

WELCOME

Thank you for opening an account at Flagstar Advisors. This booklet contains important information about your non-deposit investment accounts at Flagstar Advisors. Please read it carefully, and retain it for future reference. By opening an account at Flagstar Advisors, you agree to the terms contained herein.

CONTACTS

Clients and non-clients alike are always welcome to visit any of our locations for assistance, **or simply call 646-822-1475 with any questions you may have.**

To: Flagstar Advisors, Inc. ("Flagstar Advisors")

This Customer Agreement applies to Flagstar Advisors Brokerage Accounts offered by Flagstar Advisors, but not to accounts that are part of an Individual Retirement Account ("IRA") or a plan or trust qualified under the Internal Revenue Code of 1986 as amended ("Qualified Plan"). I understand that margin privileges and options trading privileges are available for Flagstar Brokerage Accounts, subject to Flagstar Advisors' approval. In the event Flagstar Advisors approves and opens one or more of the above brokerage accounts on my behalf, I agree as follows:

General Provisions:

1. **Meaning of Words in the Agreement.** The words "Clients", "I", "me", "my", "our", "we", and "us" mean the individual or entity, such as a sole proprietorship, partnership, corporation, limited liability company, limited liability partnership or association, and each person duly authorized to act for such individual or entity that opens or maintains a Flagstar Advisors Account. The words "you", "your", and mean Flagstar Advisors. The words "Flagstar Bank, N.A. Account" shall mean Client's demand deposit account or other transaction account maintained with Flagstar Bank, N.A., should Client in fact maintain such an account, which Client may elect to use in conjunction with Client's Flagstar Advisors Account(s). The words "Flagstar Advisors Account" and "Brokerage Account" mean the Flagstar Advisors Brokerage Account offered by Flagstar Advisors other than as part of an IRA or qualified plan. The words "Monthly Account Value" means the value of your Flagstar Advisors account on the next to last business day of the month.
2. **Authority and Ownership.** I represent that I have the legal capacity, and am authorized, to enter into this Agreement and have obtained and shall provide you with all necessary authorizations from third parties to open one or more Brokerage Accounts and effect transactions in securities purchased, held and sold by me through you. I shall be the owner of my Flagstar Advisors Accounts or shall have the legal capacity to control the assets in my Flagstar Advisors Account(s).
3. **Appointment of Agent.** I appoint you as my agent to carry out my instructions for the purchase or sale of securities. I authorize you to open or close Brokerage Accounts with Fidelity Clearing and Custody Solutions, a Fidelity Investments® company, that provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC, hereafter referred to as NFS/Fidelity, place and withdraw orders, provide information to NFS/Fidelity and other third parties and take such other steps as are reasonable to carry out my instructions, and I understand and agree that all terms of this agreement also apply between me and NFS/ Fidelity. I understand that you may at any time refuse or limit any transaction which I may wish to effect.
4. **Opening Flagstar Advisors Accounts.** I understand that in order to open a Flagstar Advisors Account, I will truthfully complete and sign the standard account application and any other required documents.
5. **SIPC Coverage.** I understand that securities in Flagstar Advisors Accounts carried by NFS/Fidelity are protected by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 (including cash claims limited to \$100,000). NFS/ Fidelity provides additional insurance on top of SIPC Coverage refer to the NFS/Fidelity brochure for specifics. Neither coverage protects against a decline in the market value of securities.
6. **Oral Instructions.** You may follow my oral instructions and those of my authorized agent, and you shall not be liable for acting upon any instructions, which you believe in good faith to have been so given. I understand that you shall provide me with one or more telephone numbers which may be used for the purpose of giving oral instructions during the hours and on the days permitted by you and that for our mutual protection you may record such telephone conversations.
7. **Settlement and Use of a Money Market Sweep.** If I have designated in my application a money market mutual fund sweep vehicle for my settlement purposes, I hereby authorize you or NFS/Fidelity to sell shares of my money market mutual fund to cover purchases of securities and for any fees or commissions due, to purchase shares of my money market mutual fund with the proceeds from my sales of securities, interest and/or dividend payments, and other income or distributions that occur in my Brokerage Account(s), and to initiate adjustments for any erroneous entries or amounts due to you. I further agree that you may initiate any debit entries from any of my Flagstar Advisors Accounts in the event that there are insufficient funds in my designated money market mutual fund. I shall have sufficient funds in my money market mutual fund on settlement date for payment of securities purchased by me, plus commissions. If I have not designated a money market mutual fund sweep in my application to be used in conjunction with my Flagstar Advisors Account(s), I shall nevertheless pay you by 2:00 pm Eastern time on the settlement date for securities purchased by me, plus applicable fees and/or commissions and the proceeds from the sale of my securities and income from my securities, if any, will remain in my Flagstar Advisors account as cash and will not earn interest or dividends.
8. **Money Market Fund Investments.** An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other U.S. government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.
9. **Settlement and Use of a Flagstar Bank, N.A. Account.** If I have designated in my application an active Flagstar Bank, N.A. Account for my settlement purposes, I hereby irrevocably authorize you or NFS/Fidelity to initiate any and all debit entries to my Flagstar Bank, N.A. Account for purchases of securities and for any fees or commissions due, to initiate any and all credit entries to my Flagstar Bank, N.A. Account for proceeds from my sales of securities, interest and/ or dividend Flagstar Advisors Customer Agreement payments, and other income or distributions from my Brokerage Account(s), and to initiate adjustments for any erroneous entries or amounts due to you. I irrevocably authorize Flagstar Bank, N.A. to accept any and all such entries and post them to my Flagstar Bank, N.A. Account. I further agree that you may initiate any debit entries from any of my Flagstar Bank, N.A. Accounts in the event that there

are insufficient funds in my designated settlement account. I agree that I will have sufficient funds in my Flagstar Bank, N.A. Account on settlement date for payment of securities purchased by me, plus commissions. You shall have the right to review information in respect of my Flagstar Bank, N.A. Account balances. If I have not designated a Flagstar Bank, N.A. Account in my Application to be used in conjunction with my Flagstar Advisors Account(s), I shall nevertheless pay you by 2:00 p.m. Eastern time on the settlement date for securities purchased by me, plus applicable fees and/or commissions, and the proceeds from the sale of my securities and income from my securities, if any, will remain in my Flagstar Advisors Account as cash and will not earn interest or dividends.

- 10. Settlement and Use of a non-Flagstar Bank, N.A. Account.** If I have designated in my application an active bank account at a financial institution other than Flagstar Bank, N.A. ("Outside Bank Account") for my settlement purposes, I hereby irrevocably authorize you or NFS/Fidelity to initiate any and all debit entries to my Outside Bank Account for purchases of securities and for any fees or commissions due, to initiate any and all credit entries to my Outside Bank Account for proceeds from my sales of securities, interest and/or dividend payments, and other income or distributions from my Brokerage Account(s), and to initiate adjustments for any erroneous entries or amounts due to you. I shall have sufficient funds in my Outside Bank Account on settlement date for payment of securities purchased by me, plus commissions. If I have not designated an Outside Bank Account in my application to be used in conjunction with my Flagstar Advisors Account(s), I shall nevertheless pay you by 2:00 p.m. Eastern time on the settlement date for securities purchased by me, plus applicable fees and/or commissions, and the proceeds from the sale of my securities and income from my securities, if any, will remain in my Flagstar Advisors Account as cash and will not earn interest or dividends.
- 11. Settlement and Use of Delivery vs. Payment Instructions.** If I want to settle transactions by delivering the securities to a custody account at another financial institution versus payment from that institution ("DVP"), you will give me the Delivery Versus Payment Agreement and I will complete it and submit it to you for your approval. If I request to add DVP instructions to my Brokerage Account and Flagstar Advisors approves my request, any and all DVP transactions will be subject to the additional provisions specified in the Delivery Versus Payment Agreement.
- 12. Indebtedness to Flagstar Advisors or Flagstar Advisors affiliates.** If you are unable to settle the purchase or sale of any security because of my failure to make payment or deliver securities in good form, I authorize you to take appropriate steps to complete or cancel the transaction to minimize your loss, and I shall reimburse you for any and all costs, losses or liabilities incurred by you, including attorney's fees. If I owe you money in the operation of, or in connection with, my Brokerage Account(s) or owe money to an affiliate of yours in the operation of, or in connection with, an account at that affiliate or for any other reason, I shall pay the debt on demand. If I fail to pay the debt after demand, you may close any and all of my accounts that I maintain with you and your affiliates and liquidate any assets in them or otherwise held by you or any of your affiliates, including Flagstar Bank, N.A., in an amount sufficient to pay my debt to Flagstar Advisors or its affiliate and use that amount to pay such debt. Any credit balances, securities, assets, or related contracts, and all other property in which I may have an interest that are held by Flagstar Advisors or any affiliate shall be subject to a general lien in favor of Flagstar Advisors and its affiliates for the discharge of my obligations to you and your affiliates. I agree to reimburse Flagstar Advisors, its affiliates and/or Fidelity for all reasonable costs and expenses incurred in the collection of any debit balances or unpaid deficiencies in any of my accounts with Flagstar Advisors or any of its affiliates, including, but not limited to, attorneys' fees. Obligations arising under this Agreement shall survive the termination of my Flagstar Advisors Accounts as described in "Termination of Account" section of this Agreement.
- 13. Transferring Money Electronically.** Options for transferring cash in and out of your core account electronically include wires, which use the Federal Reserve wire system, and electronic funds transfers (EFTs), which work like an electronic check. These features are optional and require separate instructions from you, which we will relay to NFS/Fidelity.
- 14. Dividend Reinvestment.** In addition to reinvestment of mutual fund dividends, reinvestment of dividends from eligible equities and closed-end funds is an option for most accounts, including retirement accounts and those with margin. You can choose to have the service apply to all eligible securities in your account, or only to certain ones, although during the time when a security is enrolled for reinvestment, all of that security's eligible distributions must be reinvested through this service. With certain securities (such as mutual funds), the reinvestment options available in this account may be different than those you would have if you were to invest directly with the issuer.
- 15. Liability.** Neither Flagstar Advisors or its affiliates nor NFS/Fidelity shall be liable for the loss or delay caused directly or indirectly by war, terrorism, natural disasters, government restrictions, exchange or market rulings, interruption or malfunction of communication facilities, extreme volatility of trading, or other conditions beyond Flagstar Advisors' reasonable control. In no event shall Flagstar Advisors, Flagstar Advisors' affiliates or NFS/Fidelity be liable for indirect, incidental, special or consequential damages, even if Flagstar Advisors, Flagstar Advisors' affiliates or NFS/Fidelity are advised as to the possibility thereof. Additionally, I hereby ratify any instructions given on my Flagstar Advisors Accounts and agree that neither Flagstar Advisors, Flagstar Advisors' affiliates, NFS/Fidelity nor any fund's transfer agent will be liable for any loss, cost or expense for acting upon such instructions (by telephone or writing) believed by you or them to be genuine and in accordance with the procedures described in the fund prospectus. I further agree that neither Flagstar Advisors nor Flagstar Advisors' affiliates shall be liable for not complying with any instructions if Flagstar Advisors or Flagstar Advisors' Affiliates reasonably suspect that I or my Brokerage Account is involved in fraudulent activities or other irregularities and Flagstar Advisors and Flagstar Advisors' affiliates can continue to refrain from complying with such instructions until Flagstar Advisors or Flagstar Advisors' affiliates have had an opportunity to investigate and become satisfied that there was no fraudulent activities or irregularities. Flagstar Advisors and Flagstar Advisors' affiliates shall be liable only for damages that are the direct result of their gross negligence or willful misconduct. In no event shall Flagstar Advisors or Flagstar Advisors' affiliates be liable for special, punitive, indirect or consequential damages, nor shall any action or inaction on Flagstar Advisors' or Flagstar Advisors' affiliates' part constitute a waiver by either Flagstar Advisors or Flagstar Advisors' affiliates of any cause of action or defense to recovery under any applicable law of mistake or restitution. Flagstar Advisors and Flagstar Advisors' affiliates shall be liable only for damages that are the direct result of their gross negligence or willful misconduct.

In no event shall Flagstar Advisors or Flagstar Advisors' affiliates be liable for special, punitive, indirect or consequential damages, nor shall any action or inaction on Flagstar Advisors or Flagstar Advisors' affiliates' part constitute a waiver by either Flagstar Advisors or Flagstar Advisors' affiliates of any cause of action or defense to recovery under any applicable law of mistake or restitution.

- 16. Credit Investigations.** Flagstar Advisors and NFS/Fidelity may request a credit report on me, and updates of such report from time to time, and contact any reference I give Flagstar Advisors as to my credit history. Upon my written request, Flagstar Advisors or NFS/Fidelity shall advise me whether Flagstar Advisors or NFS/Fidelity has obtained such report and if so advise me of the name and address of the credit-reporting agency that furnished credit information about me.
- 17. Relationship with NFS/Fidelity.** Flagstar Advisors may share with, remit to or otherwise pay NFS/Fidelity for its services from your commissions and fees charged to me. I understand and agree that NFS/Fidelity may refuse to accept or carry my Brokerage Account(s) or to process any transactions that I may wish to effect. I authorize Flagstar Advisors to accept on my behalf information and other notices from NFS/Fidelity and understand that Flagstar Advisors will promptly mail such information and notices to me. I understand that summary monthly statements of activity in my Brokerage Account(s), as well as certain other documents and communications, shall be mailed to me directly by NFS/ Fidelity, but that statements shall be mailed only quarterly if there are balances or positions in my Brokerage Account(s) and there has been no activity. Furthermore, I understand that separate and immediate confirmations of trading activity shall be mailed to me directly by NFS/Fidelity. With regards to systematic trade plans and mutual fund and equity dividend reinvestment transactions, these transactions will be confirmed on my summary monthly statement, in lieu of a separate and immediate confirmation. I agree to notify you promptly by telephone (followed by a prompt written confirmation) of any error or discrepancy in, or objection to, any confirmation advice or statement.
- 18. Margin Loans.** If I want margin credit from NFS/Fidelity, Flagstar Advisors will give me the Margin Application and I will complete it. Flagstar Advisors will help me to arrange margin credit with NFS/Fidelity, but Flagstar Advisors will not be responsible for the extension or payment of margin credit or maintenance of margin. However, if Flagstar Advisors makes payments to NFS/Fidelity for any amounts I owe to NFS/Fidelity but have not paid, Flagstar Advisors will take over any rights NFS/Fidelity may have against me. NFS/Fidelity may pay Flagstar Advisors, and Flagstar Advisors may accept part of the interest or other charges, which I pay NFS/Fidelity for margin credit. If I apply for margin privileges and NFS/Fidelity approves my application, any and all margin activity will be governed by the NFS/Fidelity Margin Account Agreement, which was given to me when I signed the margin application.
- 19. Option Trading.** If I would like to trade options, I will complete an options account application, and submit it to Flagstar Advisors for your approval. I understand that options trading is not appropriate for all investors, and that Flagstar Advisors may not approve me to trade options, or may approve me for only certain types of options transactions. I will not rely on any approval given by Flagstar Advisors of my option account application in making my own determination as to whether option trading is appropriate for me. If I apply for option trading privileges and Flagstar Advisors approves my application, any and all option trading activity will be governed by the NFS/Fidelity Option Account Agreement, which was given to me when I signed the options account application.
- 20. Restricted Securities.** I shall not buy or sell securities of a corporation of which I am an affiliate or control person ("Restricted Securities"), nor sell any Restricted Securities, except in compliance with applicable laws and regulations.
- 21. Fees and Charges.** I may request a Flagstar Advisors Fee Schedule from my Financial Advisor or by calling **646-822-1475**, option 2. This document provides an overview of standard account minimums, account charges and service fees. I shall pay the fees and charges incurred in my Flagstar Advisors Account, as defined in Flagstar Advisors' fee schedule, which may be amended from time to time. Should I have insufficient funds in my Flagstar Advisors Account to pay these charges, you may offset against any account I hold with Flagstar Advisors, Flagstar Bank, N.A. or any other Flagstar Advisors affiliate for the amount due.
- 22. Two or More Brokerage Accounts.** In the event you open two or more Brokerage Accounts in my name, I shall be the sole owner of those accounts or shall have the legal capacity to control the assets in those accounts. Those accounts will be kept separate for my convenience only and each account shall unreservedly guarantee each of the other accounts.
- 23. Joint Accounts.** If two persons have signed the account application for a Brokerage Account, the Brokerage Account(s) opened with NFS/Fidelity shall be held by us jointly with right of survivorship (payable to either or the survivor of us). Each joint tenant irrevocably appoints the other as his/her attorney-in-fact to take all action on his/ her behalf and to represent him/her in all respects to the Brokerage Accounts. Flagstar Advisors is authorized to follow the instruction of any one joint account holder in every respect and to deliver any or all monies, securities, or other property to any joint account holder or to any other person upon the instructions of any one joint account holder even if such delivery or payment is to be made personally to the joint account holder providing the instructions and is not being made to the other joint account holders. Each joint account holder agrees that Flagstar Advisors will be under no obligation to inquire into the purpose or propriety of such delivery or payment and is not bound to inquire into the disposition or application of such delivery or payment. This authority will remain in force until written notice to the contrary is addressed to Flagstar Advisors and received by Flagstar Advisors at its office at 1400 Broadway, 16th Floor, New York, NY 10018 and Flagstar Advisors has had a reasonable period of time to act upon such written notice. Flagstar Advisors, in its sole discretion and for its sole protection, may require the written consent of all account holders prior to acting upon the instruction of any account holder, but is not required to do so. All obligations and liabilities arising under a joint Brokerage Account are joint and several and may be enforced by Flagstar Advisors against any or all of the joint account holders.
- 24. Transfer on Death Registration.** With transfer on death ("TOD") registration, you designate a beneficiary or beneficiaries who will receive all monies, securities, or other assets held in your account at the time of your death (or upon the death of the last surviving account holder, if this is a joint account). You can change your beneficiary designation at any time by filling out a new Beneficiary Designation form. We will rely on the latest Beneficiary Designation in our possession. You cannot change your beneficiary by will, codicil, or trust or other testamentary document. If we consider it necessary, we may request additional

documents from any beneficiaries before we transfer assets to them from your account. Note that although NFS/Fidelity may hold in a nominee name securities that are in a TOD account, NFS/Fidelity has no responsibility to determine the registration or ownership of the account as a whole, either before or after your death. Note that Per Stirpes designation rules may vary from state to state. It is your responsibility to consult with an estate planning attorney to determine whether this designation is available and/or appropriate. By checking the Per Stirpes box associated with a given beneficiary, you are agreeing that if that beneficiary predeceases you, his or her share of the account will pass through to his or her descendants as determined by state law. If more than one person is named and no share percentages are indicated, payment will be made, in equal shares, to your primary beneficiary or beneficiaries who survive you. If a percentage is indicated for a primary beneficiary who does not survive you, and if you have not checked the Per Stirpes box, the percentage of that beneficiary's designated share will be divided equally among the surviving primary beneficiaries. If there is no primary beneficiary living at the time of your death, you hereby specify that the balance is to be distributed to the contingent beneficiary or beneficiaries listed. Neither we nor NFS/Fidelity will advise you on whether TOD registration is appropriate for your tax or estate planning purposes. Registering a securities account in TOD form is legal only in certain states, so it is important to consult your own legal or tax advisor before establishing or revoking a TOD registration.

25. **Custodial Accounts.** I understand that I may open a Flagstar Advisors Account under Uniform Gifts to Minors Act ("UGMA") or Uniform Transfers to Minors Act ("UTMA") for which I act as custodian ("Custodian Account"). I understand that in opening a Custodian Account I represent and warrant that the assets in the account belong to the minor stated in the application for such Custodian Account and all such assets, whether or not transferred out of the Custodian Account, will only be used by me for the benefit of that minor. As used in this Agreement, the terms "Client", "I", "me" and "my", shall refer to the either the Custodian or to the Minor as the context may require.
26. **Severability.** If any provision of this Agreement shall be invalid, illegal or unenforceable under any law or regulation, it shall not affect the validity of the remaining provisions of this Agreement, which shall remain in full force and effect.
27. **Relationship with Other Agreements.** The rights and obligations contained in this Agreement shall be in addition to those contained in the agreements governing any accounts I may have at Flagstar Bank, N.A. and any other agreements I may have signed with Flagstar Advisors, any of Flagstar Advisors' affiliates, or NFS/Fidelity.
28. **Amendments.** Flagstar Advisors may amend this Agreement at any time in any respect effective five days after Flagstar Advisors have mailed written notice to me.
29. **Termination of Agreement; Closing of Account.** Flagstar Advisors may terminate this Agreement at its discretion at any time, effective upon sending a written notice to me. I will remain responsible for all fees, debit items, or other transactions initiated or authorized by me whether arising before or after such termination. Where a Flagstar Advisors Account has not been active in the preceding twelve months and has a cash balance of \$500 or less, Flagstar Advisors may, at its sole discretion, in an effort to assist the client in paying an inactivity fee, close the Flagstar Advisors Account and remit the cash portion to the client(s).
30. **Address for Purpose of Communication.** Communications by mail, messenger, or otherwise sent to me at my address on Flagstar Advisors' records, or any other address I may give Flagstar Advisors or Flagstar Advisors' affiliates, are presumed to be delivered to and received by me whether or not actually received by me. I understand that I should promptly and carefully review the transaction confirmations and monthly statements and notify Flagstar Advisors of any errors. Information contained on transaction confirmations and account statements is conclusive unless I object in writing within five days with respect to transaction confirmations and ten days with respect to account statements from the date the confirmation or statement has been transmitted to me. Should I change my address, I shall immediately provide Flagstar Advisors with written notice and will not hold Flagstar Advisors responsible for Flagstar Advisors reasonable reliance on my previous address until Flagstar Advisors have had a reasonable amount of time to change my address on Flagstar Advisors' records.
31. **Designation of Trusted Contacts.** I may designate Primary and Alternate Trusted Contacts for my accounts. (All Trusted Contacts must be 18 years or older.) If my Broker / Dealer has questions or concerns about my health or welfare due to potential diminished capacity, financial exploitation or abuse, endangerment, and/or neglect, my Broker / Dealer is authorized to contact the trusted contact and:
 - Provide the trusted contact(s) with information about my and / or my account, but NOT to provide them with the ability to transact on my account.
 - Inquire about whether another person or entity has legal authority to act on my behalf (e.g., legal guardian, conservator, or trustee).
 - Inquire about my contact information or health status.
32. **Change of Information.** I understand that should there be a change in any of my Flagstar Advisors Account information, including address, financial status, and risk tolerance, I must immediately provide Flagstar Advisors notice of such change. I understand that Flagstar Advisors will not be responsible for any adverse consequences resulting from Flagstar Advisors' reliance on information which has changed, but for which I have not notified Flagstar Advisors.
33. **Choice of Marketplace.** When securities may be traded in more than one marketplace, NFS/Fidelity may use discretion in selecting the market in order to achieve best execution.
34. **Payment for Order Flow.** Flagstar Advisors and/or NFS/Fidelity may transmit customer orders for execution to various exchanges or market centers based on a number of factors. These include size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices. While a customer may specify that an order be directed to a particular market center for execution, the order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers. Flagstar Advisors and/or NFS/Fidelity receive

remuneration, compensation or other consideration for directing customer orders for equity securities to particular broker-dealers or market centers for execution. Such consideration, if any, takes the form of financial credits, monetary payments, or reciprocal business. NOTE: Trades placed through an automated telephone, electronic or on-line trading system cannot specify a particular market center for execution.

- 35. Unlawful Internet Gambling.** Federal regulations prohibit any person or business entity engaged in the business of betting or wagering from knowingly accepting any payment in connection with the participation of another person or business entity in unlawful Internet gambling (a "restricted transaction"). You acknowledge and agree that you are prohibited from processing a restricted transaction through your Account or other brokerage relationship with Flagstar Advisors. Your participation, or attempted participation, in any restricted transaction through your Account or other brokerage relationship with Flagstar Advisors may result in the termination of your brokerage relationship with Flagstar Advisors and/or the closing of your Account. Flagstar Advisors reserves the right to decline any transaction that Flagstar Advisors believes is a restricted transaction.
- 36. Allocation of Functions.** FINRA Rule 4311 requires that Flagstar Advisors and NFS/Fidelity allocate between them certain functions regarding the administration of customer accounts. The following is a summary of the allocation services; a more complete description is available upon request: Flagstar Advisors is responsible for: (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring the brokerage account, (3) transmitting timely and accurate instructions to NFS/Fidelity with respect to the brokerage account, (4) determining the suitability of investment recommendations, (5) operating and supervising the brokerage account and its activities in compliance with applicable laws and regulations, including compliance with margin rules pertaining to margin accounts (if applicable), (6) maintaining the required books and records for the services Flagstar Advisors performs, and (7) ensuring that Flagstar Advisors Accounts are in compliance with federal, industry, and NFS/Fidelity margin rules, and for advising clients of margin requirements. NFS/Fidelity shall perform the following tasks at the direction of Flagstar Advisors: (1) execute, clear and settle transactions processed through NFS/Fidelity by Flagstar Advisors, (2) prepare and send transaction confirmations and periodic statements for customers' Brokerage Accounts. Certain pricing and other information may be provided by Flagstar Advisors or obtained from third parties, which has not been verified by NFS/Fidelity, (3) act as custodian for funds and securities received by NFS/Fidelity on behalf of customers, (4) follow the instructions of Flagstar Advisors with respect to transactions and the receipt and delivery of funds and securities for Brokerage Accounts, and (5) extend margin credit for purchasing or carrying securities on margin. Flagstar Advisors is responsible for ensuring that Brokerage Accounts are in compliance with federal, industry, and NFS/Fidelity margin rules, and for advising customers of margin requirements. NFS/Fidelity shall maintain the required books and records for the services it performs.
- 37. Investment Objectives.** Below are five common investment objectives. As the account owner, it is up to you to select the account's investment objective. Neither Flagstar Advisors nor NFS/Fidelity can assure you that any given investment or strategy will achieve your investment objective. Note that the typical investments listed are only examples of the types of investments historically associated with each objective. Also note that the options strategies listed under Trading Profits and Speculation require margin (which requires a separate application and is not available on retirement accounts).

Capital Preservation

- seek to maintain principal
- interested in investments with very low historical risk of loss of principal

Typical Investments:

- money market funds
- high quality short-term fixed income investments

Income

- seek to generate income from investments
- interested in investments with low historical risk of loss of principal

Typical Investments:

- high quality short- and medium-term fixed income investments
- short-term bond funds
- covered call options

Capital Appreciation

- seek to grow principal value over time
- willing to invest in securities with moderate to above-average historical risk of loss of principal

Typical Investments:

- common stocks
- lower quality medium-term fixed income investments
- equity mutual funds or index funds

Speculation

- seek a significant increase in principal
- willing to accept a correspondingly greater degree of risk by investing in securities with high historical risk of loss of principal

Typical Investments:

- lower quality long-term fixed income investments
- initial public offerings (IPOs)
- volatile or low-priced common stocks
- equity or index options strategies such as puts or calls, spreads, straddles, and combinations

- short-term or day-trading strategies

Trading Profits

- seek to take advantage of short-term trading opportunities (a high-risk strategy)

Typical Investments:

- short-term purchases and sales of volatile or low-priced common stocks
- equity or index options strategies such as puts or calls, spreads, straddles, and combinations

- 38. Indemnification.** You agree to indemnify us from, and hold us harmless for, any losses (as defined in Limits to our Responsibility) resulting from your actions or failures to act, whether intentional or not, including losses resulting from actions taken by third parties. Beyond taking reasonable steps to verify the authenticity of instructions, we have no obligation to inquire into the purpose, wisdom, or propriety of any instruction we receive.
- 39. Miscellaneous.** I understand that all orders and transactions with respect to my Brokerage Account(s) shall be subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market, and the clearing facility, if any, where the transactions are executed and/or, if applicable, of the Financial Industry Regulatory Authority, Inc. and to all applicable laws and regulations. This Agreement shall be governed by the laws of the State of New York. This Agreement shall inure to the benefit of the successors and assigns of Flagstar Advisors, whether by merger, consolidation, or otherwise, and you or NFS/Fidelity may transfer my Flagstar Advisors Accounts to the successors and assigns. This Agreement shall be binding upon my heirs, executors, administrators, successors, and assigns. Flagstar Advisors will review Accounts on an annual basis and those accounts for which there are no positions, balance or activity are subject to closure. Once an account is closed, the Account number will not be reissued.
- 40. Notices.** I agree that any notice you send to Flagstar Advisors will only be effective if I send it to Flagstar Advisors at its office at 1400 Broadway, 16th Floor, New York, NY 10018. Any notice to me shall be sufficient if Flagstar Advisors sends it to me at my last known address appearing on its records.
- 41. Inactive and Dormant Accounts.** A Flagstar Advisors Account becomes inactive, or dormant, if it has not had any customer-generated activity and a zero (\$0) balance for a period of 18 consecutive months. Following an 18-month period of a zero balance, the inactive, or dormant, account will be purged.
- 42. Abandoned Accounts.** Generally, if the absence of client contact results in a change of demographic information or trading activity for a period of three consecutive years (36 consecutive months), then the Flagstar Advisors Account may be deemed abandoned and Flagstar Advisors may close the Account and, if required, turn the funds over ("**escheat**") **to the appropriate state abandoned property administrator. Dormancy periods for determining actual escheatment requirements vary by the abandoned property laws of the individual states, and by type of account. Flagstar Advisors is required to base the period for escheatment on the state of the client's last known address on Flagstar Advisors' records,** and that state's corresponding dormancy period. New York's dormancy period is three years. At any time after the funds in an abandoned account have been turned over to the appropriate state abandoned property administrator, you (or any other person who is entitled to the funds) may reclaim this money from the appropriate state abandoned property administrator. For New York State, the following address may be used: The New York State Comptroller's Office of Unclaimed Funds, 110 State Street, Albany, NY, 12236.
- 43. Complaints.** Any complaints may be directed to: The Chief Compliance Officer, Flagstar Advisors, Inc., 1400 Broadway, 16th Floor, New York, NY 10018 or you may contact the Chief Compliance Officer at (646) 822-1475.
- 44. Pre-Dispute Arbitration.** This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:
- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
 - Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
 - The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
 - The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
 - The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
 - The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
 - The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

I agree that all controversies that may arise between us (including, but not limited to controversies concerning any accounts, order or transaction, or the continuation, performance, interpretation or breach of this or any other agreement between us, whether entered into or arising before, on or after the date this account is opened) shall be determined by arbitration in accordance with the rules then prevailing of the New York Stock Exchange, Inc., or Financial Industry Regulatory Authority, Inc., as I may designate. If I do not notify you in writing of my designation within five (5) days after I receive from you a written demand for arbitration, then I authorize you to make such a designation on my behalf. I understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (a) the class certification is denied; (b) the class is decertified; or (c) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

45. **Recording.** I understand that Flagstar Advisors, at Flagstar Advisors' sole discretion, may, but shall not be required to, make recordings and retain such recordings of any telephone conversations, not limited to cell phone, landline, or cordless telephone conversations, between Flagstar Advisors and me. Flagstar Advisors may use such recording for quality control and authentication purposes, among other things. Flagstar Advisors may not remind me that Flagstar Advisors may record or monitor telephone conversations at the outset of a call unless required by law to do so. I authorize and consent in advance to these telephone conversation recordings and agree that any such recordings that have been made and retained by Flagstar Advisors shall be admissible in a court of law or arbitration proceeding.
46. **Exchange of Information.** To the extent permitted by law and provided in Flagstar Advisors' privacy notice, a copy of which has been given to me and is available on Flagstar Advisors' corporate website, and included at the end of this booklet, I authorize Flagstar Advisors and any of Flagstar Advisors' affiliates to exchange information about me and my Flagstar Advisors Accounts and to disclose information about me and my Flagstar Advisors Accounts in connection with my transactions with Flagstar Advisors and Flagstar Advisors' affiliates, to third parties in order to facilitate those transactions and in other circumstances that Flagstar Advisors and Flagstar Advisors' affiliates deem necessary and appropriate.
47. **Attorney's Fees, Losses & Expenses.** I agree to pay all losses, costs and expenses (including, without limitation, attorney's fees) incurred by Flagstar Advisors or Flagstar Advisors' affiliates relating to my Flagstar Advisors Account as a result of (a) my failure to comply with this Agreement, (b) a dispute among the owners, beneficiaries, heirs or others claiming an interest to all or part of the Flagstar Advisors Account, (c) any third party claim, notice or legal action whether or not such claim is legally enforceable, (d) any governmental or administrative investigation or (e) any action taken by Flagstar Advisors or Flagstar Advisors' affiliates to resolve or comply with such dispute, claim or investigation or to protect the Flagstar Advisors' or Flagstar Advisors' affiliates interest.
48. **Notices.** You agree that any notice you send to Flagstar Advisors will only be effective if you send it to the **Financial Center or department of the Bank conducting the transaction or transactions under this Agreement. Any notice to you shall be sufficient if Flagstar Advisors sends it to you at your last known address appearing on Flagstar Advisors' records.**
49. **Amendments.** Flagstar Advisors reserves the right to amend this Agreement at any time. Copies of the changes will be available to you at Flagstar Advisors' Financial Centers.
50. **Merger; Non-Reliance.** This Agreement sets forth the entire agreement and understanding of you and Flagstar Advisors. All prior or contemporaneous promises, agreements and understandings, whether oral or written, are deemed to be merged into and included in this Agreement, and neither party is relying on any promise, agreement or understanding not set forth in this Agreement. You warrant that you have read or have had sufficient opportunity to have read this Agreement and to have consulted with counsel and/or experts of your own selection prior to opening an Account pursuant this Agreement. You specifically acknowledge that you are not relying on any advice, suggestion or guidance which Flagstar Advisors may have provided to you which, in any event, shall not be deemed legal advice or any advice, and shall not oblige Flagstar Advisors or put Flagstar Advisors at any risk whatsoever therefor. Bank also shall have no liability or responsibility for refusing to make any suggestion or provide any guidance, which you request but which Bank declines to provide.
51. **Construction - Paragraph Headings.** Paragraph headings are descriptive only and are not intended to, nor shall they have, substantive affect. The wording of each paragraph shall be binding and conclusive of the intent and agreement of the parties.
52. **Grammar.** Use of the singular includes the plural and use of the plural includes the singular.
53. **Continuance of Obligations.** Your obligations under this Agreement shall continue after the termination of this Agreement and/or your Accounts at Flagstar Advisors and shall bind you and your administrators, successors, legal representatives and assigns. All rights, benefits, and privileges which Flagstar Advisors has or may have or come to have under this Agreement shall be and are extended to, conferred upon, and may be enforced by, Flagstar Advisors' successors and assigns.
54. **No Third-Party Benefits.** This Agreement confers no right or benefit upon any person other than you and Bank and your and the Bank's legal successors and permitted assigns.
55. **Force Majeure.** Notwithstanding any other provision of this Agreement, Flagstar Advisors shall not be liable for any failure to perform, inability to perform or delay in performing any obligation under this Agreement if such failure, inability or delay is due to or caused by legal or governmental constraint, interruption of transmission to communication facilities, unavailability of the Internet, equipment failure, act of God, civil disorder, terrorist acts, strikes, other industrial disturbances, fire, explosions, unusually severe weather conditions, emergency conditions or other events or circumstances beyond Flagstar Advisors' reasonable control.
56. **Litigation.** Any litigation of a dispute that is not eligible for arbitration under the arbitration rules of the Financial Industry Regulatory Authority, Inc., MUST be commenced in a court having subject matter jurisdiction located ONLY in the State and County of New York. I agree that such court has and may assert personal jurisdiction over me and I irrevocably waive any defense based upon lack of jurisdiction, statute of limitations, inconvenience of forum and improper venue. I waive personal service of process and consent to service of process by certified or registered mail, return receipt requested, directed to me at my address as it appears on Flagstar Advisors' records. In addition, I waive trial by jury in all such litigation.
57. **Governing Law.** This Agreement shall be governed and interpreted in accordance with the laws of the State of New York.
58. **Auction Rate Securities: "ARS".** ARS are municipal and corporate bonds, as well as preferred stocks, with interest rates or dividend yields that are periodically reset through auctions, typically every 7, 14, 28, or 35 days. Auction rate bonds are usually

issued with maturities of 30 years, but the maturities can range from five years to perpetuity. I understand and agree to the following in connection with any auction rate securities held in my account:

- My auction rate securities were purchased prior to the transfer of my account to Flagstar Advisors. As a result, Flagstar Advisors is not responsible or liable for any prior recommendations or advice with respect to these securities nor is Flagstar Advisors under any obligation to provide me with any investment recommendation or advice with respect to the disposition or continued holding of these securities in my account following the transfer of my account.
- I also understand and agree that Flagstar Advisors is not under any obligation to me (i) to provide loans under margin agreements or otherwise secured in whole or part by the auction rate securities in my account. (ii) to purchase or continue to purchase any auction rate securities in periodic rate setting auctions in any secondary market transactions, or (iii) to provide liquidity for such securities in the periodic rate setting auctions or in secondary market transactions and as a result, liquidity for these securities currently is greatly impaired. Flagstar Advisors provides no assurance that I will be able to sell or otherwise dispose of these securities following the transfer of my account to Flagstar Advisors. I understand that Flagstar Advisors takes actions in connection with other customers that Flagstar Advisors does not offer me in connection with my auction rate securities.

59. USA PATRIOT Act Notice. To help the government fight the funding of terrorism and money laundering, federal law, we are required to obtain your name, date of birth, address and a government-issued id number before opening your account, and to verify the information. In certain circumstances, we may obtain and verify comparable information for any person authorized to make transactions in an account or beneficial owners of certain entities. Additional documentation is required for certain entities, such as trusts, estates, corporations, partnerships and other organizations. Your account may be restricted if we cannot obtain and verify this information. We will not be responsible for any losses or damages **(including, but not limited to, lost opportunities) that may result if your account is restricted or closed.**

NOT OFFERED BY THE BANK: All transactions are processed by Flagstar Advisors, not Flagstar Bank. The Financial Advisor, when discussing securities products and services, is representing Flagstar Advisors and not Flagstar Bank. Transactions executed in a brokerage account are executed and/or cleared through Fidelity Clearing and Custody Solutions, a Fidelity Investments® company that provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC, hereafter referred to as NFS/Fidelity. NFS/Fidelity will provide confirmation, statement, and tax reporting information.

RISK/PRINCIPAL FLUCTUATION: No guarantees on the return of investments can be expected. Yield and total return figures are historical and reflect past performance only. Past performance is no guarantee of future results. Securities products offered through Flagstar Advisors are subject to investment risk including the possible loss of principal. The return and redemption value may vary depending upon market conditions. Because the value of these investments may fluctuate, the amount received upon redemption or liquidation may be more or less than the original investment amount.

FEES AND EXPENSES: Fees and expenses, including front-end sales charges, deferred sales charges and surrender charges, may be incurred. Fees and expenses are stated in the prospectus or within the Flagstar Advisors Fee Schedule. A reduced sales charge for mutual funds may be obtained through volume purchases or through agreements to purchase larger amounts over a set period of time as set forth in the prospectus. For more detailed information on mutual fund share classes, sales charges and expenses, please visit the FINRA website and utilize some of the investor tools, which they provide. For your convenience, we have listed some of the links below.

1) [Mutual Fund Expense Analyzer](#) delivers fee and expense information for virtually all of the more than 18,000 mutual funds and 160 Exchange Traded Funds (ETFs). Among other things, the analyzer will compare the expenses of up to three share classes of the same mutual fund simultaneously.

2) [Mutual Fund Breakpoint Search Tool](#) offers users a ground-breaking way to research eligibility for breakpoint discounts. Investors and brokers can look up breakpoint schedules and linkage rules for mutual funds with front-end sales charges, most commonly A shares.

For additional information about the differences in mutual fund share classes, see the FINRA Investor Alerts [Understanding Mutual Fund Classes](#) and [Class B Mutual Fund Shares: Do They Make the Grade?](#) or free FINRA video webcast, [Mutual Funds: Share Classes and Breakpoint Discounts](#), provides an overview of Class A, B and C shares as well as discussing breakpoints. While most investments may be sold at any time, certain investments may not be appropriate for short-term needs. Additionally, such factors as the amount invested, the rate of return, the amount of time that money remains in the fund, and the funds conversion features affect overall cost.

SIPC PROTECTION: Flagstar Advisors brokerage accounts are protected by SIPC (Securities Investor Protection Corporation), which provides limited protection over an investor's securities if a brokerage firm fails. SIPC does not protect against declines in value as a result of changes in market conditions and is not the same as FDIC insurance afforded traditional bank products. To obtain additional SIPC information including the SIPC brochure please go to www.sipc.org or call (202) 371-8300.

TAX IMPLICATIONS: Investment activity may affect the amount of tax I owe. Please consult a tax advisor for information relating to investment activity.

U.S. GOVERNMENT SECURITIES: Although timely payment of principal and interest for U.S. Government securities is guaranteed by the U.S. Government, the market value of the securities may fluctuate prior to maturity.

GENERAL SECURITIES: Flagstar Advisors brokerage accounts are provided as a service to purchase and sell security products on a limited basis. These securities include stocks, bonds, options, and mutual funds.

BROKERED CDS: Brokered certificates of deposit (Brokered CDs) offered by Flagstar Advisors are issued by various financial institutions and are FDIC insured per issuing institution up to the maximum permitted by FDIC regulations. FDIC insurance does not extend to other investments, and Flagstar Advisors does not guarantee these Brokered CDs. A secondary market in Brokered CDs may be available, although there is no guarantee. A Brokered CD sold prior to maturity on the secondary market may be more or less than the original amount invested, depending on market conditions at that time. Because Brokered CDs are time deposits, early withdrawals are generally not allowed; however, early withdrawals with no interest penalty may be permitted in limited instances, such as death, adjudication of incompetence, or upon disability (retirement accounts only). A Brokered CD Disclosure Statement, which has been prepared by the issuer of the brokered CD, has been provided to the client, which fully explains all aspects of these investments, including fees, sales charges, and call provisions (if applicable).

Securities Products:

- **Are not FDIC insured.**
- **Are not deposits or other obligations of any bank or guaranteed by any bank.**
- **Are subject to investment risks, including possible loss of principal amount invested.**

OPTIONS: Options carry relatively high levels of risk and are not suitable for all investors. Option trading through Flagstar Advisors brokerage accounts is subject to approval. I understand that I must complete an Options Agreement Form and read the Options Disclosure Statement, "Characteristics and Risks of Standardized Options", before I may apply for approval to trade options.

PROSPECTUS: A prospectus has been provided for mutual fund purchases, which fully explains all aspects of an investment, including fees and sales charges. The prospectus has not been prepared by Flagstar Advisors or any of its affiliates. The prospectus has been prepared by the issuer of the investment products.