

9.12 Anti-Money Laundering Compliance Program

In accordance with FINRA Rule 3011, and in an effort to comply with the requirements under the USA PATRIOT Act (in particular, Section 352 of such Act), the Company has established policies and procedures for the purpose of attempting to deter and detect money laundering activities by customers. The Company's "Anti-Money Laundering Compliance Program" is not included herein; rather, it is maintained under separate cover. Every employee of the Company is expected to be familiar with the policies and procedures described in the AML Program and to make reasonable efforts to comply with them. Failure to do so will result in disciplinary action and possible subsequent termination of employment.

9.12.1 Customer Identification Program

In accordance with Section 326 of the USA PATRIOT Act, Registered Representatives are required to attempt to identify any person attempting to open a new account. The Company's AML Program, under separate cover, provides detailed procedures related to this requirement. In summary, Registered Representatives must:

- Attempt to verify the identity of new customers, or existing customers who open a new account or are granted new trading authority, BEFORE the account is opened or the authority granted. Reasonable attempts must be made to verify the identification of each of these customers, through documentation or otherwise (information sources), including, for example: physical documents, such as a driver's license, passport, government i.d., or an alien registration card; or for businesses, a certificate of incorporation, a business license, any partnership agreements, corporate resolutions, or other similar documents ("documentary means"); or databases such as Equifax, Experion, Lexis/Nexis, or other in-house or custom databases ("non-documentary means").
- Maintain documentation of all customer identification efforts in accordance with the Company's established procedures (all customer identification records must be maintained in their respective files);
- Determine whether the person opening the account appears on any lists of known or suspected terrorists or terrorist organizations provided to broker-dealers by any government agency;
- Notify customers of the Company's obligation to comply with these customer identification requirements.

Customer identification efforts will be supervised by each Representative's designated Principal or by the supervisor designated in the Company's AML Program. Failure to comply with these identification requirements will result in disciplinary action. Please refer to the Company's AML Program for further details on USA PATRIOT Act-related procedures.