

ACCOUNT PACKET CONTAINING THE FOLLOWING: (1) Customer Agreement to Review & Verify Regulation BI Duties (2) Form CRS-Customer Relationship Summary (3) Regulation Best Interest Disclosure Brochure (4) Privacy Policy and (5) Customer Agreement Addendum Setting Forth Terms & Conditions
(NOTE: This packet must accompany any Hilltop Securities Inc. (HTS) New Account Application)



Printed Customer Name(s) _____

HTS Acct. # or #s _____ Or Acct #(s) Not Yet Assigned FAF Rep/AP # _____

Note: Affirmation of Reading the Below Agreement to Confirm You Are Aware of the Duties of Your Financial Professional or “Associated Person” (AP) Is Indicated by Customer Initials on the Bottom of this Page. Signature(s) of CUSTOMER(S) on Page 16 Indicate Receipt & Review or Reading of All Pages

Standards of Care

Regulation BI is an SEC regulation that applies to First Asset Financial Inc. (FAF) and our APs or Associated Persons (APs) when we act as a broker-dealer and provide Brokerage Services to our Customers. Regulation Best Interest (Reg BI) requires us to act in your best interest, and not place our financial or other interests ahead of yours, when recommending any securities transaction, an investment strategy involving securities, account types, and individual retirement and retirement plan account rollovers. To comply with the standard of conduct established under Regulation BI, we must meet four separate obligations:

1. **The Disclosure Obligation requires us to disclose fully and fairly in writing, at or before the time of the recommendation, all material facts about conflicts of interest relating to the recommendation (including how we and our APs are compensated) and about the scope and terms of the relationship with you.** FAF, and by extension each AP, must have a “reasonable belief” that all recommendations made are in your best interest based on an evaluation of your current and recommended securities/portfolio with your objectives. Factors to be considered in determining whether a security is in your best interest include, but are not limited to: the cost (including internal and external fees and compensation), liquidity, risks, potential benefits, volatility, likely performance in a variety of market and economic conditions, buy and hold vs. frequent trading, time horizon, and/or cost to exit. By comparing and contrasting the existing with the recommended account the result should be in your best interest.
2. **The Care Obligation requires us to exercise reasonable diligence, care and skill when making a recommendation to you. The Care Obligation extends to recommendations of individual securities and investment strategies as well as to recommendations regarding specific account types, including individual retirement account rollovers.**
 FAF & its APs must exercise reasonable “diligence, care & skill” in making recommendations to you. The recommendations must be in your best interest based on corresponding risks, rewards & costs, taking your investment profile into account. Reg BI imposes **no duty to monitor** your account following a recommendation. We may voluntarily, and without any agreement with you, review the holdings in your account for the purposes of determining whether to provide a recommendation to you. This voluntary review is not considered to be “account monitoring,” and does not create an implied agreement to monitor your account.
3. **The Conflict of Interest Obligation requires us to establish, maintain, and enforce written policies and procedures reasonably designed to identify and at a minimum disclose (pursuant to the Disclosure Obligation) or eliminate all conflicts of interest associated with recommendations to you.** This Obligation prohibits FAF, and by extension the AP, from subordinating your interests to its own and applies to recommendations regarding potential investments. To meet the Obligation, you must be provided with full and fair disclosure of all material facts regarding such conflicts between FAF, the AP and you to enable you to make an informed decision with regard to the recommendation. General conflicts of interest are disclosed in attached documents, **Customer Relationship Summary** and more detailed in the Regulation Best Interest Disclosure Brochure and specific conflicts of interest should be provided to you by your AP.
4. **The Compliance Obligation requires us to establish, maintain and enforce written policies and procedures reasonably designed to achieve compliance with Regulation BI.** FAF has in place compliance policies and procedures that are intended to be reasonably designed to the size and complexity of our firm and in keeping with reasonably designed compliance programs. The designed compliance program is established and designed to enforce processes and procedures to ensure our compliance with Reg BI.

Account Holder(s), please review and initial below:

I/We will verify with my/our AP that:

- (1) each investment/trade has been explained to my/our satisfaction
- (2) in making the recommendation(s), has related material costs & fees to me/us and provided maximization of value to me/us
- (3) I/We will inquire about specific applicable conflicts of interest with my/our AP when making investments

In our relationship I/we will inquire of our AP regarding concepts 1-3 listed above for each investment or trade conducted:

Customer INITIALS ➔ Account Holder:

Co-Account Holder:
(if any)

**First Asset Financial Inc.
Form CRS-Customer Relationship Summary (6-20-2020)**

Introduction: First Asset Financial Inc. ("FAF") is a full service broker-dealer registered with the Securities and Exchange Commission and is a member FINRA/SIPC/MSRB. FAF is NOT a Registered Investment Advisor ("RIA"). The Corporate Offices are located in Salina, Kansas. The cost of brokerage services and investment advisory fees differ and it is important that you understand the differences. Free and simple tools are available to research firms and associated persons at Investor.gov/CRS or finra.org, which also provides educational materials about broker-dealers, investment advisers, and investing. Further detail can be found in our *Regulation Best Interest Conflicts of Interest* which is provided free of charge by calling (800) 825-5511. All of the information in this Form CRS applies to retail customers.

What investment services and advice can you provide me?

FAF offers a variety of brokerage services to retail investors based on a commission basis. There are different ways you can get help with your investments. You should carefully consider which types of services might be more appropriate for you. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information.

We do not require a minimum account size or investment amount. If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy and sell an investment. We **do not** offer proprietary products, nor offer common stock IPOs, do not participate in sales contests, or offer a limited menu of products. Relying on the results of a personal contact, we will assist you in determining your investment goals and investment vehicles that conform to your investment "style."

The principal types of retail brokerage services which First Asset Financial offers include:

- ✓Corporate equity securities (stocks)* ✓Mutual funds ✓Exchange-traded funds (ETFs)* ✓Retirement Plans-IRA-SIMPLE IRA--SEP ✓529 Plans ✓Municipal securities* ✓Checking accounts* ✓Put and call options or option writer*
- ✓Corporate debt securities (Bonds)* ✓Variable annuities (VAs) or variable life insurance (VUL)
- ✓U.S. government securities* ✓Certificate of Deposits (Brokered)* ✓Health Savings Plans (HSA)*

Do you make recommendations and monitor accounts?

We are able to provide retail advice regarding the value and characteristics of securities or advisability of a transaction in securities only in connection with our primary business of buying and selling securities. The way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide you. You make the ultimate decision regarding the purchase or sale of investments. We do not monitor your portfolio or investment account on a continuous basis. Any voluntary review is not considered to be "account monitoring."

Although there are no material limitations on securities, services offered by licensed Associated Persons (APs) of FAF vary by type of securities licenses held.¹ APs of FAF, individually, may be licensed differently and may hold one or more of the following main securities licenses: Series 6 or Series 7. You might ask,

What is your relevant experience, including your licenses, education, and other qualifications?

What do these qualifications mean?

Less than 1/3 of FAF APs hold a Series 66 or 65 and have the ability to do business with an associated advisory firm. The option of those APs to guide you to either entity should encourage you to **discuss which type of account may be best for you**; (1) strictly a commission account with FAF or (2) a fee based investment advisory account with the AP's affiliated RIA firm. This situation can present a "conflict of interest" which **should be discussed**. If an AP is registered with both FAF and an affiliated RIA you might discuss the following questions:

Given my financial situation, should I choose a brokerage service or a managed fee account? Why or why not?

For all FAF Associated Persons, you might ask:

How will you choose investments to recommend to me?

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

*Available through FAF's clearing firm, Hilltop Securities Inc

What fees will I/we pay?

We charge transaction-based fees, known as commissions, concessions or mark ups/mark downs, for brokerage services at the time any security is purchased or sold in your account. We make more when there are more trades in your account. Such transactions are executed on a non-discretionary basis which means you will be consulted for each recommended transaction unless such transactions are associated with a discretionary investment account. Most transactions occur through our clearing firm,* whom FAF retains to conduct securities transactions and activities related to the purchase or sale of securities. Transaction charges cover order tickets, execution and clearing costs that we pay the clearing firm. Our commissions, concessions or mark ups/mark downs range from 1% to 5% with an overriding minimum on brokered trades of \$40 (generally, with an exception for advisory trades). Some commissions are negotiable and costs reduce the value of your account over time. The higher percentage amount would be select mutual funds or VAs where the concessions, individual fund management fees and other fees would all be disclosed by the fund's applicable prospectus. We request that you review the prospectus prior to investing in a mutual fund or VA.

In addition, you may incur additional fees and costs related to the investments in your account, such as postage/handling fees, wire/electronic fund transfer fees, surrender charges, custodian fees, transfer fees, and potential early redemption fees on variable annuities. To help you better understand the impact of fees and costs, we would like to discuss the following question with you:

Help me understand how these fees and costs might affect my/our investments-----

If I/we give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations?

How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations, we provide you. Here is an example to help you understand what this means:

Recommendation of an investment product with a higher commission than the same or similar investment product that would cost less in a fee-based account.

How might your conflicts of interest affect me, and how will you address them?

How does your financial professionals make money?

Our financial professionals are licensed to provide brokerage services and receive different levels of compensation (often based on the specific investment) when providing different investments to you.

Do you or your financial professionals have legal or disciplinary history?

As a financial professional, do you have any disciplinary history?

For what type of conduct?

The firm has only one; in 2013 FAF was sanctioned by FINRA for an email retention violation that was an administrative regulation issue, not an investor related issue. Some APs have disclosure history which can be determined by visiting Investor.gov/CRS for a free and simple search tool to research our firm and your financial professional. To help you better understand our disciplinary history, we welcome discussing any issues with you.

Additional Information

You can find additional up-to-date information about our brokerage services and request a copy of our Relationship Summary by contacting us at 785-825-5050 or by email at FAF@FirstAssetFinancial.com to help you better understand who to contact with any questions or complaints, we would like to discuss the following question with you:

Who is my/our primary contact person?

Is he or she a representative of a broker-dealer or an investment adviser?

Who can I/we talk to if I/we have concerns about how this person is treating me?

Feel free to call the First Asset Financial Inc. Compliance Department, 785-825-5050 to address any questions or request more information.

¹All services may not be available from all APs & is license dependent.

Regulation Best Interest Disclosure Brochure

First Asset Financial Inc. (referred to as “FAF” or “we” or “our” or “us”) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). As a broker-dealer, we are authorized to transact business in various types of securities. The product offerings to you may be limited based on the licenses held by your Associated Person (AP) and/or firm policy.

The purpose of this disclosure document is to provide you with information about our brokerage services and to expand upon the important disclosures in the firm’s Customer Relationship Summary (CRS) which is included or has been delivered to you and also can be found on our website at www.firstassetfinancial.com. This brochure summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and any disclosure documentation you may receive from us. Please be sure to review this disclosure in its entirety and consult with your Associated Person before opening an account or investing through our firm.

FAF employs individuals, referred to as “Associated Persons,” (AP or APs) who offer various brokerage services dependent on their licenses. Although all of our Associated Persons offer some type of brokerage services, some also offer investment advisory services. Any investment advisory services offered will be with an affiliated firm (but not commonly owned firm with FAF). When you are discussing services with our APs, you should ask in what capacity the AP is acting or will be acting – as a broker dealer registered representative or as an investment advisor representative when providing services to you. You should understand and carefully consider these differences when deciding which services and accounts are right for you. FAF offers services in a brokerage capacity only and not as an investment adviser when servicing your account. This disclosure brochure discusses important information regarding Associated Persons who act as registered representatives of our broker dealer (FAF) only.

Brokerage Services

When we open a brokerage account for you, we act as the “Introducing Broker Dealer,” meaning we do not hold custody of your funds and securities, and Hilltop Securities Inc. (HTS) acts as the “clearing broker” or “custodian.” As a clearing firm, HTS executes orders at our direction when we receive orders to buy or sell securities from our customers. You are generally required to complete HTS’s New Account Application Form & Account Agreement. HTS offers the ability to buy, sell, and hold investments within your account. The primary service we provide through HTS, is our trading capability. We execute purchases and sales on your behalf, and as directed by you, in which we earn revenue. In general, brokerage accounts are “non-discretionary.” In our agreement with HTS they not only carry your account, but also provide certain back office functions such as statement printing/mailing, record maintenance, custody, etc. We and the clearing firm share responsibilities with respect to your account. For more information, you may refer to your HTS brokerage account application, HTS Correspondent Information Brochure, and FAF’s Account Application & Agreement. HTS’s Brokerage

Services Disclosure Brochure (Reg BI disclosure) can be found at:

<https://www.hilltopsecurities.com/disclosures/brokerage-services-disclosure-brochure-reg-bi-disclosure/>

We offer a variety of different brokerage account types including:

Individual, JTWROS, Joint TIC, TOD accounts, UTMA, IRA/Roth IRA/SEP IRA/Simple IRA/Bene IRA, 529 Plans, Health Savings Accounts (HSA), Self-Trusteed Qualified Plans, Trusts, Custodial Qualified Plans, Trust Accounts, Investment Clubs, Business Accounts, Margin & Option Accounts

Because the vast majority of accounts opened by our APs are face to face, we are a full-service brokerage firm, not a “discount” brokerage firm. Therefore, if you buy or sell securities in your brokerage account, you may pay a higher commission in doing so than you would with a discount brokerage firm. This is a material limitation on our service.

Unsolicited Transactions

You are permitted to disregard our recommendations or otherwise make your own investment decisions and to direct your AP to execute such transactions. Purchases or sales of these securities are not subject to Regulation Best Interest and can cause the account to perform in a way that is inconsistent with our recommendations or your investment objectives.

Subscription Way

An alternative to a brokerage account at HTS is a “Subscription Way” account whereby the check is used to purchase securities and is made payable to the issuer (or other third party) and is forwarded directly to the issuer or the issuer’s agent rather than to a HTS brokerage account. Normally, an account application for FAF and for the issuer/third party (e.g., a mutual fund) is completed by you. FAF and our APs receive compensation from investment product sponsors/third parties for the investments you make in securities such as direct mutual funds, annuities, etc. A portion of this compensation is commonly known as “trail compensation” or “12b-1 fees” in which FAF and our APs receive ongoing compensation from certain investment products under a distribution or servicing agreement with the product sponsor. The more assets you invest in the product/investment, the more we will be paid in these fees, therefore we have an incentive to encourage you to increase your account size or investment in the security. Furthermore, the volume of trails received varies by product type and sponsor or third party, therefore creating an incentive to recommend a product that pays a higher trail over a lower trail.

For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering paperwork. Below is a general disclosure of the trail compensation ranges charged to you and received by FAF and your Associated Person:

- **Mutual Funds & 529 Plans:** The ongoing payment depends on the class of shares, but the general range is between 0.25% for “A” class shares and 1% for “C” shares of assets on an annual basis.
- **Annuities:** The ongoing payment depends upon the agreement between FAF and the Issuer. The maximum trail payment for annuities is generally 3.5%

Account Minimums & Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account may be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account may be closed or charged an “inactivity” fee. You should also understand that our Associated Person may establish their own minimum account balance requirements for the brokerage accounts they service. For example, an Associated Person may choose to service only those brokerage account customers who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you verbally by your Associated Person.

Account & Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. The account related service fees are listed in the HTS Correspondent Customer Information Brochure. In addition to the fees listed therein, FAF may increase these fees and receive the additional income. The difference in the HTS listed fees and your charges will represent the amount received by FAF. These fees do not apply to all account types and may be waived under certain conditions.

Margin Accounts

We offer you the ability to purchase securities on credit, also known as “margin.” When customers purchase securities on margin, HTS extends a line of credit to the customers and charge interest on the margin balance. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes. We have a financial incentive to encourage you to borrow on margin because compensation is earned in the form of receiving a portion of the interest, the transaction charges and other fees on investments made with borrowed amounts. This financial incentive creates a conflict of interest as both FAF and our APs benefit from your decision to borrow and incur the various fees and interest described above. Given that a margin-enabled brokerage account has specific eligibility

requirements, unique costs, and governing regulatory requirements, our standard brokerage option is our cash brokerage account. You must execute a separate margin agreement (Margin Application Amendment) before engaging in margin brokerage activity. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. You are liable for repaying the borrowed funds and interest incurred. FAF/APs do not encourage use of actual margin by customers. However, margin accounts are often opened to meet settlement day demands when funds are occasionally delayed for payment of purchases and in anticipation of next day settlement requirements. This offers a convenience for the customer.

For more information on our brokerage services, contact your Associated Person or refer to the HTS Correspondent Customer Information Brochure. You can also visit HTS's website:

<https://www.hilltopsecurities.com/disclosures/customer-information-brochure/>

<https://www.hilltopsecurities.com/disclosures-overview/>

Incidental Brokerage Services, Recommendations and Monitoring

Within your brokerage account, we also provide other incidental services such as recommendations to buy/sell or hold assets. When we make a securities recommendation, investment strategy recommendation or a recommendation to rollover assets from your Qualified Retirement Plan to an Individual Retirement Plan (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, when we act in a brokerage capacity, we do not agree to enter a fiduciary relationship with you. It is important for you to understand when our Associated Persons make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, customer's age, investment experience, investment time horizons, needs and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer ongoing monitoring of your account or investments, you should consider an advisory account which is different from a brokerage account in that this style of account charges a fee based on assets rather than commissions on transactions.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Risks Associated with Investments and Brokerage Recommendations

While we will take reasonable care in developing and making recommendations to you, securities involve risk and you may lose money. There is no guarantee that you will meet your investment goals or that our recommended investment strategy will perform as anticipated. Please consult any available offering documents for any security that is recommended to you for a discussion of risks associated with the investment. Generally, all investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value of your account will fluctuate due to market conditions and other factors. Investments that we recommend and actions that we take to execute transactions for your account are subject to various market, liquidity, currency, interest rate, credit risk, economic, geographic, and political risks and may not necessarily be profitable. You assume the risks of investing in securities and other investments and you could lose all or a portion of their value. Our firm does not provide tax, legal or accounting advice. Accordingly, we encourage each customer to consult their own personal tax, legal and/or accounting advisers in order to understand the potential consequences associated with a particular investment strategy.

Cash Sweep Features on Brokerage Accounts

HTS's brokerage services include both a Cash Sweep Bank Insured Deposit (BID) program that is insured by the FDIC and an interest-bearing SIPC insured credit investment pending (CIP) account. These vehicles permit you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically "swept" into a BID account or remain in the CIP until such balances are otherwise required to satisfy obligations arising in your account. This BID account is the only sweep program available at HTS and will not provide the maximum return on held funds. The

BID deposits are “tiered” for calculating interest returns and pay more interest as deposit amounts increase. The CIP generally pay less interest than the BID and is not “tiered.” Purchasing money market mutual funds (not FDIC or SIPC insured) is an alternative that may increase your return on liquid funds, but there will be costs to purchase and sell them that must be considered. We have a financial incentive to encourage you to use the BID program or the CIP because we earn compensation in the form of a share of interest earned.

For more information concerning the BID (cash sweep) Program, please refer to the HTS insured Deposits Disclosure Statement available on HTS’s website at: <http://www.hilltopsecurities.com/disclosures/sweep-account-disclosure/>

CONFLICTS OF INTEREST

A conflict of interest arises when an incentive, benefit or possible personal financial gain might incline FAF or an AP, consciously or subconsciously, to make a recommendation that is not strictly for the betterment or in the best interest of the investor given the perimeters of investments available to the AP. We want you to make an informed decision regarding any recommendation one of our APs provides you. To that end, below we disclose material facts addressing these conflicts:

Conflicts of interest & Other Compensation

Like all financial services providers, we and our Associated Persons have conflicts of interest. Since FAF is compensated directly by customers and/or indirectly by the investments made by customers, this creates some conflicts. If we are paid an upfront commission, it means the more transactions that are made, the more compensation we earn. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a “trail” payment from a third party, for as long as customers hold an investment. The amount we receive varies depending on the particular type of investment a customer’s makes. The compensation described in this disclosure represents the revenue we receive on an investment before subtraction of our expenses. The types and amounts of compensation we receive change over time and may vary. Please also note that not all the conflicts described in this disclosure apply to a particular Associated Person, his/her services or all the products we sell. You should ask your Associated Person if you have any questions about compensation, costs, fees, or conflicts of interest. Please carefully review and consider the information in each section below.

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you. We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest:

Commissions, Fees, and Other Types of Sales Compensation

FAF receives upfront transaction-based fees, also known as commissions, when it executes transactions that result in the purchase or sale of an exchange traded security. A commission, which also may be called a sales load, sales charge, or markup is typically paid at the time of purchase, and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. We receive the sales charge or commission and share it with your Associated Person. In some cases, a portion of the sales charge or commission is retained by the investment’s sponsor company. For example, mutual fund company generally withhold a portion of the A share sales charge, reallowing less to FAF. Another example is all HTS brokerage equity, debt & option trades have a “standard” \$3 “Fee” of which HTS retains the majority sharing a lessor portion with FAF. Other fees may be applied in which FAF does not participate in. Commissions vary from product to product, which creates an incentive for our Associated Persons to want to sell a higher commission security rather than a lower commission security. The approximate commissions for common investment products are listed below for your reference. For a more detailed description of specific product commissions and fees, you should refer to the product’s prospectus or ask your AP.

- **Equities and other Exchange Traded Securities:** The maximum commission charged by FAF in an agency capacity on an exchange traded security transaction, such as an equity or an ETF, is a minimum of about \$40 and over the minimum, equity commissions are negotiable, but generally fall in the 1% to 3% range. Regulations allow up to 5%. The commission percentage generally decreases as the size of the transaction amount

increases. In addition, FAF and your Associated Person do have the right to charge a minimum commission, as set by each office location, which may make the commission higher than 5% of the transaction amount on smaller trades. Equities lacking a commission charge may be sold/bought on a contemporaneous basis with a markup or markdown. The maximum markup or markdown is 5% and they appear on each trade confirmation. See “Markups and Markdowns” section below for additional information. Customers can access the SEC website for quarterly and annual reports for public companies at: <https://www.sec.gov/edgar/searchedgar/companysearch>

- **Mutual Funds, UITs, and 529s:** The maximum commission or sales charge permitted under applicable rules is 8.5%, but generally range from 3% to 6% and this amount is established by the mutual fund company/UIT/529 plan via their prospectus, not FAF or HTS. Money market mutual funds or other funds that lack a sales charge are generally charged a “flat fee” of a maximum of \$80 (money market funds a maximum of \$15). UITs will range between 1.85% to 2.5%. The applicable prospectus should be read and it will reveal the sales charges and expenses attributable to that investment/fund. A prospectus will be sent by HTS, provided by your AP, sent by the fund or you can read it online.
- **Annuities:** The maximum upfront commission paid for new sales of variable annuities is typically range from 5% to 7%, but may vary depending on the length of the surrender charge, provisions, and type of annuity. Fixed and fixed index annuities are generally offered through the APs’ outside business activity as they require no securities license and show 0% commission as insurance companies are not required to disclose compensation (commission) amounts paid.
- **Fixed Income and Bonds:** Typically, fixed income securities charge a markup or markdown. Although a commission may be charged, the typical amount charged is in the form of a markup or markdown is typically ½% to 2%. It may go higher in certain circumstances. The markup/markdown for debt transactions will appear on your trade confirmation as “points,” with each point representing one percent.
- **Options:** Typically the commission consists of a “base” charge of \$13.50 plus \$2 per contract. An Options Account Amendment must be completed & approved to trade in options. Options information can be found at: <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>

Understanding Share Classes

Some product sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. The amount of upfront selling compensation versus trailing compensation charged on certain products, such as mutual funds, variable annuities, or 529 investments will vary, depending on the share class selected. For mutual funds, typically, Class A shares will result in a higher upfront sales charge and lower trailing compensation, while the opposite is true for a Class C share. In order to see a complete list of the share classes available for a particular investment and their respective costs, you should review the investment prospectus, offering document, and/or other transaction statement. For brokerage accounts, we have an incentive to make available or recommend A share classes or other product structures that will generate compensation to us for the initial purchase and/or ongoing recurring compensation. FINRA maintains a mutual fund cost analyzer for you at: https://tools.finra.org/fund_analyzer/

Trail Compensation

Ongoing compensation from product sponsors or third parties may be received by us and shared with our APs. This compensation (commonly known as service fees, trails, or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product, but usually ranges from .2% to 1%. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

Limitations on Recommendations

FAF and our Associated Persons offer and recommend investment products only from investment sponsors with which we have entered into selling and distribution agreements with. We do not offer every available investment in the U.S. or global marketplace. Other firms may offer products and services not available through FAF and/or they may offer the same or similar investment products and services at lower cost than us (other than investment sold by prospectus). In addition, FAF may only offer certain products in a brokerage account, even though there is a version of the product that may be offered at a lower cost through an advisory account, and vice versa. The scope of products and services offered by certain Associated Persons may also be more limited than what is available through other Associated Persons. An Associated Person’s ability to offer individual products and services depends on his/her licensing, training, or firm policy restrictions. For example, an Associated Person may not be licensed to provide full brokerage services. You should also

review the licenses held by your Associated Person by visiting the FINRA Broker Check website:
<http://brokercheck.finra.org>.

Compensation for Associated Persons

Associated Persons are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to customers, including brokerage account activity. This compensation varies by the product or service associated with a brokerage transaction. In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments. Thus, Associated Persons are incentivized to recommend products that have higher fees or commissions as well as those with on-going payments. Described below are the compensation and other benefits our Associated Persons receive through their employment agreement with FAF:

Cash Compensation

FAF typically pays an Associated Person a percentage of the revenue he/she generates from the sale of products and services. The percentage received can vary depending on his or her agreements with us and the investment products or services recommended. It may also be more or less than what he/she would receive at another brokerage firm. The payments may vary based on the amount of assets managed or revenue generated by the Associated Person, such that the greater the production the greater the payout. When compensation is based on the level of production or assets, the Associated Person has a financial incentive to meet those production or asset levels. In some cases, Associated Persons may pay a portion of their compensation to another Associated Person for administrative or sales support. Furthermore, the amount of revenue an Associated Person generates creates a conflict of interest when considering whether to employ and/or when to terminate an Associated Person.

Compensation for Other Services

FAF and our Associated Persons can offer various types of investments but different types and amounts of compensation depending on the type firm in which you participate. This variation in compensation can incentivize an Associated Person, if eligible, to recommend investments or programs that generate more compensation. For example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your Associated Person than an alternative advisory account that generates compensation in the form of investment advisory fees.

Markups & Markdowns

When you buy or sell fixed income securities in a brokerage account, and in accordance with industry regulations, we typically impose a markup (increase) or a markdown (decrease) in the price of transactions we execute on a principal basis. Markups and markdowns may be applied to both equity and debt when transacted on a “riskless based transaction” by our firm. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us at the prevailing market price, or the difference (markdown) between the price you sell securities to us and the prevailing market price. The maximum markup/markdown that we receive when acting in a principal capacity on an equity transaction typically does not exceed 3.5% of the value of the security with a debt transaction typically of 2% or less. On rare occasions, a markup/markdown may exceed 5% on a deeply discounted security or if it is a very small transaction and we adhere to our firm minimum commission. We maintain policies and procedures reasonably designed to help ensure compliance with industry rules.

Error Cancellations

In the event a trade error takes place and is the cause of FAF or one of our Associated Persons, we will cancel the trade and remove the resulting monetary gain (or loss) from your account. If a trade correction is required as a result of a customer’s fail, (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement) FAF will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to FAF. If there is a resultant loss not caused by the customer, FAF will sustain the loss which, normally, will be passed on to the AP.

Section 31 Transaction Fees

These fees are designed to recover costs incurred by regulators, including the SEC (U. S. Securities & Exchange Commission), for supervising and regulating the securities markets and securities professionals. These fees are set by the regulators and are generally only charged on “sell” transactions and are passed on to you and appear on your trade confirmation.

Rollovers

In the event you choose to roll assets out of a retirement plan, such as a 401(k) plan, and into an IRA, we have a financial incentive to recommend that a customer invests those assets with us, because we will be compensated on those assets. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan are generally not transferred to an IRA, there may be charges and/or fees when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. Your AP and FAF will make more money if you transfer your 401(k) than if you do not do so.

Associated Person's Outside Business Activities

When approved, Associated Persons are permitted to engage in certain outside business activities ("OBA") other than providing brokerage services through FAF/AP. This may include, but is not limited to: real estate, accounting, insurance (most common), legal, other professions as well as investment advisory services. For example, sales of insurance products require no securities license (with the exception of variable annuities & life). Monitoring of "sales contests" for any insurance products will not be monitored by FAF. As a result, an Associated Person may be incentivized to recommend certain products or services outside the scope of their relationship with FAF and they may benefit financially from the recommendations. This may create a possible conflict of interest and you may wish to discuss with your AP and ask any questions you have about the OBA and the associated compensation. Additional information about your Associated Person's outside business activities is available on FINRA's website (<http://brokercheck.finra.org>).

Personal Trading in the Same Securities as Customers

FAF allows APs to purchase and sell the same securities that may be recommended to customers. Owning the same securities could present a conflict of interest if the AP's personal trades are made with more advantageous terms than your trades or by trading on non-public information. The risk is mitigated by FAF requiring the reporting of personal trades by its APs for review by the Chief Compliance Officer or delegate.

Mitigation of Conflict of Interest

First Asset attempts to mitigate conflicts of interest with the following practices. First Asset Financial Inc.:

1. **Does Not:** Pay referral fees to individuals or unaffiliated third-parties.
2. **Does Not:** Offer proprietary (company originated or sponsored) products
3. **Does Not:** Conduct sales contests
4. **Does Not:** Offer bonuses for sales in specific product areas or types
5. **Does Not:** Offer "alternative" investments (at the time of this writing)
6. **Does Not:** Share revenue with third party sponsors (e.g. mutual funds) over and above commissions, concessions, or 12b-1's disclosed in the prospectus
7. **Does Not:** Receive funds from mutual fund companies for conferences, trips, or reimburse meeting expenses
8. **Does Not:** Offer any direct crypto currency or asset investments but do offer any exchange traded securities related to crypto assets
9. **Does Not:** Provide ERISA plans

On any investment recommendation, our APs should have a reasonable basis, considering the potential risks, rewards, and costs associated with a recommendation, to believe that each recommendation made is in your best interest, and does not place the interest of your AP or FAF ahead of your interest.

Training and Education

Associated Persons may attend meetings, events or webinars that are held to educate APs on product characteristics, business building ideas, suitability as well as other activities that may include meals, entertainment, or other non-cash compensation (not to exceed \$100) from product providers.

(End of Regulation Best Interest Disclosure Brochure)

First Asset Financial Inc. Privacy Policy

To Our Customers:

At First Asset Financial Inc. (FAF), we are committed to protecting your privacy and the confidentiality of your personal and financial information.

How We Protect Confidentiality:

FAF provides investment brokerage services by means of its own internal operation and those of its clearing firm and other unaffiliated third party providers such as mutual funds and variable product sponsors. FAF acts as an introducing broker to its clearing firm, which in turn processes the transactions and acts as the account custodian. All of the above named parties receive and maintain information about you that is related to and necessary for processing investment in your account.

Access is permitted only to those individuals within or outside of our organization who need the information to perform their job responsibilities. These companies may receive information about you, but they may only use it for the intended purpose, which is to benefit you. We employ security measures including policies and procedures, computer safeguards, secured files and buildings.

Persons Covered by the Privacy Policy:

The FAF's Privacy Policy applies to anyone who is a current or former FAF's client, including customers of our correspondent clearing firm. We provide you with a copy of this policy when you open an account and we send you a notification if we change our policy regarding the sharing of information.

How We Obtain Information About You:

In the normal course of business, we collect, retain and use information about you to serve your financial needs, administer your account(s) and inform you of products and services that may be of interest. This data, known as non-public personal information, may be collected from several sources, including FAF, the clearing firm and/or third party Customer Account Applications and other forms you file with us or product vendors as a result of your transactions with us, our affiliates, and non-affiliated third parties such as consumer reporting agencies. FA does not sell your personal information. We provide information about current and former customers from the sources described above to parties outside of our firm only as described below:

-To other companies as necessary to process your business: For example, we process your "direct" mutual fund and variable business through product providers with whom we have dealer-selling agreement. If you have a brokerage account, the information that we obtain from you is given to the "clearing firm" for purposes of facilitating securities

trading and statement preparation. These parties must limit their use of the information to the purpose for which it was provided.

-Where required by law or regulation: Examples include responses to a subpoena, court order or regulatory demand.

-As authorized by you: You may direct us, for example, to send account statements or other account information to a third party.

-As otherwise authorized or permitted by law: For example, the law permits us to respond for a request for information about you from a consumer reporting agency.

We ask that you review your information regularly to ensure that it is correct. Please contact your representative Associated Person (AP) or FAF directly if you need to correct or update your personal information.

Sharing Information - With Whom and Why:

FAF does not sell your personal information to anyone. We restrict the types of information we share and the types of entities with whom we share it. The primary reason for sharing information about you is to increase your convenience in transacting business with us and to give you more financial services choices. Should your AP change within our firm, your information may be shared with the new AP. Also, if your registered AP leaves our firm, your personal information may be retained by him/her for the purpose of continuing to service your account(s). If you wish to opt-out of having your AP take your personal information upon leaving FAF, please send written request to:

First Asset Financial Inc.

Attn: Compliance Department, 110 E Iron Ave, Salina, KS
67401

We do not disclose your personal information to non-affiliated third parties unless it is necessary for the purpose of processing your transactions or servicing your account(s). We disclose or report personal information in limited circumstances when we believe in good faith that disclosure is required or permitted under law. For example, we would provide information in cooperation with securities regulators or law enforcement authorities, to resolve consumer disputes, or to perform credit evaluations and authenticated checks.

Option to Opt Out and Change Notices:

If for any reason at any time in the future we find it necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change and the opportunity to opt out of such disclosure

I/We affirm agreement with the preceding and following statements as evidenced by signature(s) at the end of this Customer Agreement Addendum:

The terms set forth in this Customer Agreement Addendum are in addition to, or further explanatory of, the terms and conditions set forth in the Hilltop Securities Inc. (HTS) Customer Information Brochure as it pertains to First Asset Financial Inc.

In consideration of First Asset Financial Inc. ("FAF") opening one or more accounts on my/our behalf as an introducing broker-dealer, I/we warrant and agree to be bound by all of the following representations herein as well as those disclosures contained in the **HTS Customer Information Brochure** that will be received from Hilltop Securities Inc. (FAF's "clearing firm") a Member of the New York Stock Exchange (NYSE). Accounts are carried by and securities transactions are cleared through HTS also referred to as *clearing firm*. I/we understand that FAF will not hold customer's funds or securities, but as agent, will promptly transmit them to HTS or product sponsor. I/we understand that securities products are not federally insured nor are they a deposit or obligation of, or guaranteed by, any depository institution. Furthermore, I/we understand that the products are subject to investment risks, including the possible loss of the principal amount invested. I/we agree to be bound by the following terms and conditions:

- 1. Appointment of broker dealer as agent.** I/we appoint FAF as my/our agent for the purpose of carrying out my/our directions with respect to the purchase, sale, or liquidation of securities in accordance with terms and conditions of this agreement; I/we assume all risks with respect to the purchase, sale, or liquidation of securities. All transactions will be executed only on my/our order or on the order of my/our authorized delegate. FAF is authorized to open or close brokerage accounts, place, and withdraw orders, and take such other steps as are reasonable to carry out my/our instructions. FAF acts only as a broker-dealer with respect to any recommendations.
- 2. Brokerage Services.** In a brokerage account, you pay commissions and other sales fees on a per transaction basis. We may recommend investments for your Account, but you make the final decision to buy, sell or hold them. Customer understands that you, the Customer, must authorize every transaction prior to its execution unless you have delegated discretion to another party and signed required written authorization approved by FAF. From time to time, FAF may voluntarily review the holdings in your Account; however, for purposes of Regulation Best Interest, ***we do not provide an ongoing monitoring service or monitor your Account*** and Regulation Best Interest does not require us to do so. Note also, your relationship with FAF is solely as a broker dealer and is NOT as an investment advisor. Commissions can be negotiable, but with minimums.
- 3. Risk Disclosure.** I/we understand securities involve risk and that many variables, including but not limited to market fluctuation and economic conditions, and may have a substantial negative effect on the value of my/our security positions. Furthermore, I/we represent to FAF and FAF's Clearing Firm that I/we am willing to assume these risks and I/we am financially able to bear these risks. I/we also understand I/we have an affirmative obligation to notify FAF in writing should my/our financial condition change from, or my/our investment objectives become more conservative than, what is shown on my/our account application or in the makeup of your portfolio.
- 4. Customer Obligations.** I/we hereby agree to adhere to the following requirement to monitor my/our account and prevent unauthorized access and/or activities: a) I/we agree to only pay for a security by utilizing a traceable instrument (e.g. check, bank draft, etc.) and I/we will never pay cash for a security; b) I/we will demand and obtain from my/our Representative the current Offering Document which fully describes the investment, including potential risks and costs, prior to purchasing an interest in a partnership, mutual fund, variable product, unit investment trust or any new issue; c) I/we will carefully review each applicable Offering Document and I/we agree to be bound by the information contained therein; d) When purchasing or selling securities, I/we will not rely upon any information, including but not limited to statements, forecasts, predictions and projections whether verbal or written, which are not contained in the applicable Offering Document; e) When purchasing or selling securities, I/we will not rely upon comparisons between securities or with market indexes of any kind, nor shall I/we rely upon guarantees of future value or price of any security; f) When purchasing or selling securities, I/we will not be induced by a pending dividend; g) I/we will never make payment payable to a Representative or to an entity through which a Representative may gain access to my/our funds; h) I/we will not loan to a Representative or borrow from a Representative monies or securities and I/we specifically will not authorize or permit a Representative to act as personal custodian of my/our securities, stock powers, monies or any other personal or real property of which I/we may have any interest without first obtaining written approval from the firm; i) ***I/we will promptly review each trade confirmation and account statement and report any errors or discrepancies to FAF within 5 days of the receipt of the confirmation or statement.*** It is agreed that if the confirmation and/or statement is mailed to customer's address of record the customer will have received the confirmation and/or statement no later than 10 business days after the mailing date or transaction date.
- 5. Orders for Securities and Payment Arrangements.** a) I/we understand FAF shall have the sole discretion to accept my/our security order(s) and that FAF reserves the right to require a deposit before accepting or executing my/our security order(s); b) If upon the sale or purchase of securities by FAF at my/our direction, I/we fail to deliver the securities to FAF's clearing firm or if I/we fail to make a full and timely payment, I/we authorize FAF and FAF's Clearing Firm to take the steps necessary, at its discretion, to deliver such securities or to make such payment, in which event I/we agree to reimburse FAF and FAF's Clearing Firm for any loss FAF or FAF's Clearing Firm may sustain in the transaction; c) I/we

shall reimburse FAF or FAF's clearing firm for the reasonable costs of collection of any debit balance and any unpaid deficiency in my/our accounts, including attorney's fees, court costs and any other expenses whatsoever in nature incurred by FAF or FAF's Clearing Firm in effecting said collection; e) I/we realize no acceptance by FAF of a lesser sum than due in my/our account shall be deemed to be other than a payment on account and FAF or FAF's Clearing Firm may accept such check or payment without prejudice to FAF's or FAF's clearing firm's right to recover the balance due in my/our account.

6. **Fees.** Agreed upon research or administrative fees may be billed and I/we agree to have such fees deducted from our HTS account. FAF and its clearing firm have certain fees that will be charged for services provided. These fees are in addition to any commission charged. FAF may receive a portion of any fee(s) collected. I/we will be responsible for any fee charged that is associated with services rendered by FAF or our clearing firm (HTS). I/we understand that FAF may add amounts to standard fees described in "Schedule A Commissions and Other Fees" of the Hilltop Securities Inc. (HTS) **Customer Information Brochure** (on pages 9 & 10 as of this writing) for local costs, so that such fees may be greater than those quoted on "Schedule A" of the "Customer Information Brochure" provided by HTS (but no more than 50% greater) and, by signing this Agreement, we agree to pay the fees as charged. Please note that all fees are not listed on the standard fee schedule. Any time you have a question about a fee, please feel free to contact your associated person or FAF directly in advance of requesting the service. HTS & FAF reserve the right to change the fee charged at any time without notice. Commissions are generally negotiable, but generally have an overriding minimum of approximately \$40 and generally range from 1% to 1.5% of the amount of the investment for standard securities. If a prospectus is required, the commission will be disclosed therein. In cases where the AP executes trades in the capacity of an Investment Advisor Representative, the trades are performed at his/her cost.

7. **Margin:** If you have requested and been granted margin privileges it is important that you complete the Margin Application Amendment-HTS and review the terms and conditions set forth in the HTS Correspondent Customer Information Brochure (on page 7 as of this writing). While margin trading may result in substantial gains it can also expose you to substantial losses in your account. Interest will be charged on your margin debt. FAF may receive a portion of the interest charged based upon its agreement with its clearing firm.

8. **IRA Accounts.** If I/we am establishing an account through FAF in connection with an individual retirement account ("IRA"), I/we understand that it is my/our responsibility, and not the responsibility of FAF, to determine my/our eligibility for establishing an IRA, the deductibility of IRA contributions, compliance with all other rules relating to the tax deferred status of the IRA or the rollover from another retirement account, and the availability of all other tax benefits of the IRA. While there is no IRS limitation to the number of direct transfers of one IRA to another, only one rollover per year is allowed by the IRS. FAF or its AP do not provide tax or legal advice.

9. **Notices.** All written notices and communications pursuant to this Agreement and my/our account(s) shall be sent to the undersigned at the mailing address set forth on FAF's BROKERAGE ACCOUNT APPLICATION AND AGREEMENT ADDENDUM or my/our last known address contained in FAF's files. All written notices and communications so sent, whether by mail, telegraph, electronic mail, messenger or otherwise, shall be deemed given to the undersigned when sent by FAF to said address or electronic mail address. Written notices and communications pursuant to this Agreement, including complaints, shall be sent to FAF by certified mail, return receipt requested, to the main office of *First Asset Financial Inc.*, located at 110 E Iron Ave, Salina, Kansas 67401. All written notices and communications shall be deemed given to FAF on the date indicated as received by FAF on the return receipt. FAF's Clearing Firm, on behalf of FAF, will send to the address of record or through the chosen electronic communication a statement of account at a minimum every calendar quarter or for any month when stock trading or cash management activity occur. HTS, on behalf of FAF, will send, or make available an online, a confirmation for every securities transaction in your account.

10. **Freezing Accounts.** If at any time FAF believes that your account may be subject to irregular, unauthorized, fraudulent, or illegal activity, we may, in our discretion, freeze the assets in the account and in other accounts you maintain with us until such time as we are able to complete our investigation of the account and transactions. If we freeze your account assets, we will provide notice to you as soon as reasonably possible. Notice may be made by mail or verbally. We may not provide this notice to you prior to freezing the account if we believe that such notice could result in a security risk to FAF, our clearing firm, or to the owner of the funds in the account.

11. **Wire Transfer and EFT Transactions:** Additional paperwork is required to transfer funds from our clearing firm through a wire transfer or of an electronic funds transfer (EFT). FAF will not be able to initiate the transfer of funds by wire or EFT unless, **prior** to the transfer request, all paperwork allowing such transfers is signed and on file. Upon requesting a wire transfer or EFT you are agreeing that FAF may redeem or sell assets in your account to comply with the requested transfer of funds including the payment of any fees. I/we agree that FAF will not be responsible for the loss of any funds that are transferred according to my/our written instructions.

12. **Account Administration:** As your broker-dealer we will: 1) open, approve and review your account, 2) transmit accurate, timely instructions to FAF's Clearing Firm or third party product providers regarding your account, 3) determine the suitability of any recommended investment at the time of sale based upon the information you have provided, 4) operate your brokerage account in compliance with applicable laws and regulations, 5) have FAF's Clearing Firm, HTS, and/or third party product providers send you account statements and transaction confirmations and 6) maintain proper books and records of all services performed for you.

13. **Indemnification:** You agree to indemnify FAF and its clearing firm, from and hold FAF and its clearing firm harmless for any losses resulting from your actions or failure to act whether intentional or not, including losses resulting from actions taken by third parties at your direction.

14. **Applicable Laws and Regulations.** This agreement is governed by Georgia law, without regard to its choice of law provisions. All transactions shall be subject to rules, regulations, customs and usages of the exchange, market or clearing house where executed, and to all applicable federal and state laws and regulations. Any judicial proceedings relating to an arbitration (See Section 30) or to this Agreement shall be conducted in a state or federal court in Henry County, Georgia, and I/we agree (a) to submit to the jurisdiction of any such court, (b) that any such court constitutes a convenient forum.

15. **Force Majeure.** Neither FAF or FAF's clearing firm shall be liable for loss or delay caused directly or indirectly by war, natural disasters, government restrictions, exchange or market rulings or other conditions beyond the control of FAF or its clearing firm.

16. **Customer Financial Information.** Customer represents and warrants that the financial information disclosed to FAF in this document is an accurate representation of the Customer's current financial condition. Customer authorizes FAF or FAF's agents to investigate Customer's credit standing and in connection therewith to contact such banks, financial institutions, and credit agencies as FAF shall deem appropriate to verify information regarding Customer.

17. **No Guarantees.** Customer acknowledges that Customer neither has any separate agreement nor shall enter into any separate agreement with Customer's AP or any FAF employee or agent regarding the trading in Customer's Account, including any agreement to guarantee profits or limit losses in a Customer's Account. Customer understands they have an obligation to notify FAF's Chief Compliance Officer immediately in writing as to any potential agreement of this type. Customer agrees to indemnify and hold FAF and its clearing firm harmless from all damages or liabilities resulting from Customer's failure to immediately notify FAF's Chief Compliance Officer of any of the occurrences referred to herein. All notices required under this section, including complaints, shall be sent to FAF at: Attention Chief Compliance Officer, First Asset Financial Inc., 110 E Iron Ave, Salina, Kansas 67401.

18. **Do Not Call Policy:** We do not solicit via telephone numbers listed on the state or federal Do Not Call list, unless the law allows. Consumers who ask not to receive telephone solicitations will be placed on our internal Do Not Call list and will not be called. Even though my/our name(s) may appear on a state or federal "Do Not Call" list, my/our signature(s) indicate permission for any associated person of FAF to call me/us on any numbers listed on this form without regard to such list.

19. **Telephone Recording Consent:** To ensure quality customer service, verify securities transactions and other information related to your account, FAF may tape-record telephone conversations at any time with you and its employees or agents. You hereby agree and consent to the recording of said conversations with you and understand that such recordings may take place without an audible electronic beep tone or vocal announcement to indicate that the line may be recorded. The parties to this application agree that such recordings may be used to assist in the resolution of any complaint, dispute, or arbitration arising under this agreement.

20. **Email:** I/We have access to a computer and are willing to accept a prospectus or disclosure information via electronic mail as well as all other correspondence from FAF or the associated person assigned to my/our account instead of paper if an email address is provided at the conclusion of this Form, at FAF's or the associated person's (AP's) option. FAF or the AP shall have completed all delivery requirements upon the forwarding of such documents, disclosure, notice and/or correspondence to the Preferred Email Address on this Agreement. It is the customer's responsibility to notify FAF or the AP of any change to the email address. By signing this Agreement, the customer represents that they either have, or have access to, equipment that meets the hardware and software necessary to receive documents electronically and have the ability to receive and read email and software to view and/or print PDF files. Failure to complete email information on page 10 or on the HTS New Account Application indicates you do not have an email address.

21. **Termination:** *The parties to this agreement may terminate the account at any time for any reason upon written notice to the other party. Account termination by FAF may include the liquidation of any securities required to close the account and return the proceeds to the customer.* Customer expressly authorizes FAF to sell customer(s) securities' positions to terminate the account as set forth herein, if after 10 days' notice to customer at customer's address of record customer(s) takes no action to transfer securities' positions to another broker dealer. When an account is closed all associated features are also terminated. You will remain responsible for all unpaid obligations on your account. Prior to FAF returning to you any proceeds from your account, all incurred fees will be charged against the amount owed to you. Payment for outstanding fees will be deducted from your account balance.

22. **Mutual Fund Prospectus:** If purchasing mutual funds, now or in the future, I/we expect to receive the prospectus for new purchases from HTS and/or will view the prospectus online at the sponsors web site. If we do not have access to the web site, I/we will notify FAF or the AP within one week if the prospectus does not arrive and request my/our AP provide a copy of the prospectus. I/We also understand that I/we have the opportunity to compare share classes by using the Fund Analyzer tool provided by FINRA at <https://www.finra.org/investors/tolls-and-calculators>

23. **Sales Outside of FAF:** *The AP originating this account may offer products, services, or insurance policies that are NOT offered by FAF.* Any product that is sold to you by this AP that is **not** registered as a security with the State or Federal Regulators should be construed as **not**

being managed by or offered through FAF. Such products may be offered for sale by the AP's own sole proprietorship or other business entity that is not co-owned by or related to FAF. I/we understand this and will not hold FAF responsible for such products, services, or insurance policies.

24. **Suitability:** FAF reserves the right to reject any customer investment that may not be suitable based on the customer's financial situation, objectives, or risks tolerance disclosed on any related documents.

25. **Survival:** Sections 6, 9, 14, 16, 17, 19, 20, 21 & 27 shall survive the termination of this agreement.

26. Please be advised that First Asset Financial Inc. is registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB's website can be accessed at www.msrb.org. Please visit the MSRB website for its investor brochure that describes protections afforded to you by the MSRB, as well as for information on how to file a complaint with an appropriate regulatory authority. **FAF's Privacy Notice, Business Continuation Plan (BCP), a copy of the Form CRS that you received** and other important information can be found on our website under "Important Information" at: www.FirstAssetFinancial.com

27. **Pre-Dispute Arbitration Agreement.** This agreement and the customer information brochure contain a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree that:

- **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 MAY 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.**

ALL CONTROVERSIES THAT MAY ARISE BETWEEN YOU AND FAF CONCERNING ANY SUBJECT MATTER WHATSOEVER SHALL BE DETERMINED BY ARBITRATION IN ACCORDANCE WITH FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) RULES UNLESS THEY ARISE AMONG THE CUSTOMER, FAF, AND FAF'S CLEARING FIRM, AS FURTHER DESCRIBED BELOW, WHICH SHALL BE CONDUCTED PURSUANT TO THE FEDERAL ARBITRATION ACT BEFORE FINRA, THE NYSE, OR THE MUNICIPAL SECURITIES RULEMAKING BOARD AS APPROPRIATE AND IN ACCORDANCE WITH THE RULES THEN PREVAILING AT THE SPECIFIED ORGANIZATION. THE CUSTOMER AGREES, AND, BY CARRYING AN ACCOUNT FOR THE CUSTOMER, FAF AGREES THAT ALL CONTROVERSIES THAT MAY ARISE AMONG THE CUSTOMER, FAF, AND FAF'S CLEARING FIRM CONCERNING ANY TRANSACTION OR THE CONSTRUCTION, PERFORMANCE, OR BREACH OF THIS OR ANY OTHER AGREEMENT AMONG THE CUSTOMER PERTAINING TO SECURITIES AND OTHER PROPERTY AT FAF'S CLEARING FIRM, WHETHER ENTERED INTO PRIOR, ON, OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED BY ARBITRATION. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED PURSUANT TO THE FEDERAL ARBITRATION ACT BEFORE FINRA, THE NYSE, OR THE MUNICIPAL SECURITIES RULEMAKING BOARD AS APPROPRIATE AND IN ACCORDANCE WITH THE RULES THEN PREVAILING AT THE SELECTED ORGANIZATION. THE CUSTOMER MAY ELECT IN THE FIRST INSTANCE WHETHER ARBITRATION SHALL BE BY FINRA OR THE NYSE, BUT IF THE CUSTOMER FAILS TO MAKE SUCH ELECTION, BY REGISTERED LETTER OR TELEGRAM ADDRESSED TO THE BROKER AT THE BROKER'S MAIN OFFICE, BEFORE THE EXPIRATION OF TEN (10) DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM THE BROKER TO MAKE SUCH ELECTION, THEN THE BROKER MAY MAKE SUCH ELECTION. THE AWARD OF THE ARBITRATORS, OR OF THE MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION. FURTHER, 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: (i) THE CLASS CERTIFICATION IS DENIED; (ii) THE CLASS IS DECERTIFIED; OR (iii) 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 THE CUSTOMER AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

Should the terms & conditions, as applied to your account change significantly, FAF will notify you via email or USPS mail.

In addition to the foregoing information, the signature below indicates that a copy of this document (unexecuted) that contains the Customer Relationship Summary (Form CRS) on pages 2-3, Regulation Best Interest Disclosure Brochure (Reg BI Disclosure) on pages 4-10, Privacy Notice on page 11, and Terms & Conditions on pages 12-16 in this entire Supplementary Agreement packet and has been delivered to me/us & that I/we have had the opportunity to read or review it or will do so within the next 24 hours.

THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE IN ITEM 27 ON PAGE 15. BY SIGNING BELOW, I/WE HAVE READ AND AGREE THE ABOVE DOCUMENTS HAVE BEEN DELIVERED AND TO THE CONDITIONS SET FORTH IN THIS PRE-DISPUTE ARBITRATION TERMS AND OTHER CONDITIONS SET FORTH IN THIS AGREEMENT.

Terms and conditions set forth on PAGES 1-16 and concurrence with them is indicated by my/our signature below:

√X

Signature of Account Holder

Date

√X

Signature of Co-Account Holder

Date

*Note: If a Joint Account, BOTH HOLDERS MUST SIGN!

Your Preferred Email Address Is:

_____ @ _____

FAF will email a copy of these documents to you containing the supervisor/principal’s initials and any necessary additional documents at the above email address. Beyond this initial mailing it is unlikely that you will receive email from FAF going forward. However, your AP may email regarding your account from time to time. Please expect an email from faf@firstassetfinancial.com or just “First Asset” showing as the sender.

Other information can be found on our website <https://www.FirstAssetFinancial.com> under “Important Information” (also recommended is: <https://www.investor.gov/introduction-investing/investing-basics/glossary/broker-dealers-why-they-ask-personal-information>). On the opening page of our website by clicking on the “Important Information” listing at the top you will find the third listing as our “Business Continuity Plan” for your review as well as other topics that may be of interest to you.

For Firm Use Only:

Dear First Asset Financial Inc.:

As the Associated Person (AP) of record, I/we have provided a copy of the Customer Relationship Form (Form CRS), the Regulation Best Interest Disclosure Brochure, Privacy Statement and Agreement Terms to the above signator(s).

√ My FAF Rep/AP Number is: _____ AP’s Printed Last Name: _____
FAF Associated Person Signature:

X

FAF/ms wd 2023 forms/H-Packet Supplement to HTS V7

Supervisor/Principal Initials & Date