

## **Form of Statement of Correspondent and VOLANT Responsibilities**

As a correspondent clearing firm, Volant Securities (“Volant”) acts as the clearing, settlement, and carrying agent for your brokerage firm (“Introducing Broker”) and provides certain services in that capacity. This document outlines what responsibilities lie with your Introducing Broker with respect to your account and what responsibilities lie with Volant.

### **Responsibilities of the Introducing Firm**

Your broker-dealer has the responsibility to:

- Obtain and verify account information and documentation and approve the opening of your Account.
- Obtain necessary documentation to fight the funding of terrorism and money laundering activities.
- Service and supervise your account through its own employees in accordance with its own policies, procedures, and any applicable laws and regulators.
- Know you and your stated investment objectives.
- Determine whether certain transactions such as margin, options, and short sales are suitable for you.
- Monitor trading and other activity in your account(s).
- Determine those persons placing instructions for your account are authorized to do so.
- Operate in compliance with all applicable laws, rules and regulations relating to its own operations, the supervision of its sales representatives and other personnel, and the supervision of transactions and other activity in your account.
- Investigate and respond to any questions or concerns you have about your account(s), confirmations, your periodic statement or any other matter related to your account(s).
- Provide notice of commission rates and fees, including margin.
- Obtain initial margin (when applicable) if a margin account is opened for you
- Accept and, in certain instances, execute securities orders.
- Know the facts about any orders placed for 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 funds or securities intended for your account to Volant.
- 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.

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

### **Responsibilities of Volant**

In general Volant is only responsible for the services within the scope of the Clearing Agreement that are provided at the request of your firm and contains specific direction regarding your account. Accordingly, Volant may fulfill the following responsibilities on behalf of your account:

- Create and maintain electronic account and transaction records.
- Process orders for the purchase, sale or transfer of securities (Volant is not obligated to accept orders directly from you or your introducing broker).
- Clear and settle acceptable trades for your account.

- Receive, deliver, segregate, and safeguard funds and securities.
- Collect and disburse dividends and interest.
- Process reorganization and voting instructions received with respect to securities held in custody.
- Prepare and transmit confirmations of trades to you.
- Prepare and transmit periodic account statements summarizing transactions.
- Provide your Introducing Broker with electronic reports of all transactions processed for your account.
- Assist you and your Introducing Broker with any discrepancies or errors that may occur in the processing of transactions.
- Accept from your Introducing Broker instructions to:
  - View, update, or change account information, account settings, passwords or security access information, trading permissions, and tax forms
  - Impose restrictions, limits, and/or security measures on your account, including freezing, limiting, or restricting access to your account or funds
  - Initiate payments, wires, or transfers to you

If your Introducing Broker opened a margin account for you, Volant may:

- Loan you money for the purpose of purchasing or holding securities (subject to the terms of Volant's, margin agreement, margin policies and applicable margin regulations).
- Calculate the amount of maintenance margin required and advise you of those requirements (through your Introducing Broker).
- Calculate any interest charged on your debit or margin balances.

Neither Volant nor its employees provide any investment, tax, legal, or trading advice, nor does Volant nor its employees solicit orders. Additionally, Volant does not advise you or your Introducing Broker on any matters pertaining to the suitability of any order, offer an opinion, judgment, or other type of information pertaining to the nature, value, potential, or suitability of any particular investment, or review the appropriateness of investment advice or transactions entered by you or your Introducing Broker on your behalf.

Certain securities may grant the holder thereof valuable rights that may expire unless the holder takes action. These securities include, but are not limited to, warrants, stock purchase rights, convertible securities, bonds and securities subject to a tender or exchange offer. **Customer is responsible for knowing the rights and terms of all securities in the Customer's Account. VOLANT is not obligated to notify Introducing Broker or the Customer of any upcoming expiration or redemption dates, or to take any other action on behalf of the Introducing Broker or the Customer, except as required by law and applicable rules of regulatory authorities.**

Volant maintains the books and records required by law and business practice. The Fully Disclosed Clearing Agreement does not encompass transactions in investments other than marketable securities, which Volant normally processes on recognized exchanges and over-the-counter ("OTC") markets. In furnishing Volant services under the Fully Disclosed Clearing Agreement, Volant may use and rely upon the services of clearing agencies, automatic data processing vendors, proxy processing, transfer agents, securities pricing services and other similar organizations. This document addresses the basic allocation of functions regarding the handling of your account. It is not meant as a definite enumeration of every possible circumstance, but only as a general disclosure.

**Volant may not control, audit, or otherwise supervise the activities of your Introducing Broker or its employees. Volant does not verify information provided by your Introducing Broker regarding your Account or transactions**

**processed for your Account. Volant does not undertake responsibilities for reviewing the appropriateness of transactions entered by your Introducing Broker on your behalf.**