

## Privacy Notice

Part of what you expect from Davidson Companies is information: about investment strategies, particular investments, the markets or travel. The information you provide to us is equally important. Our understanding of each individual client is the foundation for all of the services we provide and offer. The information you provide us helps us to better serve your investment and planning needs. In turn, we assume the obligation to keep the information we have about you private and secure.\*

### How we collect information

Most of the information we collect about you comes directly from you, from applications, agreements or forms that you complete in order to receive our services. In addition, we maintain required records of each of your transactions and holdings with any of the Davidson Companies.

### To whom we disclose the information

We respect the premium you place on keeping your personal finances a private matter. That is why we do not sell information about our clients to anyone. Further, we do not disclose any nonpublic personal information about our current or former clients with anyone, except as authorized by the customer, as required or permitted by law or regulation, or as described below regarding information your FC may take. Examples of persons to whom we disclose your information are as follows:

- To other companies as necessary to process your business. For example, we transmit your account and transactional information to the company that prints your account statement. Third parties in this category, including our affiliates, are prohibited from using information about you except for the narrow purpose for which we give it to them.
- To companies who perform marketing services on our behalf or with whom we have joint marketing agreements. A company performing marketing services on our behalf would include, for example, a company that assists in a broad mailing of materials advertising our products or services. A joint marketing agreement is one where another financial institution offers a product or service jointly with a Davidson Companies member, such as Visa card access to your account. In addition, in some cases, your account may have been established through a referral by an employee in one of our affiliated companies (e.g., a trust account might be established at our trust company by referral through a Financial Consultant in our broker-dealer company), in which case, unless otherwise instructed by you, certain ongoing account information will be shared with the employee who made the referral. These institutions, like those in the previous category, must limit their use of the information to the purpose for which it was provided.
- To your Financial Consultant. D.A. Davidson & Co. has entered into a Protocol with certain other brokerage firms pursuant to which your Financial Consultant may take your personal information, limited to your name, address, telephone number, email address, and account title, in the event your Financial Consultant leaves D.A. Davidson and joins one of the other Protocol member brokerage firms.
- As authorized by you. You may direct us, for example, to send your account statements and confirms to a third party. In each instance (except when your Financial Consultant is allowed to take certain limited information described above), the information we disclose may include any of the information we obtain about you from the sources described under "How we collect information." In connection with the uses described above, we may transfer or make available some or all of your personal information to any of the companies in the Davidson Companies corporate family, including our broker-dealer, investment advisory firms, insurance agencies and trust company. In addition, without disclosing any of your information to our affiliates, we may occasionally send you marketing materials describing products or services offered by members of our corporate family.

# Customer Disclosures 2010

## Confidentiality, security, and integrity

We consider all information we have about you to be confidential, including the fact that you are a client of a Davidson company. We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with applicable regulatory standards to maintain the confidentiality of your information.

## Verification of Certain Account Information

Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, when you open an account with us, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see documentation that supports your identity.

## Health and Medical Information

Those members of Davidson Companies' corporate family as identified below may collect certain health and medical information about you in connection with an insurance transaction initiated by you. This information is disclosed only as necessary in order to process your insurance application. For instance, your health and medical information may be disclosed to an insurance body or third party to enable it to perform its insurance function in connection with an insurance transaction involving you. You may either personally see, or obtain from us by mail, the medical or health information about you that we possess in our files. If you believe this information is incomplete or inaccurate, you may request that we make any necessary additions or corrections or, to the extent that it is feasible, that we delete this information from our files.

## For Vermont and California residents only

The information-sharing practices described above are in accordance with federal law. Vermont and California law place additional limits on sharing information about Vermont and California residents so long as they remain residents of those states. For Vermont residents, we will not share any of your information to our affiliates except with the authorization or consent of the Vermont resident. For California residents, we will limit sharing of your information among our affiliates to the extent required by applicable California law.

## For Nevada residents only

Nevada law requires that we also provide you with the following contact information:

Bureau of Consumer Protection  
 Office of the Nevada Attorney General  
 555 East Washington Street, Suite 3900  
 Las Vegas, NV 89101  
 Phone number: (702) 486-3132  
 email: BCPINFO@ag.state.nv.us.

You may have more questions about how we respect your financial privacy. Please feel free to contact your D.A. Davidson & Co. Financial Consultant directly, or other Davidson Companies representatives at (800) 332-5915.

\*Our Privacy Notice applies to the following Davidson Companies:  
 Davidson Investment Advisors, Inc.  
 Davidson Travel, Inc.  
 D.A. Davidson & Co.  
 Davidson Trust Co.  
 Davidson Fixed Income Management, Inc.

See reverse for additional disclosure

### **Inaccuracy or Discrepancy in Account Information**

Please note that you should report promptly to D.A. Davidson & Co. ("Davidson") or your Financial Consultant any inaccuracy or discrepancy in your account that appears on your periodic account(s) statement. Further, we advise you that any oral communications and instructions given to Davidson should be reconfirmed in writing to protect your rights, including rights under the Securities Investor Protection Act.

### **Changes in Your Financial Situation and Investment Objectives**

Your Davidson Financial Consultant will be pleased to meet with you at least annually or more frequently as you require. Please promptly inform your Financial Consultant of any changes in your financial situation or investment objectives.

### **Customer Contact Regarding Complaints**

In the event that you have a complaint against Davidson or your Financial Consultant and prefer not to contact the Davidson branch office servicing your account, please contact Davidson's Compliance Department at the following toll-free telephone number or address:

D.A. Davidson & Co.  
8 Third Street North P. O. Box 5015  
Great Falls, MT 59403  
(800) 332-5915 • Fax (406) 268-3045

### **FINRA's BrokerCheck**

FINRA BrokerCheck provides investors access to information about securities firms and their securities professionals. This program is designed to help investors learn more about the professional background, business practices and conduct of securities firms and their brokers. In connection with this program, FINRA has established a toll-free hotline at (800) 289-9999, and a website that may be accessed at [www.finra.org/brokercheck](http://www.finra.org/brokercheck). An investor brochure that includes information describing this program is available from either of these sources.

### **Davidson Accounts, Services Offered and Full Disclosure of Fees and Commissions**

Davidson offers several types of investment advisory accounts with varied fee structures and features. Davidson also offers brokerage accounts on which commission is charged on a per-transaction basis. It is important that you fully understand the characteristics of the accounts and services provided to you by your Davidson Financial Consultant and the account options available when investing through Davidson. The characteristics and costs of each type of account are available through your Davidson Financial Consultant. Actual fees charged to your account for the services provided are detailed in your account statements. Commissions charged for transactions in brokerage accounts are disclosed as required on your transaction confirmations. The cost of investment advisory accounts may be higher than a traditional brokerage account where commissions are charged on a trade-by-trade basis. When determining which type of accounts to use, clients should consider their past and anticipated transaction activity, use and benefits of the products and services available with each type of account and personal preferences concerning various payment alternatives. Please consult with your Financial Consultant in the event you have any questions regarding charges to your account, the services provided or the types of accounts available.

### **Margin**

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Davidson. If you choose to borrow funds from Davidson, you will open a margin account with Davidson. The securities purchased are Davidson's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan and, as a result, Davidson can take action, such as issue a margin call and/or sell securities or other assets in any of your Davidson accounts, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account.
- Davidson can force the sale of securities or other assets in your account(s).
- Davidson can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- Davidson can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.

- You are not entitled to an extension of time on a margin call.

For more details, please contact your Financial Consultant for a Margin Disclosure Document.

### **Banks Insured Deposit Program**

Davidson offers a cash sweep program through which cash balances in eligible client accounts are automatically deposited or "swept" into an interest-bearing deposit account established by Davidson with one or more banks (the "Banks"). The interest paid to clients on balances in the Banks' deposit account will vary because the applicable rates fluctuate monthly and are "tiered," meaning that the rate paid is based on the aggregate value of the client's Davidson householded accounts. Accounts with higher aggregate values generally receive higher interest rates than accounts with lower balances. The interest rates and Banks participating in the Bank Insured Deposit Program are posted on Davidson's website at [http://www.davidsoncompanies.com/indv/a\\_services/92.cfm?linkid=92](http://www.davidsoncompanies.com/indv/a_services/92.cfm?linkid=92).

The cash balances in the Banks' deposit account are insured by the Federal Deposit Insurance Corporation ("FDIC"), an independent agency of the US government that protects depositors of banks and savings associations against the loss of their insured deposits in the event of a failure of a Banks or savings association at which deposits are held, subject to applicable limits. Currently, those limits are \$250,000 per depositor per Banks and \$250,000 for certain retirement accounts, such as traditional and Roth IRAs and self-directed Keogh and 401(k) accurate accounts. For more information about Davidson's Bank Insured Deposit Program, please visit the Davidson web site or contact your Financial Consultant.

### **Mutual Fund Investing**

Please refer to Davidson's website <http://www.davidsoncompanies.com/dc/files/legal/mfdisclosure.pdf> for more information regarding mutual fund breakpoints, share classes, revenue sharing and other compensation Davidson may receive from mutual fund companies, or contact your Financial Consultant for a copy of this information.

### **Annual Offer of ADV Brochure**

Annually, Davidson is required to offer to deliver to each of its investment advisory clients, upon written request, a copy of Part II of Form ADV (or other document containing the information required by Part II) regarding any of the investment advisory services provided by Davidson to such client or outside investment advisers who manage such client's assets through a Davidson advisory program. Clients who would like to receive copies of any of these documents should send a written request to: D.A. Davidson & Co., Attention: Managed Assets Operations, P.O. Box 5015, Great Falls, MT 59403.

### **Business Continuity Plan**

Davidson maintains a Business Continuity Plan to address potential significant disruptions to our normal course of business. Our plan outlines how Davidson would evaluate a significant business disruption and assist in the response if a building, city-wide, or regional incident disrupts our business. This plan is reviewed annually and updated as necessary. More details can be found at [www.davidsoncompanies.com/dc/files/legal/BCPDisclosure.pdf](http://www.davidsoncompanies.com/dc/files/legal/BCPDisclosure.pdf). If you have any questions, please contact your Financial Consultant.

### **Routing Customer Orders**

Davidson continually monitors the markets in order to obtain the highest quality execution for its customers. Unless the customer gives specific instructions on where to route an order, Davidson may execute the order through regional or primary exchanges, with other brokerage firms that act as market makers, or Davidson may execute the order itself depending on the security involved and the size of the order.

Statistical data relating to Davidson's order routing (SEC Rule 606) is available at [www.davidsoncompanies.com/dc/files/legal/sec\\_disclosure.pdf](http://www.davidsoncompanies.com/dc/files/legal/sec_disclosure.pdf). To obtain information, including time of execution and execution venue, for a specific trade placed within the last 6 months; please contact your Financial Consultant.

### **Payment for Order Flow**

As a matter of policy Davidson does not receive payment in return for directing customer order flow to particular broker-dealers or market centers. Davidson may receive discounts, rebates, reductions of fees or credits, generally based on overall volume of trading activity as a result of sending orders to other market centers or ECNs; however, these will not exceed the fees or expenses incurred for executing the order. This does not alter Davidson's policy to route customer orders to the market where it believes clients will receive the best execution, taking into account price, reliability, market depth, quality of service, speed and efficiency.