

DISCLOSURE REQUIRED BY FINRA RULE 4311

The firm with which you have opened your brokerage account (“**account**”) (your “**Introducing Firm**”) has retained Alpaca Securities LLC (“**Alpaca Securities**”) to provide certain record keeping or operational services.

These services—such as the execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions—are provided under a written Clearing Agreement (the “**Clearing Agreement**”) between Alpaca Securities and your Introducing Firm.

As a member of FINRA, Alpaca Securities is required (under FINRA Rule 4311) to disclose to you the details of its Clearing Agreement with your Introducing Firm, which are summarized below.

Responsibilities of Your Introducing Firm

Your Introducing Firm has the responsibility to:

- Approve the opening of your account.
- Obtain necessary documentation to help fight the funding of terrorism and money laundering activities (Note: U.S. law and international best practices require firms to obtain, verify and record information that identifies each person who opens an account. This information may be used to perform a credit check and verify your identity through internal sources or third-party vendors).
- Service and supervise your account through its own personnel in accordance with its own policies, procedures, applicable laws, regulations and rules.
- Know you and your stated investment objectives.
- Provide appropriate investment advice, recommendations or management services based on your investment objectives, if applicable.
- Determine whether particular kinds of transactions-such as margin and short sales-are appropriate for you.
- Obtain the initial margin as required by Regulation T if a margin account is opened for you.
- Accept and, in certain instances, execute securities orders.
- Know the facts about any orders for the purchase or sale of securities in your account.
- Comply with fair pricing and disclosure responsibilities (if your firm is a market maker in any securities or otherwise trades as principal with you).
- Correctly identify and promptly forward cash or securities intended for your account to Alpaca Securities.
- Supervise the activities of any individual who services your account.
- Resolve any complaints regarding the handling of your account.
- Manage the ongoing relationship that it has with you.

Alpaca Securities has no involvement and assumes no responsibility in all of the above matters relating to the servicing of your account.

Responsibilities of Alpaca Securities

Alpaca Securities will generally perform only those services on your behalf that your Introducing Firm has contracted it to perform. Such services may include, but may not be limited to, the following:

- Create computer-based account records.
- Process orders for the purchase, sale or transfer of securities (Alpaca Securities is not obligated to accept orders directly from you and will do so only in exceptional circumstances).
- Receive and deliver cash and securities.
- Record such receipts and deliveries according to information provided either by your firm or directly, in writing, by you.
- Hold securities and cash in custody (after they come into Alpaca Securities' physical possession or control).
- Collect and disburse dividends, capital gains and interest.
- Process reorganization and voting instructions with respect to securities held in custody.
- Prepare and transmit confirmations of trades to you (or provide facilities to your firm to provide these functions).
- Prepare and transmit periodic account statements summarizing transactions.
- Provide your Introducing Firm with reports of all transactions processed for your account to enable your Introducing Firm to carry out its responsibilities under the Clearing Agreement.
- Assist you and your Introducing Firm with any discrepancies or errors that may occur in the processing of transactions.
- With respect to margin accounts, if applicable, Alpaca Securities may:
 - o Lend you money for the purpose of purchasing or holding securities in your account(s) (subject to the terms of Alpaca Securities' written Margin Agreement, margin policies and applicable margin regulations);
 - o Calculate any interest charged on your debit balance; and
 - o Calculate margin and maintenance requirements for your holdings in accordance with applicable federal laws and regulations and the requirements of Alpaca Securities, your Introducing Firm and FINRA rules.

In connection with all of the functions that Alpaca Securities performs, Alpaca Securities maintains the books and records required by law and business practice.

In furnishing Alpaca Securities' services under the Clearing Agreement, Alpaca Securities may use and rely upon the services of other broker-dealers, clearing agencies, automatic data processing vendors, proxy processing vendors, transfer agents, securities pricing services and other similar organizations.

This document addresses the basic allocation of functions between Alpaca Securities and your Introducing Firm regarding the handling of your account. It is not meant as a definitive enumeration of every possible circumstance, but only as a general disclosure.

Alpaca Securities does not control, audit or otherwise supervise the activities of your Introducing Firm or its employees.

Alpaca Securities does not verify information provided by your Introducing Firm regarding your account or transactions processed for your account.

Alpaca Securities does not undertake responsibility for reviewing the appropriateness of transactions entered by your Introducing Firm on your behalf.

Alpaca Securities will not be responsible or liable for any losses, whether direct, indirect or consequential, including loss of profits, trading losses, damages, costs, claims or expenses, relating to or arising from your reliance upon any part of this document. Before determining to use any service or product offered by Alpaca Securities, you should consult with your independent advisors to review and consider any associated risks and consequences. This document has been prepared without regard to the specific investment objectives, financial situation and needs of any particular recipient. Alpaca Securities does not render any opinion regarding legal, accounting, regulatory or tax matters.

Clear-Through Relationships

In certain circumstances, your account may be introduced to Alpaca Securities through an intermediary other than your Introducing Firm. This intermediary is commonly called a “clear-through broker,” with the agreement between the clear-through broker and your Introducing Firm called a “clear-through relationship.”

In this situation, the clear-through broker is the agent of your Introducing Firm, and will be identified on your confirmations and statements in the upper left-hand corner.

This disclosure statement should be read to encompass the fact that the two financial intermediaries exist. Therefore, where the context requires, “Introducing Firm” should be read to cover both the clear-through broker and your Introducing Firm.

If you have any questions or concerns, please contact your Introducing Firm.

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With kind regards,

Alpaca Securities LLC