ledger and other financial statements and compute the Company's net capital. The FinOp will be provided with sufficient information to access the Company's net capital upon request.

In addition, the FinOp will visit the Company at least annually to physically inspect the books and records of the Company. The FinOp will document his/her visits for the Company's records and will meet with senior management as needed to discuss any deficiencies. The FinOp will communicate with the Company at least monthly to ensure he/she has an understanding of what is happening in the Company and anything that might impact the Company's net capital or records.

As a registered person, the FinOp is

- supervised by the CCO and CEO;
- required to participate in an annual compliance meeting; and
- required to abide by all other the policies and procedures contained within this Manual.

Since the FinOp does not have contact with the Company's clients or supervise any person's that do, he/she will be exempted from the Company's Firm Element program. However, the Company expects the FinOp to stay current with current regulations and to provide proof of continuing education upon request.

PART III: REGISTERED REPRESENTATIVE ASSIGNMENTS

Veritas Independent Partners, LLC maintains a listing of registered representative assignments separately. This listing may be obtained from the CCO and/or Licensing and Registration Principal.