



Avenue Securities LLC

**DriveWealth, LLC
CLEARING AGENT**

PLEASE READ THIS LETTER CAREFULLY - IT EXPLAINS THE RESPONSIBILITIES OF AVENUE SECURITIES LCC AND DRIVEWEALTH, LLC

Dear Introduced Customer:

We are pleased to inform you that Avenue Securities LLC., the brokerage firm with which you have opened a securities account (“Avenue Securities”), has a clearing agreement with DriveWealth, LLC (“DriveWealth” or “DW”). Under this agreement, DriveWealth will be responsible for certain specific functions related to the settlement and clearance of transactions in your account. Avenue Securities will retain full responsibility for all other functions required of registered securities brokerage firms by applicable law and regulation. FINRA Rule 4311 requires that you be informed of the allocation of responsibilities in a number of areas between Avenue Securities, your broker firm, and DriveWealth, LLC, its clearing broker.

What it Means to be an Introduced Account

As outlined below, you deal directly and personally with Avenue Securities in connection with all purchases and sales in your account. All recommendations to buy or sell securities are the sole responsibility of your adviser, if any, not DriveWealth, LLC. Avenue Securities does not provide recommendations to buy or sell securities. Avenue Securities, acting on your behalf, introduces your account to DriveWealth, LLC which, in turn, carries your account and clears (i.e., processes) your securities transactions as Avenue Securities directs. Unless you advise DriveWealth, LLC in



accordance with the section of this letter entitled “Account Closing Procedures”, DriveWealth, LLC shall accept instructions for your account from Avenue Securities without any inquiry or investigation. This means that DriveWealth, LLC is not obligated to accept orders to buy or sell directly from you; it also means that you shall be responsible for any action taken by DriveWealth, LLC in your account based upon the instructions of Avenue Securities.

Avenue Securities is not an affiliate or subsidiary of DriveWealth, LLC or any other DriveWealth entity and Avenue Securities’s employees (including the registered representative who services your account) are not employed by DriveWealth, LLC or any other DriveWealth entity: they act only on behalf of Avenue Securities. DriveWealth, LLC (i) does not control, audit or otherwise supervise the activities of Avenue Securities, its employees or registered representatives, (ii) does not verify any information provided by Avenue Securities regarding you or your account and (iii) does not review the merit or appropriateness of the activity in your account.

SIPC and Excess SIPC Account Protection

DriveWealth, a member of the Securities Investor Protection Corporation (“SIPC”), provides account protection for the net equity of a customer’s funds and securities positions. SIPC provides \$500,000 of primary net equity protection, including \$250,000 for claims for cash (“SIPC Coverage”). Visit www.sipc.org for more information about SIPC Coverage. DriveWealth, provides the additional protection (“Excess SIPC”) through Customer Asset Protection Company (“CAPCO”), a New York licensed insurance company. Account protection applies when a SIPC member firm fails financially and is unable to meet its obligations to its securities customers, but does not apply to losses from the rise or fall in the market value of investments or to SIPC ineligible assets such as options, futures, foreign exchange transactions, or any investment contracts that are not registered as securities.



Responsibilities of Avenue Securities

Avenue Securities, and not DriveWealth, LLC, shall at all times be exclusively responsible for the following:

- Opening, approving and monitoring your account. This includes obtaining and verifying new and, if necessary, updated information pertaining to your account.
- Obtaining information from you to “know you” as its customer, namely, to learn of your investment objectives and the suitability of any investments for your account, including the suitability of using margin, as applicable.
- Accepting from you and executing (or arranging for the execution of) orders for your account to buy or sell securities, or to transfer or deliver funds or securities to you or third parties.
- Reviewing your account from time to time and all investment advice given to you and, if your account is a discretionary account, knowing all persons having discretion over your account and supervising the use of such discretion.
- Providing you with investment research or market interpretations. Although Avenue Securities may receive such materials from DriveWealth, LLC, your Avenue Securities is solely responsible for the use of such materials and for any investment recommendations made to you.
- Transmitting instructions to DriveWealth, LLC relating to tender or exchange offers or any other form of corporate reorganization affecting your account.
- Ensuring that transactions in your account are in compliance with all applicable laws, rules and regulations.
- Responding to any inquiries or complaints you may have concerning the activity in your account and, if any such complaint concerns DriveWealth, LLC, promptly notifying DriveWealth, LLC in writing about such complaint.

Responsibilities of DriveWealth, LLC



DriveWealth, LLC will only be responsible for the following functions:

- Maintaining books and records relating to your account. Please note that DriveWealth, LLC, in its sole business judgment, may decline to continue to carry your account or to process any orders for your account.
- Performing cashiering functions, including receiving and delivering funds and securities for your account.
- Maintaining proper custody of funds and securities in your account.
- Settling and clearing transactions ordered by your Avenue Securities which we have agreed to clear for your account. Please note that in settling and clearing transactions, DriveWealth, LLC may accept and process, without any inquiry or verification, all orders executed by Avenue Securities for your account, including orders for the purchase or sale of securities and the delivery of funds to you or third parties. DriveWealth, LLC also has the right, exercisable in its sole discretion, to refuse to accept orders, cancellations or any other instructions for your account and to require you to furnish any additional documentation it deems necessary.
- Preparing and transmitting trade confirmations and monthly or periodic statements of account.
- Extending credit in margin accounts, as applicable, in compliance with Regulation T of the Board of Governors of Federal Reserve System (“Regulation T”), determining all maintenance margin requirements, crediting and charging interest, hypothecating, rehypothecating or lending securities if your account is maintained on margin. (See below for an explanation of how interest is calculated by DriveWealth, LLC if you effect transactions on margin in an account carried by DriveWealth, LLC). Avenue Securities may also contact you regarding margin deficiencies in your account.
- Forwarding to Avenue Securities and its Designated Examining Authority (“DEA”) any written customer complaints received by DriveWealth, LLC from you regarding the functions allocated to Avenue Securities pursuant to the clearing agreement. DriveWealth, LLC will notify you in writing to confirm its receipt of any such written complaint and that it has furnished a copy thereof to Avenue Securities and its DEA.



*Please note, DriveWealth, LLC is **not** responsible for the supervision of Avenue Securities and undertakes no obligation to follow-up, investigate or resolve any complaint by you regarding your registered representative, adviser or your brokerage firm, including any claim that Avenue Securities has made unauthorized transactions or not followed your instructions.*

Whom to Contact

All questions concerning the activity in your account should be directed to the registered representative servicing your account.

If, however, you believe that transactions in your account are unauthorized or that instructions given by you to Avenue Securities have not been followed or if you have any other complaints regarding your registered representative or Avenue Securities, as your brokerage firm, you should contact the compliance department or an executive of Avenue Securities or any government agency or self-regulatory organization having jurisdiction over it. The primary government agency is the Securities and Exchange Commission (telephone number 800-732-0330) and the primary self-regulatory organization ("SRO") is the Financial Industry Regulatory Authority (telephone number +1-800-289-9999) or, if Avenue Securities is a member of the New York Stock Exchange ("NYSE"), then the primary SRO is the NYSE (telephone number + 1-212-656-3000).

As a customer of any broker-dealer, please be aware that you always have the right at your discretion to transfer your account to another broker-dealer of your choice.

If you have any questions regarding the responsibilities of DriveWealth, LLC as described above or the custody of securities positions or cash balances maintained with DriveWealth, LLC, please contact the Customer Support Department of DriveWealth, LLC at +1(973) 559-6750 or write to the Customer Support Department at DriveWealth, 97 Main Street, 2nd Floor Chatham, NJ 07928.



Account Closing Procedures

In the event that you desire to close your account, you may do so by giving instructions to Avenue Securities. Your instructions may include directions (a) to sell any security held in your account and forward the proceeds to you or (b) to deliver the contents of your account directly to you. You may also instruct another brokerage firm to request, on your behalf, the transfer of your account to it.

The proceeds of any such sales or the delivery of your account to another brokerage firm will still be subject to all prior liens for amounts owed to DriveWealth, LLC and its affiliates, Avenue Securities or other third party lien holders such as the Internal Revenue Service or any other party with a valid security interest. At its option, DriveWealth, LLC may contact you to verify the authenticity of your instructions to Avenue Securities.

In the event you have difficulty reaching Avenue Securities or otherwise closing your account, you may give instructions to close your account or sell any security held in your account directly to DriveWealth, LLC. You may also instruct DriveWealth, LLC to no longer accept instructions from your Brokerage Firm. All such instructions to DriveWealth, LLC must be in writing, containing your name, the name and number of your account, your social security number (if you are US Person) or your foreign tax number (if you are not a US Person), your current address and your daytime telephone number, but will not be accepted by DriveWealth, LLC without verification satisfactory to it of your identity and authority.

Statement of Interest Charges Pursuant Rule 10 (b)-16

This statement is provided to explain the terms and conditions under which interest charges are computed in your account if you effect transactions on credit.



Interest will be charged on any credit extended to you by DriveWealth, LLC for the purpose of purchasing, carrying or trading in any security or other property.

The annual rate of interest that you will be charged is based on either the BSSC Base Lending Rate, the BSSC Fed Funds Rate or the London Interbank Offering Rate ("LIBOR"), as notified to you upon request. The BSSC Base Lending Rate is the rate quoted daily by DriveWealth, LLC at our main office in New York. Factors affecting the determination of the BSSC Base Lending Rate will include the short term market interest rates quoted by money center banks and the Federal Reserve and the rate that DriveWealth, LLC is charged for borrowing money. The BSSC Fed Funds Rate is the rate for U.S. dollar funds, as quoted by an independent broker of such funds selected by DriveWealth, LLC for the last transaction completed prior to 9:30 a.m. (Eastern Time) on the business day on which such rate is determined. The annual rate of interest will be no more than 400 basis points above the BSSC Base Lending Rate or 500 basis points above either the BSSC Fed Funds Rate or LIBOR and will appear on your monthly statements.

Debit balances in your account represent money lent to you by DriveWealth, LLC, and it is the amount lent to you by DriveWealth, LLC upon which DriveWealth, LLC charges you interest. Each additional purchase of securities on credit increases your debit balance as do interest expenses and any other charges assessed against your account. Interest may be charged to your account at varying rates during the month to reflect any changes in such interest rates that have occurred during that month. Any interest charged on your debit balance that is unpaid at the close of an interest period will be added to the opening balance for the next interest period.

If you have a debit in your cash account and you also have a margin account (Avenue Securities does not provide margin account), interest calculated on the debit balance in the cash account (calculated on a settlement date basis) will be charged to your margin account. Free and available credit balances in cash accounts (i.e. credit balances from which proceeds of securities sold but not available for delivery, whether because not long or not in good deliverable form, are deducted) are netted against settlement date debit balances in the calculation of your net balance.



In addition to interest on debt balances, interest will be charged on proceeds of sales paid to you prior to settlement date and on late payments, including those in cash accounts.

The method of computing interest is as follows: interest is computed on a daily basis on the net debit balance during the interest period. DriveWealth, LLC' basic interest period runs from the 21st day of the prior month through the 20th day of the current month (except interest on the net debit balance during December shall be computed through the second to the last business day of that month), and is itemized to show the dates of sub-periods and corresponding interest rate changes, if any, during the month. In order for you to compute the amount of interest payable on your account, you will need statements of both the prior month and the current month. You commence your interest calculation by ascertaining the net debit balance on the 21st day of the prior month (or the first day thereafter on which there is a net debit balance) and on each day thereafter. You then multiply each day's net debit balance by the interest rate and by the fraction $1/360$. The interest charged during the interest period is the total of the daily charges so computed. Your monthly statements show the opening and closing balances for the period.

With respect to short sales and "marking-to-the-market", the credit that appears on your statement due to short sales (including short sales against the box) is offset by a debit of like amount because DriveWealth, LLC has to borrow the same security in order to deliver it to the buying broker and has to provide its lender additional collateral of up to 105% of the settled short market value of the borrowed securities to secure such loan. This means that the debit balance on which interest is computed will be the difference between (i) up to 105% of the settled short market value of such short sales (across all currencies), which shall be calculated daily, and (ii) the proceeds of such short sales.

Any short positions in your account will be kept "marked-to-the-market". This means that periodically the balance maintained in the short account will be adjusted to equal the market value



of the short securities. Securities that are priced below five dollars per share may be valued at five dollars per share for short marking-to-the market purposes. If a security has been sold short (or sold short against the box) and has appreciated in market price over the selling price, interest will be charged on the amount of appreciation; if it depreciates in market price, interest will be correspondingly reduced by the drop in value. The appreciation or depreciation of securities sold short will be determined by DriveWealth, LLC based upon daily closing prices or quotations provided by pricing services, as applicable, or upon such factors as DriveWealth, LLC in its sole judgment deems pertinent.

If DriveWealth, LLC makes changes in any of the credit terms and conditions described herein or if a change is required by law, we will notify you of such change within a reasonable period of time, unless: such change results in a higher rate to you, in which case we will provide you at least 30 days' prior written notice. The annual rate of interest you are charged is tied to the BSSC Base Lending Rate, the BSSC Fed Funds Rate or LIBOR and may fluctuate with those rates. The changes in rates resulting from this fluctuation will be made without prior notice to you (as contrasted with changes in the credit terms and conditions, notice of which will be provided as described above).

PLEASE RETAIN THIS "TRUTH-INLENDING" STATEMENT FOR FUTURE REFERENCE

Security Interest and Additional Collateral

DriveWealth, LLC and its affiliates will have a valid and first priority continuing security interest in all your property in any of your accounts now or hereafter held or carried by DriveWealth, LLC and all property in which you now have or hereafter acquire an interest which is now or hereafter held by or through DriveWealth, LLC and all your property held or otherwise subject to the control of DriveWealth, LLC or agents, as security and margin for the payment of all of your obligations and liabilities to DriveWealth, LLC and any of its affiliates now existing or hereafter arising under the DriveWealth, LLC Customer Agreement or otherwise owing by you to DriveWealth, LLC or any of its affiliates, irrespective of whether or not DriveWealth, LLC or any of its affiliates has



made any advances with respect to such property, until DriveWealth, LLC and its affiliates determine that security for the repayment of your obligations is no longer required.

General Margin Policies

The amount of initial credit and the terms under which DriveWealth, LLC may extend credit to you are governed by Regulation T and the maintenance requirements are governed by the self regulatory agencies that have jurisdiction over DriveWealth, LLC. DriveWealth, LLC has established certain “house” margin policies within the scope of these requirements which generally contemplate the maintenance of equity in the account above that required by applicable rules. It is DriveWealth, LLC’s policy to review periodically any account in which the equity of any securities, calculated without giving value to certain low priced securities, falls below 35% of the market value of the account, or where concentration or other factors are deemed by DriveWealth, LLC to warrant review. The margin account equity of an account is the current market value of the securities, as determined by DriveWealth, LLC, and any cash deposited as security, less the value of any short positions and amounts owed to DriveWealth, LLC. Each account is reviewed on an individual basis with consideration given to factors such as current market conditions, marketability of the securities in the account, frequency of the activity in the account, duration of the account and concentration of particular securities in the account. Different weight may be given to these factors by DriveWealth, LLC and, on the basis of the review, DriveWealth, LLC in its sole discretion may, but has no obligation to, require additional collateral above the amount required by the rules of the self regulatory agencies as security for your obligations to DriveWealth, LLC. You are requested to consult the registered representative or investment adviser servicing your account for more specific information with respect to DriveWealth, LLC’s margin policies.



Anti-Money Laundering Disclosure

DriveWealth, LLC is committed to complying with U.S. statutory and regulatory requirements designed to combat money laundering and terrorist financing. The USA PATRIOT Act requires that all financial institutions obtain certain identification documents or other information in order to comply with their customer identification procedures. Until you provide the required information or documents, we may not be able to open or maintain an account or effect any transactions for you.

As stated in DriveWealth's privacy disclosures which you should read when opening your account, your brokerage firm or adviser will at a minimum, collect your name, date of birth, address (cannot be a P.O. Box), and personal identification number, such as your social security number, passport number, or other. Also, for most jurisdictions globally, a copy of your driver's license, passport or national identification card or other government issues identification, will be required.

Business Continuity Plan Disclosure

The DriveWealth, LLC together with its affiliates, ("DriveWealth" or the "Firm") are committed to safeguarding the interests of our clients and customers in the event of an emergency or significant business disruption. This Business Continuity Plan Disclosure (the "BCP") summarizes DriveWealth's effort to mitigate risks inherent with unforeseen business interruptions. The Firm's comprehensive business continuity strategy is designed to enable us to meet our existing obligations to our clients and customers even in the event of an emergency or significant business disruption. This BCP is intended to comply with the rules promulgated by the New York Stock Exchange ("NYSE") and the Financial Industry Regulatory Authority ("FINRA").

Overview

DriveWealth maintains four primary facilities to house the backbone of our trading, sales, operations and information technology. These four facilities are located far enough apart to



diminish risks posed by local disruptions. This separation is a key element of the Firm's overall business continuity strategy. This separation allows us to plan for events at each location individually, since no one event should effect more than a single location simultaneously. The benefit of having only one site in each location means our response to an event will be the same whether the event is a firm-only business disruption, a disruption to a single building, a disruption to a business district or a city-wide business disruption.

Communication with Our Employees in the Event of a Disruption

The safety and well-being of our employees is a vital concern. In the event of an emergency or significant business disruption, the Firm will communicate with its employees in several different ways. We use a combination of general broadcast and direct targeted outreach. General information such as office closures and operating hours will be posted on the Firm's internal and external websites and similar recorded updates will play around-the-clock on the DriveWealth' emergency telephone hotline. Senior managers will be contacted directly via telephone and/or email by an automated first-alert system.

Redundancy of Mission Critical Information Technology Systems

DriveWealth has several information technology processing and backup sites that, collectively, provide the redundancy required to protect the firm's books and records, balance sheet and capital, and provide business continuity and client protection. The recovery capability for certain of the firm's mission critical processing capabilities is achieved through the use of a specialized vendor facility that provides disaster recovery services to many large corporations. Unlike many shared facilities that allocate computer capacity to several different clients on a first-come-first-serve basis, DriveWealth owns fully dedicated backup equipment located at the vendor facility. Other mission critical systems are protected by the use of redundant technology located in more than one of the firm's data centers. Recovery times for mission critical systems range between real time recovery and 4 to 12 hours.



Back-Up Trading, Sales and Operations Site

DriveWealth maintains a backup trading floor and operations center located approximately 30 miles from our headquarters. In the event that we are unable to access one of our primary facilities, it may be necessary to relocate certain personnel to the backup site. The backup facility is a “hot site.” In other words, the site is fully operational at all times. It is equipped with workstations that have redundant computer network connectivity, telephones, printers, fax machines, market data feeds and all the other specialty equipment necessary for trading and operations. The backup trading positions are periodically checked to ensure that they are equipped with updated software and trading applications. The functionality of the backup facility is routinely tested by sales, trading and operations personnel.

Protection of Primary Facilities

Protecting the infrastructure of our primary facilities is a high priority because it will allow the firm to continue operations in the event of many disaster situations, by permitting our employees to have access to and use of our facilities during that situation. Each of the four primary facilities has life safety systems and infrastructure designed to permit DriveWealth to operate despite failures of external power, water, or telecommunications. Our headquarters has enough backup power, fuel and water to operate independently for a week. The Firm’s main data center is located in a low-risk area and it too has sufficient backup power to operate for a week. Refueling contracts are in place for all our facilities that allow us to run indefinitely. Each of the facilities has restricted card-key access and extensive physical security measures.

Disclaimer

The Firm’s comprehensive business continuity strategy is designed to enable us to meet our existing obligations to our clients and customers even in the event of an emergency or significant business disruption; however it is not infallible. The plan is designed to work in many different emergency situations; but these events are, by their nature, unpredictable and it is impossible to anticipate every scenario that could cause a business disruption. Furthermore, although we are



confident in our own preparedness, DriveWealth has no control over the various entities that we must rely upon in the event of an emergency. Our business continuity plans are tested periodically to ensure readiness; yet such tests may not be able to replicate the actual conditions we experience in a real emergency. This BCP is subject to change without notice. In the event that this BCP is modified, the updated document will be promptly posted on the DriveWealth' internet website. Alternatively, customers may obtain an updated hard copy BCP upon request. The information contained in this disclosure is provided by DriveWealth for informational purposes only. Nothing contained herein shall be construed to amend, supplement or otherwise modify any of the terms and conditions set forth in any customer agreement between you and DriveWealth. Customers of firms that introduce accounts to DriveWealth must look to the business continuity plans of their introducing firm for guidance. Each NYSE or NASD member firm that introduces accounts to DriveWealth is required to develop and maintain its own business continuity plan independent of DriveWealth' BCP.

Notice of DriveWealth Correspondent Broker Privacy Policy

Our Commitment to Your Privacy: DriveWealth, LLC takes your privacy very seriously and has implemented policies and safeguard to protect the confidentiality and security of information we collect about customers of brokers for which we provide clearing services. We will not share nonpublic personal information about you ("Information") with third parties outside of your broker without your consent, except for the specific purposes described below. This notice describes the Information we may gather and the circumstances under which we may share it. Avenue Securities has an additional separate privacy policy, which explains its privacy practices.

Why We Collect and How We Use Information: We limit the collection and use of Information to the minimum we require to deliver superior service to your broker/adviser and you. Such service includes maintaining your accounts with us, processing transactions requested by you and administering our business.



AVENUE

How We Gather Information: We get most Information directly from you or your broker/adviser, when you apply for, access, and use financial products and services offered by your broker/adviser and its business partners - whether in person, by telephone or electronically. We may verify this information or get additional information from consumer reporting agencies or other sources. This Information may relate to your finances, employment or other personal characteristics, such as your first and last name, address, phone number, social security number and email address, as well as accounts with us and transactions and interactions by, with or through your broker/adviser, us or others. We may also collect information about what you have entered into, viewed on and/or downloaded from our or your broker/adviser's website.

How We Protect Information: Our employees are required to protect the confidentiality of Information and to comply with our established policies. They may access Information only when there is an appropriate reason to do so, such as to administer our products or services. Employees who violate our Privacy Policy are subject to disciplinary process. We also maintain physical, electronic and procedural safeguards to protect Information, which comply with all applicable laws.

Disclosure of Information: We may disclose any kind of Information to or as directed by your broker or when we believe it necessary for the conduct of our business, or where disclosure is required by law. For example, Information may be disclosed for audit or research purposes, to attorneys or other professionals, or to law enforcement and regulatory agencies to help, among other things, prevent fraud or money laundering. In addition, we may disclose any kind of Information to third party service providers (i) to enable them to provide business services for us or your broker, such as performing computer related or data maintenance or processing services for us or your broker, (ii) to facilitate the processing of transactions requested by you, (iii), to assist us in offering products and services to your broker or to assist your broker in offering products and services to you, or (iv) for credit review and reporting purposes. Except in those specific, limited situations, without your consent, **we will not make any disclosures** of Information to other companies who may want to sell their products or services to you. For example, **we do not**



sell customer lists and **we will not sell your name** to a catalog company or telemarketer. It is DriveWealth' policy to require all third parties, other than your broker, that are to receive any Information to sign strict confidentiality agreements.

Former Customers: Even if you are no longer a customer of a broker for whom we provide clearing services or DriveWealth no longer provides clearing service to your broker, our Privacy Policy will continue to apply to you.

To Whom This Policy Applies: This Privacy Policy applies to individuals to whom products or services are provided by DriveWealth offices in the United States (in conjunction with DriveWealth providing clearing services to your broker), provided such products or services are used primarily for personal, family, or household purposes (not business purposes), whether or not the individuals have a customer relationship with us.

Access to and Correction of Information: If you desire to review any file we may maintain for your Information, please contact your broker. However, Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available to you. If your broker or you notify us that any Information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which we will include in future disclosures of the disputed Information.

Further Information: We reserve the right to change this Privacy Policy. The examples contained within this Privacy Policy are illustrations and they are not intended to be exclusive. This notice complies with Federal law, State law and SEC regulations regarding privacy. You may have additional rights under other foreign or domestic laws that may apply to you



Margin Disclosure Statement Pursuant to NASD Rule 2341

DriveWealth, LLC is furnishing this document to you as the clearing broker for Avenue Securities to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the DriveWealth, LLC Customer Agreement provided by Avenue Securities (through its website). Avenue Securities is a third party beneficiary of the DriveWealth, LLC Customer Agreement, and the terms and conditions thereof, including the right to sell your securities or other assets as outlined below, shall be applicable to it. Consult Avenue Securities regarding any questions or concerns you may have regarding your margin accounts.

When you purchase securities, you may pay for the securities in full or, if applicable, you may borrow part of the purchase price from Avenue Securities (or its clearing broker). If you choose to borrow funds from Avenue Securities (or its clearing broker), you will open a margin account with the Avenue Securities (or its clearing broker), as applicable. The securities purchased are collateral for the firm that has made the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan and, as a result, the lender can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the clearing broker, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).



- The firm that has made the loan may force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance requirements or the firm's higher "house" requirements, the firm can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short-fall in the account after such sale.
- The firm can sell your securities or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer may meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its financial interests.
- The firm can increase its "house" maintenance margin requirements at any time and is not required to provide advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call.
- Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).

You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.