

**D.A. DAVIDSON & CO.
BANK INSURED DEPOSIT PROGRAM
DISCLOSURE STATEMENT**

This Disclosure Statement provides important information concerning the Bank Insured Deposit Program (“BIDP”). If you have any questions about any of the information contained in this document or the “Terms and Conditions for D.A. Davidson & Co. Bank Insured Deposit Program,” which is a part of your account agreement with D.A. Davidson, please contact your Financial Consultant.

SUMMARY

D.A. Davidson & Co. (“D.A. Davidson,” “we,” “us”) provides several cash management benefits to its clients. Under our cash management program, commonly referred to as a “sweep” program, cash balances in a client’s securities account are automatically transferred, or swept, into an interest bearing account at the end of each business day. Sweeps into your account may occur due to, among other things, the sale of securities, dividend payments, interest credited from bonds, and cash deposits.

Through our cash management program, clients may access funds in their securities accounts in several convenient ways. They may request a check payable to the account owner; they may write checks; or funds may be automatically paid through the ACH (automated clearing house) procedure when authorized. For DADVANTAGE accounts, funds can also be accessed by debit card, electronic billpay and bill presentation. Funds are also automatically withdrawn to satisfy purchases of securities. If there is not enough cash in a securities account to satisfy these transactions, funds will be withdrawn from the interest bearing “sweep” account.

For eligible accounts, the sweep account will be a D.A. Davidson Bank Insured Deposit Program Account through our BIDP. The BIDP will have your cash balances swept into one or more banks that participate in our BIDP (“Program Banks”). As such, the funds will be eligible for federal deposit insurance from the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per owner per bank per account type. BIDP Account funds are not protected by the Securities Investor Protection Corporation (“SIPC”). ***Please read the further description of the Program Banks and FDIC and SIPC insurance, which is contained below.***

INTRODUCTION

The BIDP consists of FDIC-insured, interest-bearing deposit accounts at one or more of the Program Banks. With the BIDP Account sweep feature, the available cash balances in your eligible securities accounts at D.A. Davidson are automatically deposited into the BIDP Account. The BIDP Account will be eligible for federal deposit insurance from the FDIC up to the applicable FDIC insurance limits in principal and accrued interest per depositor, in accordance with FDIC rules, as more fully described below. We have worked with Deutsche Bank Trust Company Americas (“DBTCA”), a wholly-owned subsidiary of Deutsche Bank, one of the largest banks in the world, to develop this BIDP.

As the sponsor of our BIDP, DBTCA has contracted with a number of FDIC-insured banks to participate in the BIDP. D.A. Davidson can spread your cash deposits among these banks,

providing the potential for FDIC coverage greater than that which you would have if your cash deposits were held only in a single bank. The number of depository institutions participating in the BIDP will change from time-to-time. An increase in the number of FDIC-insured banks participating in the BIDP in the future would increase the potential FDIC coverage; however there can be no assurance that additional banks will be added. DBTCA will assist in the administration and record keeping for the BIDP, and will act as an intermediary bank for the BIDP – routing deposits to and withdrawals from Program Banks. DBTCA may also act as a Program Bank from time-to-time. As discussed below, if the total amount of your cash deposits exceeds the total amount of FDIC insurance available through the Program Banks, the excess will be swept to the D.A. Davidson Cash Equivalent Plus Shares Government & Agency Securities Portfolio, a money market mutual fund, or may be swept to a free credit balance account.

ACCOUNT ELIGIBILITY

The BIDP is generally available for all D.A. Davidson accounts. The following account types, however, are not eligible to participate in the BIDP: certain retirement advisory accounts (that is, accounts of any plan subject to the prohibited transaction provisions of the Internal Revenue Code of 1986, as amended (the “Code”), including an “employee benefit plan” as defined in the Employee Retirement Income Security Act of 1974, as well as IRAs established under the Code. For these accounts, cash balances will be swept to a money market fund. D.A. Davidson reserves the right, in its sole discretion, to limit other types of accounts from participating in the BIDP. D.A. Davidson also offers a number of investment products that you may wish to consider as alternatives to maintaining cash deposits in the BIDP. Your investment objectives, liquidity needs and risk tolerance should be considered in reviewing these alternatives. Some of these alternatives may pay an interest rate or dividend that is higher than the rate you receive on cash held in the BIDP. While deposits in the BIDP Account, certificates of deposits and any other available deposit products offered by FDIC-insured depository institutions are covered by FDIC insurance up to applicable FDIC insurance limits, other investments such as money market mutual funds are not FDIC-insured (but are covered by SIPC, see below) and may lose value.

If we determine that your brokerage account is not eligible or the BIDP eligibility requirements change, we may change your account investment vehicle, from the BIDP to an alternative investment vehicle, which may not be an FDIC-insured investment. If your account is no longer eligible for the BIDP, then your funds will be invested in the D.A. Davidson Cash Equivalent Plus Shares Government & Agency Securities Portfolio, or may be swept to a free credit balance account.

THE BIDP — HOW IT WORKS

Background. Under the BIDP, D.A. Davidson acts as your agent in establishing the BIDP Accounts, and depositing and withdrawing your sweep funds into a BIDP Account. No evidence of ownership, such as a passbook or certificate, will be issued to you. BIDP Account ownership will be evidenced by book entry on the account records of D.A. Davidson. As noted below, you will be provided a periodic account statement from D.A. Davidson that will reflect the balances in the BIDP Account at the Program Banks. Through the BIDP you will have all the benefits of the cash management program, including checkwriting, debit cards, electronic billpay and bill

presentation. There is no minimum balance required and there are no fees to you for participating in the BIDP.

Deposits. Through the BIDP, a client's free cash balances are automatically transferred, or swept, into a BIDP Account on a daily basis. Cash balances are created by, among other things, depositing funds, interest credited from bonds or CDs, dividend payments and the sale or redemption of securities.

Each cash sweep from your D.A. Davidson securities account is a deposit in one or more of the Program Banks. Those deposits are solely the obligation of the applicable Program Bank and will not be direct or indirect obligations of D.A. Davidson. In the event that your balances in the BIDP Account exceed the total FDIC insurance available through the BIDP, the excess will be invested in the D.A. Davidson Cash Equivalent Plus Shares Government & Agency Securities Portfolio, or may be swept to a free credit balance account. ***Please note that it is your responsibility to monitor your accounts held outside the BIDP at any of the Program Banks to insure your total amount of deposits held at any one Program Bank does not exceed the applicable FDIC insurance. We will monitor all accounts within the BIDP, but neither D.A. Davidson nor the Program Bank will monitor the total amount of your deposits with a Program Bank.***

D.A. Davidson will not be obligated to you for amounts not covered by deposit insurance nor will D.A. Davidson be obligated to make any payments to you in satisfaction of a loss you might incur as a result of a delay in FDIC insurance payouts applicable to your deposit account. D.A. Davidson will not be obligated to credit your D.A. Davidson account with funds in advance of their payment to D.A. Davidson by the FDIC. See "*FDIC Deposit Insurance General Information*" below for additional information about the FDIC and how FDIC insurance works.

Withdrawals. All withdrawals necessary to satisfy debits in your brokerage accounts will be made by us as your agent. A debit will be created, for example, when you purchase securities or request withdrawal of funds from your brokerage account, when you write a check, or when you use other withdrawal methods (such as through an ACH). Checks written on your brokerage account are not drawn directly against the amounts deposited for you at any of the Program Banks, but the money is transferred back from the Program Banks to our Intermediary Bank and then to us, and then used to satisfy your debit through the BIDP. [Withdrawals from your account will normally be made on the business day following transactions in your account; however, your brokerage account is credited on the day of the debit. This process might result in you having an obligation to make us whole for the sum of the debits in your account if there is a problem withdrawing funds from your BIDP account or you otherwise fail to sufficiently fund your account for the full amount of your daily debits.] Withdrawals may not be made directly from the Program Banks, except through D.A. Davidson acting as your agent. Any funds necessary to satisfy debits in your securities account will first be obtained from free credit balances in your brokerage account (if any), balances in your money fund (if any) and then withdrawals will be made from the BIDP Account. DBTCA will automatically withdraw funds from the BIDP account (up to the amount on deposit in your BIDP account) back to your account in order to satisfy any obligation you have to us or to settle a securities transaction or other debit transaction (including, but not limited to, checks, wires, debit card purchases or margin balances) in any account you have with us. Amounts in your BIDP account are also subject to legal

process such as a levy or a garnishment delivered to us or DBTCA to the same extent as if those funds were in your account. As required by federal banking regulations, the Program Banks have reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any BIDP deposits. So long as this right is not exercised, your ability to access funds, including the ability to write checks against your account, should not be impacted. Your interest in a BIDP account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

Program Banks. A current list of the Program Banks is available on our web site at www.davidson.com/BIDP. Each Program Bank is a separate FDIC-insured depository institution duly chartered under the laws of the United States or a State thereof. A list of the Program Banks in which your deposits are actually made will be provided to you on your periodic D.A. Davidson account statement. It is your responsibility to monitor the deposits you may have with any Program Bank outside of the BIDP, as those deposits will reduce the amount eligible for FDIC insurance within the BIDP at that particular Program Bank. If a Program Bank where you already have deposits is listed, we recommend you direct us to exclude that Program Bank. You may choose to exclude any Program Bank by notifying your Financial Consultant. Under federal regulation, Program Banks may reserve the right to require seven (7) days' notice before permitting a transfer of funds out of a money market deposit account, such as the BIDP Account. While the Program Banks have not indicated their intention to implement such a policy, the Program Banks may, at any time, choose to do so. You may obtain available financial information concerning any of the Program Banks at <http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx> or by contacting the FDIC Public Information Center by mail at: 801 17th Street, N.W., Room 100, Washington, DC 20434 or by phone at 1-877-275-3342. D.A. Davidson does not guarantee the financial condition of any Program Bank or the accuracy of any publicly available financial information concerning a Program Bank, and D.A. Davidson does not monitor the financial condition of the Program Banks. From time-to-time D.A. Davidson may have relationships with a Program Bank that are separate and apart from the BIDP.

Nondiscretionary Formula for Allocating Deposits. The BIDP uses an algorithm created by a third party to allocate deposits among the Program Banks based upon a minimum, maximum and target balance set by each Program Bank; provided that any Program Bank introduced to the BIDP by D.A. Davidson will first be allocated deposits pursuant to the algorithm. The algorithm is designed to maximize FDIC insurance coverage of a client's cash deposits. Please note, however, that application of the algorithm will not ensure that a customer's assets will be deposited in more than one bank.

DBTCA has no discretion in allocating deposits among specific Program Banks. Instead, the BIDP uses a nondiscretionary mathematical formula to allocate deposits among the Program Banks. Program Banks with smaller percentages of their targets are filled before Program Banks with higher percentages of their targets are filled, taking into consideration the account type (accounts that can be aggregated and those that cannot be) and opt out information at the account level (since individual customers can opt out of Program Banks).

Once assets from an account are deposited in a particular Program Bank, the BIDP does not reallocate those assets to other Program Banks, except when (1) DBTCA, D.A. Davidson, or a customer removes a Program Bank from the list of Program Banks; (2) a Program Bank changes its target balance; (3) the BIDP allocates assets among Program Banks to meet maximum and target balances set by the Program Banks; or (4) funds are moved from a Program Bank to avoid exceeding restrictions under applicable law on the maximum number of automated withdrawals that can be made during any month.

INTEREST EARNED ON YOUR ACCOUNT

Interest earned on funds in a BIDP Account will be paid at a variable rate established periodically by D.A. Davidson based on prevailing market, economic, and other business conditions. D.A. Davidson may change the interest rate at our discretion without notice to you. We may establish a schedule of rates to be applied to accounts based on, among other things, the total value of household assets in your D.A. Davidson accounts. The asset tiers and interest rates may be changed by D.A. Davidson from time-to-time. See “*Tiering of Households to Determine Interest Rates*” below. Current interest rate information is available through our web site at www.dadavidson.com/BIDP or by contacting your Financial Consultant. D.A. Davidson will earn revenue from the difference between the interest rates paid by the Program Banks and the interest rate paid to you in the BIDP Account. D.A. Davidson does not have a duty in the BIDP Account to offer the highest rates available or rates that are comparable to money market mutual funds. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. Over any given period, the interest rates on the BIDP Account may be lower than the rate of return on other core account investment vehicles which are non-FDIC insured or on bank account deposits offered outside of the Program. In addition, the rates of return paid with respect to BIDP Accounts may be higher or lower than the rates of return available to depositors making deposits directly with a Program Bank or other depository institutions in comparable accounts. You should compare the terms, rates of return, required minimum amounts and other features of the BIDP with other investment options.

Interest on funds in the BIDP Account will accrue from the day funds are deposited by us into the BIDP Account up to, but not including, the day of withdrawal. The Program Banks will use the daily-balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. Interest will be compounded monthly and will be credited to your account on or about the 15th day of each month (or preceding business day if the 15th day is not a business day). For most clients, with non-retirement account types, interest earned from the BIDP Accounts will be taxed as ordinary income in the year it is received. You will receive a 1099-INT form from D.A. Davidson indicating the amount of interest paid to you. You should consult with your tax adviser about how the BIDP affects you.

ALTERNATIVES TO THE BIDP AS A CASH MANAGEMENT INVESTMENT OPTION

D.A. Davidson is not obligated to offer you any cash management investment options or to make available to you a BIDP option that offers a rate of return that is equal to or greater than other comparable investments. D.A. Davidson continues to offer a variety of money market mutual

funds. You may be eligible to purchase shares in these money market mutual funds by giving specific orders for each purchase to your Financial Consultant. However, as long as you have chosen the BIDP as your cash management option, then cash balances in your account, will *not* be automatically swept into these money market mutual funds, unless the BIDP is unavailable to accept your funds for any reason, as explained in this Disclosure Document. If at any time you choose to change your cash management option, you can do so by contacting your Financial Consultant.

For more complete information about any of the money market mutual funds, including all charges and expenses, please contact your Financial Consultant for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yields available on the money market mutual funds by accessing our website at www.dadavidson.com or by contacting your Financial Consultant.

Investments in money market mutual funds are not guaranteed or insured by the FDIC or any other government agency. Although money market mutual funds seek to preserve a net asset value of \$1.00 per share, there is no guarantee that this will occur, it is possible to lose money by investing in a money market mutual fund, including loss of principal. Please read the prospectus carefully. Please contact your Financial Consultant for further details and additional information, including a prospectus, for any of the available money market mutual funds.

CHANGES TO YOUR BIDP ACCOUNT

From time to time, circumstances, such as described in this Disclosure Document, may require D.A. Davidson to modify the BIDP, which may result in changing the cash management option for your account. If we make any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower. Generally, you will receive notification in advance of any such change. If advance notice of a BIDP modification is not practical due to the circumstances, you will be notified as soon as is reasonably practical of any change in the BIDP that results in changing the cash management option for your account. Unless you object within the time period specified, we will transfer the balances from your existing cash management option into a new cash management option. If you object to the cash management option that we select, or, if at any time the BIDP does not meet your needs, your Financial Consultant can assist you in finding an alternative cash management option.

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

HOUSEHOLD ACCOUNT VALUES

Part of the determination of the interest rate paid to you may be based on the value of all your D.A. Davidson “household” accounts. Your Financial Consultant can link all your accounts together to ensure you receive the highest rate possible. Be sure to ask your Financial Consultant to do this. Normally a “household” will consist of the accounts owned by you, including joint accounts, as well as those of your spouse or domestic partner living with you, children and parents. D.A. Davidson in its sole discretion reserves the right to grant exceptions to its general householding policy. Please note that treating accounts as part of a single household relationship does not result in the commingling of any assets held in your accounts.

TIERING OF HOUSEHOLDS TO DETERMINE INTEREST RATES

Generally, the deposits of clients in higher asset tiers will receive higher interest rates than the deposits of clients in lower asset tiers. D.A. Davidson has established the following asset tiers by household as follows: (i) below \$10,000; (ii) \$10,000 - \$49,999; (iii) \$50,000 - \$99,999; (iv) \$100,000 - \$599,999; (v) \$600,000 - \$1,499,999; and (vi) above \$1.5 million. D.A. Davidson reserves the right to change its asset tiers at any time without notice. Current rates associated with these tiers may be obtained from your Financial Consultant or found on our web site at www.dadavidson.com/BIDP.

INFORMATION ABOUT YOUR BIDP ACCOUNT

All activity with respect to your BIDP Account will appear on your periodic D.A. Davidson account statement, including the total of your opening and closing BIDP Account balances, the interest earned and the interest rate for the period covered by the statement. You should retain the account statements for your records. As always, you should notify us of any unauthorized activity or any complaints you have with respect to the BIDP. You may contact your Financial Consultant during any business day to obtain the current interest rate, account balances, and other information on your BIDP Account. If you have online access to your account, you may also view your D.A. Davidson account information online. You may also find information on current interest rates on D.A. Davidson’s website at www.dadavidson.com/BIDP.

D.A. DAVIDSON PROGRAM COMPENSATION

Each Program Bank will earn net income from the difference between the interest paid on deposits and the interest they earn on loans, investments and other assets. D.A. Davidson will earn a fee, which may vary, from each Program Bank equal to a percentage of the average daily deposit balance held at a particular Program Bank. The fee paid to D.A. Davidson may be up to 3.5% annually on some BIDP Accounts. In the case of Program Banks that may be referred to DBTCA and participate in the Program, D.A. Davidson will receive a higher fee from deposits held in a BIDP Account in those banks. While D.A. Davidson is not currently affiliated with any of the Program Banks other than through the Program, if D.A. Davidson were in the future to own or be affiliated with a bank and that bank was a Program Bank, such bank would also receive net income as described above. In its discretion, D.A. Davidson may reduce its fees. The amount of fees received by D.A. Davidson will affect the interest rate you earn on your BIDP deposits. The revenue generated by us from the BIDP Accounts may be greater than revenues

generated by sweep options at other brokerage firms, and may be greater than other cash management options currently available to you at D.A. Davidson or possible sweep options that D.A. Davidson has used in the past or may consider using in the future. As a result of the fees and benefits described above, the BIDP Program may be more profitable to us than other available sweep options. We may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the BIDP Program.

NO SIPC COVERAGE FOR DEPOSITS HELD IN A BIDP ACCOUNT

SIPC has taken the position that assets held in a BIDP Account are not covered by SIPC. SIPC protects investors from losses if their brokerage firm becomes insolvent and cash or securities are missing from eligible customer accounts. SIPC provides protection up to \$500,000 (including up to \$100,000 cash) per client. In addition, D.A. Davidson provides excess SIPC coverage with an aggregate limit of \$150 million. For more information about SIPC coverage, please go to www.sipc.org or contact your Financial Consultant.

FDIC DEPOSIT INSURANCE GENERAL INFORMATION

General Information. The BIDP Accounts are insured by the FDIC, an independent agency of the U.S. government, to the applicable FDIC insurance limits (including principal and accrued interest) when aggregated with all other deposits held by you in the same insurable capacity at a particular Program Bank. Your funds become eligible for deposit insurance immediately upon placement in a BIDP Account. Generally, any accounts or deposits (including CDs issued by a Program Bank) that you maintain directly with a Program Bank in the same insurable capacity in which the deposits in the BIDP Account are maintained, will be aggregated with the deposits in your BIDP Account, for purposes of the applicable FDIC insurance limits. In the event that a Program Bank should become insolvent, the BIDP Accounts are insured up to the applicable FDIC insurance limits, for principal and interest accrued through the day the Program Bank became insolvent. Interest is determined for insurance purposes in accordance with federal laws and regulations.

Under certain circumstances, if you become the owner of deposits at a Program Bank because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits for purposes of calculating the applicable FDIC insurance limit with any other deposits that you own in the same insurable capacity at the same Program Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, “transfer on death” accounts and certain trust accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

You will be responsible for monitoring the total amount of deposits that you have with any Program Bank in order to determine the extent of deposit insurance coverage available to you on your deposits, including deposits in the BIDP Account and other deposits made directly with the Program Bank.

D.A. Davidson will not be responsible for any insured or uninsured portion of the BIDP Account. In the unlikely event that federal deposit insurance payments should become necessary,

payments of principal plus unpaid and accrued interest through the date of insolvency will be made to you. There is no specific time period during which the FDIC must make insurance payments available. You may be required to provide certain documentation to the FDIC and others before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

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

The application of the applicable FDIC insurance limits is illustrated by several common factual situations discussed below.

Individual Customer Accounts. Non-retirement account deposits at any one depository institution held by an individual in an account in the name of an agent or nominee of such individual (such as the CDs held in a D.A. Davidson securities account or held by a custodian for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and insured up to \$250,000 in the aggregate.

Joint Accounts. An individual's interest in deposits at any one depository institution held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other non-retirement account deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same depository institution. Joint accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

REVOCABLE TRUST ACCOUNTS

General Rule. Deposits at any one depository institution in which the owner evidences an intent that at his or her death the funds shall belong to one or more individuals (frequently referred to as a "Totten trust" account, "payable upon death" account or other type of revocable trust account, as determined under applicable state law) will be aggregated with other deposits of the owner held in an individual capacity at the depository institution and insured up to a maximum of \$250,000.

Special Rule. Revocable trust accounts will be insured as to each named beneficiary, separately from another account of the owner or the beneficiary, provided that: (i) D.A. Davidson's account records evidence an intention that upon the death of the owner, the funds will belong to the owner's spouse or to one or more parents, siblings, children or grandchildren and (ii) the beneficiaries of the revocable trust are specifically named in D.A. Davidson's account records. However, a revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts."

Living Trusts. A living trust is a formal revocable trust over which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. Living trusts are subject to special rules, which should be carefully reviewed in order to determine the available deposit insurance coverage.

IRREVOCABLE TRUST ACCOUNTS

Deposits at any one depository institution held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e. capable of determination without evaluation of contingencies). According to the FDIC, Coverdell Education Savings Accounts will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary of irrevocable trust accounts in deposits at a depository institution created by the same grantor will be aggregated and insured up to \$250,000.

INDIVIDUAL RETIREMENT ACCOUNTS

Funds held in an individual retirement account (an "IRA"), including traditional, Roth, SEP and SIMPLE IRAs, are insured up to \$250,000 in the aggregate. Funds held in an IRA will be aggregated with funds held in certain other retirement plans in which the owner of the IRA has an interest. Under FDIC regulations, an individual's interest in deposits at the Bank held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local governments or tax exempt organizations (i.e., Section 457 Plans), (iii) self-directed "Keogh Plans" of owner employees described in section 401(d) of the Internal Revenue Codes of 1986, as amended, and (iv) self-directed defined contribution plans will be insured for up to \$250,000 in the aggregate whether or not maintained by the same employer or employee organization. Thus, the owner of an IRA will only be entitled to insurance up to \$250,000 for interests in retirement plans and accounts holding funds at the Bank that are subject to aggregation.

QUESTIONS ABOUT FDIC DEPOSIT INSURANCE COVERAGE

If you have questions about basic FDIC insurance coverage, please contact your Financial Consultant. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer

Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877- 275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at www.fdic.gov/deposit/index.html, or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

SIPC COVERAGE

Your cash balances are only eligible for FDIC insurance once it becomes a deposit held by a Program Bank. Your cash balance while held by D.A. Davidson is not FDIC insured, but is covered by SIPC. This includes amounts in the cash balances placed in your account that have not yet been received by a Program Bank or which have been swept from a Program Bank back to your account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your account (as opposed to the deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.

If, due to BIDP limitations, your cash balance is placed into a cash management option other than the BIDP, your cash deposits will not be eligible for FDIC insurance, but may be protected by SIPC in accordance with applicable legal requirements and limitations.

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like D.A. Davidson, in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC protection insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Money market mutual fund shares are considered to be securities for purposes of SIPC coverage. **The BIDP Accounts are not eligible for SIPC coverage.**

If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Financial Consultant. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.

SHARING OF YOUR INFORMATION WITH THE PROGRAM BANKS

D.A. Davidson may provide DBTCA and the Program Banks with information related to the Customers and any individual authorized by a Customer to trade in his/her account used in the BIDP ("Authorized Individual"). If provided, the information could consist of the name, address (including city, state, postal code, and, if applicable, foreign country), date of birth, either social security number or taxpayer identification number and any other information as necessary or requested by DBTCA or the Program Banks.