L.M. Kohn & Company

Registered Representative Manual

February 1, 2024

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Introduction

The SEC, FINRA and other self-regulatory organizations ('SROs') such as the NYSE, the Municipal Securities Rulemaking Board ('MRSB'), etc. have a statutory mandate to regulate the securities markets, brokerage firms, and the registered personnel of brokerage firms. SROs and the Exchanges have regulatory, inspection and enforcement powers to help monitor and maintain compliance with rules of fair practice for the industry and to promote the highest possible standards of business conduct for the benefit of investors, broker/dealers, and issuers of securities. (While the MSRB is an SRO with rulemaking authority concerning municipal securities, it has no inspection or enforcement authority; FINRA is charged with inspection responsibility and enforcement of the MSRB's rules.)

On its web site (www.FINRA.org) FINRA states, *'The foundation of the securities industry is fair dealing with customers. Whether your work is with individuals, institutions, or business entities, a registered representative's obligation to this profession is to serve all customers with honesty and integrity by putting their interests first and foremost. "FINRA rules require you to observe high standards of commercial honor and just and equitable principles of trade and also prohibits any manipulative, deceptive or fraudulent actions.'*

The requirements throughout this Manual, therefore, are not mandated by L.M. Kohn & Company in an arbitrary manner; they are mandated by SEC, FINRA and other regulatory bodies.

The rules and this firm's internal policies and procedures are in place to assist L.M. Kohn & Company in meeting its responsibility to ensure that you are aware of, and in compliance with, the requirements under the regulatory rules and regulations. They are also in place to ensure that your license and livelihood are protected, as not only does the firm risk regulatory sanctions if its registered personnel act in a manner prohibited by the rules, your securities license and personal career could also be jeopardized by not understanding the rules by which you are governed.

No one document can address each possible scenario or situation which you may face on a day-to-day basis. It is important that you work closely with the Supervising Principal to whom you have been assigned, and with Compliance, especially when you are not 100% certain of your responsibilities or the requirements involved in a certain situation.

Furthermore, in addition to the material contained in this Manual, L.M. Kohn & Company has additional policies and procedures, operational matters, and other issues with which it requires you to comply, which will assist in guiding you through the various regulatory requirements.

If you have questions concerning any of the instructions or requirements given throughout this Manual, please immediately bring them to the attention of your immediate Supervising Principal. If you are uncertain as to who your immediate supervisor is, please contact the Compliance Department immediately.

Firm Registration

Congratulations on your registering with LM Kohn & Company ("LMK"). We believe in your commitment to excellence and your continued efforts to achieve outstanding results for your clients. LMK has designed a platform that we believe will provide you with the best opportunity to achieve those results. The following provides an outline of LM Kohn's Registered Representative ("RR") Policies and Procedures.

Registration and Licensing

It is important that both this firm and its associated persons who engage in the securities business be fully registered with the appropriate self-regulatory organizations and state jurisdictions. Retail securities activities are permitted to take place (solicited or unsolicited alike) only in those states where BOTH the firm and the associated persons are registered. There are some registration exemptions where the customers of a firm are deemed to be 'institutional.' If you have any questions, when dealing with a new prospect, as to appropriate state licensing of either the firm or you, bring the matter immediately to the attention of your Supervising Principal or Compliance for clarification.

When you registered with us a Form U-4 was created and filed with FINRA. It is your responsibility to advise your Supervising Principal, Registration or Compliance (as appropriate) when any information stated on your U-4 has changed. Such changes include name change, address change, and any of the items discussed herein under the "Legal Proceedings and Investigations".

Failure to immediately notify Compliance of any required U-4 amendments may result in internal disciplinary action. If you are at any time uncertain as to whether something calls for a U4 amendment, you should check with Compliance. If you don't have a copy of your Form U-4 and are uncertain as to the information currently disclosed on it, you should request a copy that you can review and update if necessary.

Active-Duty Military Call-Up Upon receiving notice of active-duty call-up, you must provide a copy of your 'call-up' notice to Compliance. FINRA By-Laws provide specific relief to registered personnel who are called into active military duty, and under FINRA's IM 1000-2, such individuals are placed in a specially designated 'inactive' status upon FINRA being notified of their military call up. Such inactive status will not jeopardize their FINRA registration so long as certain procedures are followed. In addition, such individuals will remain eligible to receive transaction-based compensation, and dues and assessments identified in Article VI of FINRA By-Laws will be waived.

Standards of Commercial Honor and Principal of Trade

Every aspect of our business will be conducted in a fair, lawful and ethical manner. We have implemented appropriate internal controls to ensure that all reasonable efforts are taken to detect, and deter, any activities that do not meet the highest standards of ethical behavior. Senior Management is committed to working with Compliance and all registered individuals to ensure the existence and awareness of a strong and committed compliance culture.

Your customers will be offered only those pre-approved products/services that have been determined as appropriate for their specific needs and provide fair value. It is our obligation to respect, and protect, the right to privacy of all clients.

Confidential or proprietary information obtained during an individual's association or employment with L.M. Kohn may not be used for personal gain or be shared with others for personal benefit.

All effort MUST be made to avoid actual or apparent conflicts of interest. Such a conflict may exist even when no actual wrongdoing occurs; the opportunity to act improperly may be sufficient to give the appearance of a conflict.

Policies and procedures contained in this manual are to ensure:

- The best interests of all clients.
- Adhere to all regulatory requirements.
- Appropriate training to perform at the highest ethical, legal, and professional levels.
- Supervisory responsibilities to highly qualified, well-trained personnel.
- Attention to any areas of deficiency,
- Deployment of a sufficient level personnel resources
- All associated persons are aware of the firm's compliance requirements.

Prohibited Acts

You are prohibited from doing any of the following:

- Breaching fiduciary duty
- Agreeing to repurchase a security at some future time from a client.
- Warranting or guaranteeing the present/future value or price of any security.
- Acting as personal custodian of client securities, stock powers, money, or other property.
- Arranging or accepting authority to access a safety deposit box or other safekeeping place belonging to a customer/client.
- Borrowing securities from a client.
- Mismarking orders in terms of whether the transaction was solicited or unsolicited.
- Facilitating for a client to borrow money for the purpose of purchasing securities.
- Making written or oral representations, regarding securities, other than those contained in official offering prospectus if issue is under registration, or in materials specifically authorized by this firm to us if the securities are the subject of a private placement.
- Accepting an account from a customer on a discretionary basis
- Offering or selling securities in states in which the registered individual is not appropriately registered/licenses.
- Recommending the purchase (or continuing purchase) of securities in amounts which are inconsistent with the reasonable expectation that the customer/client has the financial ability to meet such a commitment.

- Directly or indirectly, give or permit to be given anything of value, including gratuities, more than one hundred dollars ($100) per individual per year to any person, principal, proprietor, employee, agent, or representative of another person, where such payment or gratuity is in relation to the business of this firm. (A gift of any kind is considered a gratuity).
- Requesting or allowing clients to sign blank forms.

You are prohibited from doing any of the following, without firm pre-approval:

- Engage in a 'private' securities transaction.
- Raising money individually or as an agent for any business.
- Raising money for a charitable political organization.
- Executing an order without the client's express permission (unauthorized transactions).
- Borrowing money from a client (other than permissible under FINRA Rule 2370).
- Receiving compensation for securities transactions (from clients or other securities dealers) for services rendered, including finder's fees, purchase rep fees, investment advisory fees, and commissions.
- Maintaining a joint account in securities with any client, or sharing any benefits, profit or loss with any client resulting from a securities transaction.
- Entering any business transaction or relationship jointly with a client.
- Facilitate the purchase or sale of securities for a customer/client through another broker/dealer.
- Advertising in any newspaper or publication.
- Compensating any person, firm, or entity other than another registered individual of this firm for any services rendered in connection with the sale of a security to a customer.
- Selling 'control' or 'restricted' securities.

Outside Business Activities

Policy allows associated persons to participate in outside business activities so long as the activities are consistent with the firm's fiduciary duty to its clients and regulatory requirements, and the employee provides prior written notice to the firm before engaging in such activities.

Prior to beginning such activity, each employee must submit a request to Compliance by completing an Outside Business Disclosure form.

Private Placement Offerings

Policy Requirements prohibit registered personnel from commencing sales of private placement offerings. In certain rare cases, to accommodate a customer, it may be allowable (as an exception) but only with written approval from Compliance.

Political Contributions

You are responsible for notifying Compliance (for review/approval) of any political contributions made in the previous 24 months prior to onboarding or at any time during employment. This is done by

completing (and returning to Compliance) a "Political Contributions Attestation" form which asks questions related to, but not limited to, the following:

- Dollar amount of contribution(s)
- Name of candidate(s)
- Name of office(s)
- Election cycle(s)
- Election date(s)

Per MSRB Rule G-37, the contribution limit made by a municipal finance professional or municipal advisor professional who is entitled to vote for the official of the municipal entity and the contribution and any other contribution made to the official of the municipal entity by such person in total must not exceed $250 per election cycle.

Professional Certificates

Outside vendors often solicit registered personnel to purchase certificates that commemorate passing FINRA and state-required examinations (i.e., the Series 7, the Series 63, etc.). These certificates could be misused by registered personnel or misunderstood by the public.

Because of potential problems and confusion with respect to these certificates, FINRA does not recommend or encourage the use or display of such certificates or plaques. While FINRA Regulation does not go so far as to prohibit the display of such certificates you should ensure that you are aware of any prohibitions this firm has in place. Prior to utilizing any commemorative certificates or plaques ask your supervising principal or Compliance if it is permitted.

Professional Designations

Any designation other than CFP, CFA, CPA, CLU, JD, LUTCF and ChFC will require a brief description when used in advertising. The description must state the nature of the designation, how it was obtained, and its relationship to the business. Compliance requires documentation that the designation is current and active for all designations used.

As part of Regulation Best Interest, it is important to avoid using certain job titles if you are not a Registered Investment Advisor. Titles that must be avoided (as they may be misleading to customers) are Financial Advisor, Investment Advisor, or basically any title ending with the word "Advisor". Instead, use titles such as Financial Professional, Financial Consultant, Investment Broker, Securities Broker, Account Executive, or Registered Representative. If you have any questions related to the permissibility of a certain job title, please contact Compliance.

Annual Compliance Meeting

The Annual Compliance Meeting (ACM) must be attended by EVERY registered individual. Failure to attend without exception will result in disciplinary action. We will provide sufficient notice to you regarding the specific details of your 'attendance' requirements (i.e., in person, on the phone, online, etc.). If you are unable to attend, you must IMMEDIATELY notify Compliance.

Make-up sessions may be scheduled, individual interviews may be required – we will do our best to work with you to assist you in complying with the mandatory requirement to comply. If you fail to attend a scheduled make-up session, or do not appear at the appropriate time for a personal interview, you will be required to give a satisfactory explanation for such absence. Continued failure to comply may result in termination.

Continuing Education Program

Each registered representative must fulfill two (2) separate Continuing Education requirements, Regulatory Element and Firm Element.

Beginning January 1, 2023, each covered person registered with FINRA in a representative or principal registration category immediately preceding January 1, 2023, shall complete the Regulatory Element for the registration category annually by December 31 of 2023 and by December 31 of every year thereafter in which the person remains registered.

Each covered person registering with FINRA in a representative or principal registration category for the first time on or after January 1, 2023, shall complete the Regulatory Element for the registration category annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes registered and by December 31 of every year thereafter in which the person remains registered.

While FINRA requires completion by December 31 each year, firms may require its covered persons to complete their Regulatory Element for their registration categories at any time during the calendar year. **LMK requires its covered persons to complete FINRA's regulatory element by August 31st**.

The content of the Regulatory Element will be appropriate to each representative or principal registration category. A covered person will complete Regulatory Element content for each registration category that he or she holds and therefore, there may be multiple courses to complete.

The content of the Regulatory Element for a covered person designated as eligible for a waiver pursuant to Rule 1210.09 shall be determined based on the person's most recent registration(s), and the Regulatory Element shall be completed based on the same annual cycle had the person remained registered. Unless otherwise determined by FINRA, any covered person who has not completed the Regulatory Element within the prescribed calendar year in which the Regulatory Element is due will have his or her registration(s) deemed inactive until such time as he or she completes all required Regulatory Element, including any Regulatory Element that becomes due while his or her registration(s) is deemed inactive. A registration that remains inactive for a period of two consecutive years will be administratively terminated by FINRA.

All individuals registered with FINRA are required to complete regulatory element computer-based training programs given by the FINRA. The courses are administered by FINRA through your FinPro account. Failure to complete this training within the required time frames will result in your becoming 'inactive,' a status prohibiting you from engaging in any activities requiring registration and prohibiting you from receiving any compensation for such activities. Any compensation withheld during an

"inactive" period may not be held and paid after an individual completes the required CE. Continued failure to complete the Regulatory Element may result in your termination. It is up to you to complete the training. If you are not certain how to find your courses, contact Compliance.

All associated persons with customer contact are required to complete the Firm Element training. Compliance will notify you of the required courses and deadlines. You must notify Compliance if you are unable to participate in any training. Attempting to avoid taking training may lead to suspension up to possible termination.

Cybersecurity

Given the increasing frequency, evolving nature, and mounting sophistication of cybersecurity attacks it's critical that you exercise extreme caution prior to responding (or clicking on attachments) to anything that may be suspicious or out of character. Fraudsters have been using compromised associated persons e-mail accounts to execute unauthorized transactions, move money, obtain customer information, takeover customer accounts, open fraudulent new accounts, and gain access into customer e-mail accounts. It is critical that you take the necessary steps (i.e., encrypting attachments, not providing social security numbers, blocking out account numbers, not posting personal information, securing customer information at the office, etc.) to help protect sensitive customer and firm related information. In addition to verifying the accuracy of URLs, it's critical that associated persons also look for misspellings of words and urgency of money movements in communications being sent by "supposed" clients as these tend to be telltale signs of cybercriminal activity. As referred to in the E-Signature Policy section of this manual, all paperwork digitally signed by clients must have SMS Authentication text verification.

LMK requires the need to use extreme caution prior to responding (or clicking on attachments) to electronic communications that may be suspicious or out of character. It's extremely important that associated persons verify communications coming from their clients to ensure that they are from the actual client and that the URL addresses matches what is on file. LMK strongly encourages associated persons to read the FINRA document titled "Core Cybersecurity Threats and Effective Controls for Small Firms". This document highlights the most common and recent categories of cybersecurity threats and offers helpful ways to avoid them. LMK continues to emphasize the importance of being aware of the various types of cybersecurity threats that are out there and making sure cybersecurity is a key topic of discussion in any client reviews that are conducted.

Contact Compliance immediately if you suspect a suspicious activity has occurred.

Emails

Please always be diligent with the safekeeping of customer personally identifiable information (PII) and be sure to utilize Citrix Encryption whenever communications which include PII content are sent. Associated persons must not send PII through email unencrypted. Associated persons must ensure that PII is removed from any email that has not been encrypted before sending. If PII is has been received through email, it must be removed or encrypted before replying.

PII is any information that permits the identity of a customer to be known directly or indirectly. Examples of PII would be social security numbers, date of birth, driver's license number, account numbers, etc. RBC account numbers are allowed to be sent unencrypted if the first 3 digits are replaced with XXX.

AML Program

It is important for an associated person to be able to detect and deter money laundering and terrorist funding activities. You are the first line of defense to prevent such activities so when dealing with clients you must properly ID, update client records when appropriate, ask questions and if you suspect any red flags, contact Compliance immediately.

Legal Proceeding and Investigations

You are required to notify your Supervising Principal or Compliance if you receive a request or involved in any of the following:

- The subject of any investigation or inquiry by any federal or state authority or self-regulatory organization (SRO).
- Requested to testify before or provide documents to any federal or state authority or SRO.
- A defendant or a respondent in any civil, administrative or arbitration matter.
- The subject of any censure, injunction, suspension, fine, cease and desist order or any other sanction imposed by any federal or state authority or SRO.
- The subject of any bankruptcy proceeding.
- The subject of any oral or written complaint by a client or any claim for damages by a client.
- The subject of any arrest, summons, arraignment, indictment, conviction, or guilty plea to any. criminal offense - either misdemeanor or felony - other than a minor traffic violation.

Failure to fully comply with the above disclosure requirements may not only place your employment with this firm in jeopardy but may also result in the finding of wrongdoing by a regulatory body.

In addition, you should review your U4 in FinPro to ensure that you have responded appropriately to all the questions listed (e.g., current name, address, disciplinary matters, etc.). Your U4 must also be continuously maintained in a current manner by disclosing to Compliance any changes. It is important that you report all the required information PROMPTLY and COMPLETELY. Failure to make complete disclosures on any reportable events may result in your termination and may also place you in regulatory jeopardy.

Letterhead, Business Cards, Office Signage

Letterhead stationery and business cards require Compliance preapproval. Prior approval is not necessary for unchanged additional copies of previously approved items.

The following disclosure is required on letterhead and business card:

Business cards should be used with all business contacts where securities business is being contemplated. All securities correspondence, including client letters, prospecting letters, transmittals of securities-related documents, and securities administrative letters must be on stationery that clearly identifies securities are offered through LMK. Indications of business conducted (securities, real estate, tax planning, etc.) may be included.

When LMK and another company ("DBA") are listed on the card or letterhead, business being conducted must be clearly associated with the appropriate company. Every registered branch office location must be clearly identified as a branch of LMK. If the branch office is in an office building, LMK's name should appear on the lobby and floor directories and on the door of the branch office. If the branch is in a home, then LMK's name should appear in the office or on the office door. If the branch office is in a commercial building with its own outside entrance, then LMK's name should appear on the door or on an outside sign.

If another business is conducted out of the office, it is not necessary that LMK sign be the same size as the DBA or other business name. Except, if the DBA is a 'securities DBA' which implies a securities business, then on the sign, door, or other directory the DBA name must be immediately followed, in letters of equal size, by the words 'L.M. KOHN & COMPANY'.

Every branch office must designate a telephone number to be the number for that branch. This number must be listed on the white pages of the telephone book under 'L.M. KOHN & COMPANY' and must appear on the company business cards and letterhead used by all registered persons assigned to the branch.

Yellow page listing is at your discretion, but if you choose to list in the Yellow Pages, the following rules apply:

- The name of LMK, the registered branch address and designated telephone number may be listed under one of the following headings: Investment Securities or Mutual Funds.
- LMK should not be listed with any address other than a registered branch address. You may list a DBA under 'Financial Planners' or 'Financial Consultants', if the listing indicates only name, address, and CFP designation where applicable.

To advertise a business other than securities, you may list your name or DBA under any appropriate heading other than the ones listed in the preceding paragraph. However, you should not list under 'Investment Advisory Services' unless you are a Registered Investment Adviser. If you wish to place an advertisement in the yellow pages which includes anything more than name, address, and telephone number, you must submit the proposed ad to Compliance for review prior to placement. RRs who are not working out of their registered branch on a day-to-day basis must still indicate their branch address and telephone number on their company card and letterhead, and correspondence to and from clients must go through their branch office.

To help solve the dual location problem, RRs may:

- Make sure that their branch is properly alerted to forward their calls and letters.
- Use a two-company card.

We have no objection to you also using other business cards, letterhead, or envelopes for business purposes other than securities sales. However, if your other business card, letterhead, or envelope is in the name of a DBA -- such as Doe Financial Services -- which implies that the company may be in the broker-dealer business, then the following must appear directly underneath or next to the DBA name: 'Securities offered through L.M. Kohn & Company'. Even if your DBA is clearly a 'non-securities' DBA, if your other business card, letterhead, or envelope indicates that the DBA offers investments, financial planning or the like, there must be a LMK disclosure as above. Also, if your other business card, letterhead, or envelope is a personal one and you include the designation CFP or 'financial planner' after your name, then you must disclose your registered status with LMK.

Signature Guarantees

In instances where signature guarantees are permitted:

- Signature guarantees are required in all instances when stocks, bonds or other registered securities are transferred from a seller to a buyer.
- Signature guarantees are to be obtained on the appropriate documents, including, but not necessarily limited to, stock certificates and stock/bond power forms.

All signature guarantees must receive approval by a Certified Medallion Guarantor, and no signature guarantee is to be approved without a comparison being made to the new account document files for validation purposes.

You should make sure to be fully aware of our policies on signature guarantees. All persons authorized to use the Medallion Signature Guarantee imprint devices must be Certified Guarantors. To become certified, you must log on to www.STAMPeSource.com and complete all six training modules with a score of 100% on each section to pass. Additionally, you must be approved by the CCO to become a Guarantor. This certification must be completed by new Guarantors prior to receipt of their STAMP imprint device.

Each Guarantor must retain a log of each time their imprint device is used, along with copies of the document guaranteed and the supporting documentation viewed to determine that the client is the correct one to sign for the transaction requested.

These logs should be maintained at the Guarantor’s office and should be available for review to any LMK Supervisor during an audit, or any other time it is requested. For each imprint, the following must be verified:

- LMK or the Guarantor must have a continuing relationship with the person requesting the Guarantee.

- The Guarantor must view a photo ID for the person requesting the Guarantee.
- The Medallion Guarantee device should only be used in transactions involving the transfer of ownership for securities.
- The Guarantor must retain a copy of the evidence of ownership of the account (i.e., statement or stock certificate).
- All owners of the account must be present to sign at the same time.
- All signatories to be guaranteed must have attained the age of majority and appear to be in control of their affairs.
- If the person signing is someone other than the registered owner, the Guarantor must retain a copy of their legal capacity to sign for the registered owner.
- The Guarantor must retain a copy of all documents examined, and the document that was guaranteed.
- The Guarantor must confirm that the dollar amount of the transfer is covered by their STAMP limit. For outside offices, that limit is $100,000.00.
- NEVER guarantee an incomplete form or document.
- NEVER date a Medallion Signature Guarantee imprint. Each person who wishes to become a Certified Guarantor must be approved by the CCO to become a Guarantor. This certification must be completed by new Guarantors prior to receipt of their STAMP imprint device. Generally, only registered principals will be approved for this service.

Threats, Intimidation, Harassment, Profanity

Consistent with rules adopted by the FTC and prior FINRA interpretations and policies, individuals affiliated with our broker-dealer are prohibited from engaging in communications with customers that constitute threats, intimidation, the use of profane or obscene language or calls any individuals repeatedly to annoy, abuse or harass the called party. Failure to comply with this prohibition will result in sanctions, including possible termination.

Books and Records Maintenance

All books and records relating to a broker-dealer's securities business must be maintained for specific lengths of time, ranging from three to six years. Many of these records are the responsibility of the firm. However, registered personnel are also required to maintain certain records in client files, and certain records in compliance files - such as the complaint files for those representatives located at a branch office.

It is imperative that you understand your responsibilities regarding the books and records you are personally required to maintain. If you feel you have not received sufficient training and/or information regarding the books and records for which you are responsible, you must take steps to become adequately informed and not risk inadvertent non-compliance.

The regulators will not accept a lack of understanding as defense for non-compliance. Furthermore, unless you have made it clear to your Supervising Principal that you are not fully aware of your books and records maintenance responsibilities, this firm will not accept non-compliance. It is ultimately your

own responsibility to continue to seek information and guidance if you remain uncertain about any area of responsibility.

The home office will maintain all primary files in accordance with FINRA and SEC rules pertaining to books and records.

Employee Accounts

Personal Securities Accounts

Personal Securities Accounts Upon being hired by LMK, you were required to disclose all securities accounts maintained by you and any family member for whom you have financial responsibility. The only exception is for mutual fund accounts not held at any broker-dealer in a general trading account under your name. After your initial disclosure of this information, additional accounts are NOT permitted to be opened without PRIOR approval of Compliance. Upon receiving permission to maintain additional outside securities accounts, you are responsible for abiding by any requests to have duplicate confirmations and statements sent to Compliance. You will be subject to a yearly charge of $50.00 for each account.

Initial Public Offerings (IPO)

Due to the regulatory prohibitions against registered associated persons of a broker-dealer participating in 'hot issues' (i.e., any initial public offering trading at a premium in the immediate aftermarket), all participation in IPOs by affiliated individuals is PROHIBITED. This prohibition applies to your personal account, accounts of your immediate family to whom you contribute support and any account in which you have a beneficial interest. The term 'immediate family' includes parents, spouse, siblings, children, or any in-laws, as well as any other person you may materially support, either directly or indirectly.

Customer Accounts

New Account Information Requirements

FINRA Rule 2090 (Know Your Customer) is required to be complied with for all new accounts, having nothing to do with recommended or non-recommended transactions.

As a RR of LMK, you are required to know your customer, including details necessary to service the customer's account, to act on any special handling instructions for the account, to understand the authority of each person acting on behalf of the customer and to comply with applicable laws, regulations, and rules.

The following checklist represents the essential facts related to the investor profile of the customer and the minimal amount of information that either must appear on a new account form or must be 'obtained' and documented in some manner:

- Customer's full name and residential address.

- Date of birth (customer must be of legal age).
- Name of employer - Is the employer a registered broker-dealer?
- Is the customer affiliated with FINRA?
- Other investment holdings.
- Financial situation and needs.
- Tax status.
- Investment objectives.
- Investment experience.
- Investment time horizon.
- Liquidity needs.
- Risk tolerance.
- Other information which may be relevant to consider when making an investment recommendation.

A new account form containing your signature, the customer's signature and the signature or initials of your Supervising Principal will evidence the appropriate gathering of all required information.
If at any time a customer wishes to undertake a transaction that you consider to be unsuitable, you MUST discuss the trade with your Supervising Principal PRIOR TO EXECUTING THE TRADE.

To truly 'know your customer' you must endeavor to learn all essential facts relative to every order, every customer, and every account you open or service. Suitability determinations are based on information disclosed to you upon opening of the account.

- When making investment recommendations, suitability is your most important consideration. (The regulatory requirements for suitability are generally applicable only for solicited, or recommended, transactions. However, it is important to be as aware as possible of your client's situation and requirements even when they are engaging in unsolicited transactions for which you will be compensated.)
- You must understand your client's investment objectives, risk tolerance, financial resources and level of sophistication and knowledge about financial matters and securities markets.
- Income, age, employment status, occupation and dependents should all be considered and discussed with the client when you determine the client's investment objectives.
- If at any time a customer wishes to undertake a transaction you consider unsuitable, you should discuss the trade with your Supervising Principal PRIOR TO EXECUTING THE TRADE.
- Refer to the section in this Manual on 'Customer Accounts' for the information you are required to obtain and for the information you must make reasonable efforts to obtain. Obviously, the more client information you have, the better the position you are in to make a sound and reasonable suitability determination.

Solicitation

Form CRS must be delivered to clients and prospective clients either at the beginning of a relationship with the firm, following a material change to the details of Form CRS, or upon certain events, such as when the client re-engages for a new or different relationship or service with the firm. Form CRS must

be the first document given to prospective clients. If multiple documents are given in a stack, Form CRS must be the first document at the top of the stack.

When soliciting clients, you are prohibited from making exaggerated claims, unwarranted superlatives, or performance guarantees.

FINRA Conduct Rule 2330 prohibits you from guaranteeing a customer against loss in any securities account of such customer carried by this firm or in any securities transaction effected by this firm for such customer.

Generally, a customer transaction is deemed to be 'solicited' when it is based on your advice. When soliciting business, you can recommend any research security rated as a 'buy' or 'hold.' 'Sell' rating and securities not rated by research are not permitted without prior permission from Compliance.

As always, you must have a reasonable basis for making all customer recommendations - such recommendations must be based on a thorough understanding of the client's disclosed investment objectives, financial resources, risk tolerance, and investment experience.

Form CRS must be delivered to each **new** or **prospective** customer who is a retail investor before or at the earliest of:

- Recommendation of account type, a securities transaction or an investment strategy involving securities
- Placing an initial order for the retail customer
- Opening of a brokerage/advisory account

Form CRS must be delivered to **existing** retail investor customers before or at the time the firm opens:

- A new account that is different from the retail investor's existing account
- Rollover from a retirement account
- Recommended or provided a new service or investment outside of a formal account.

All Form CRS provided to clients or prospective clients must be reported to Compliance by the Advisor, Rep, or a Sales Assistant the same day using the Marketing Material preclear function in Complysci.

Product Suitability

To make a valid suitability determination it is not only necessary to 'know the customer.' Equally important is a complete understanding of the product. (This is especially true of variable products and mutual funds.) If you have any questions concerning any of the products which you are engaged in offering to your customers, you should immediately bring them up with your Supervising Principal or Compliance. You may also want to make a note to Compliance that you would like to have more emphasis on a certain product or investment strategy in your Continuing Education training or at your Annual Compliance meeting.

Updating Client Information

You must make every effort to know your customer, not just on paper. The initial new account form may indicate a particular salary level, certain dependents and other information which can change based on events such as career changes, changes in marital status, etc. If your client's information has changed, you must update the client's suitability information before making recommendations.

When making transaction recommendations for a client account which has not been active for a period, you must go over their suitability information, and make notes of any material changes.

Clients are to receive a copy of the new account information within 30 days of the account being opened and then again 36 months after the account opening so that the information can be reviewed and corrected where applicable.

Client Files

LMK maintains books and records covering all transactions and all client information, however RR may maintain individual records (i.e., 'posting book,' 'logs,' etc.). Records are to be accurate, up-to-date, and complete.

Client files are to be maintained in a secured location and properly destroyed when record retention periods have expired.

Logs should minimally contain the following information:

- Name of client
- Current address
- All requisite suitability information (to be maintained on a current basis, minimally annually)
- All purchases and sales - including trade date, security name, quantity, and price.
- Security holdings
- 'Type' of account (i.e., cash, margin, discretionary)

Liquefied Home Equity

No recommendations may be made to an existing or potential customer to liquefy their home equity to purchase securities without Compliance PRIOR review.

Upon a determination that both the liquidation of equity and the initial transaction are appropriate, no further transactions may be undertaken in the account without written (i.e., initials and date) approval of Compliance.

The files must contain documented evidence indicating that the following were considered:

- How much equity does the investor have in the home?
- What is the level of equity being liquefied by investments?
- How will the investor meet any increased mortgage obligations?
- Is the mortgage or home equity loan at a fixed or variable rate?

- What is the investor's risk tolerance with respect to the funds being invested?
- What is the investor's overall debt burden?
- What is the sustainability of the value of the investor's home?

There must also be documented evidence in the files that the customer has been provided with adequate risk disclosure information, including:

- The potential loss of their home.
- The fact is that unlike other potential lenders, we have an interest in having the proceeds of the loan used for investments which may generate commissions, mark-ups, or fees for this firm.
- If applicable, the fact that this broker/dealer, or an affiliated entity, may earn fees in connection with originating the loan.
- The impact of liquefied home equity on the homeowner's ability to refinance a home mortgage; and,
- Depending upon the amount of home equity liquefied and any change in the value of the home, the homeowner may have negative equity is the home.

Determining a Customer's Ability to Evaluate Risk Independently

Such a determination depends on your examination of the customer, including resources available to them to make informed decisions. Several factors relevant to making such a determination include.

(1) the use (by the customer) of one or more consultants, investment advisers or bank trust departments.
(2) the general level of experience of the customer in financial markets and specific experience with the type of instruments under consideration.
(3) the customer's ability to understand the economic features and risks of the security involved.
(4) the customer's ability to independently evaluate how market developments might affect the security.
(5) the complexity or the security of securities involved.

Determining a Customer's Ability to Make Independent Investment Decisions

Several considerations would be called for, including but not necessarily limited to

(1) any written or oral understanding that exists between the broker/dealer and the customer regarding the nature of their relationship and the services to be rendered by the broker/dealer.
(2) a pattern of accepting or rejecting recommendations of the broker/dealer.
(3) the customer's use of ideas, suggestions, market views and information obtained from others. broker/dealers and/or market professionals, specifically those relating to the same type of securities.
(4) the extent to which the broker/dealer has received from the customer current comprehensive portfolio information in connection with the discussion of recommended transactions.

Suitability/Customer ID Verification

It is your responsibility, when recommending to a customer the purchase, sale, or exchange of any security, to have reasonable grounds for believing that the recommendation is suitable for the customer. To make such a suitability determination, you are required to **'Know Your Customer'** through the gathering of as much information as possible and the completion of all applicable new account forms/applications.

For accounts with "natural persons" where a suitability obligation exists, you must obtain, minimally, the following information about your customer:

- Customer's full name and residential address.
- Date of Birth (customer must be of legal age).
- Phone Number.
- Tax ID Number.
- Name of Employer.
- Is employer a registered broker/dealer?
- Is customer affiliated with FINRA or the American Stock Exchange?
- Annual income.
- Net Worth (excluding value of primary residence).
- Investment Objectives.
- Signature of registered representative introducing account.
- Signature of principal accepting the account.

If your customer is a corporation, partnership, or other legal entity, under FINRA Rule 3110(c)(1) you must obtain:

- Name and address of the account.
- Name(s) of any person(s) authorized to transact business on behalf of the entity.
- Signature of the registered representative introducing account.
- Signature of the principal accepting the account.

FINRA Rule 3110 ("Books & Records) further requires that every reasonable effort be made to obtain the following, prior to settlement of the initial transaction in the account:

- Tax ID Number or Social Security Number (if a customer refuses to provide tax identification, IRS rules require a fund to withhold 31% of all redemptions or distributions).
- Occupation.
- Name and address of employer.
- A determination as to whether customer is an associated person of another FINRA member firm.

Should any client be reluctant or unwilling to provide any of the required information, you should notify your supervising principal PRIOR to undertaking any activity in the account.

Procedures for Opening a New Account

- RR must complete proper mutual fund company, insurance company, or brokerage account forms and forward either the originals or submit through Complysci along with the Customer Acknowledgment Form for review/submission.
- A principal must review and approve any application prior to submission to the mutual fund, insurance, or brokerage company.
- Information must be obtained and maintained with the new account forms concerning any special circumstances appropriate to any unusual transactions.
- All new accounts must be signed by the customer, the RR, and the principal of the firm.

529 plans, municipal bond funds, and UIT's must be reviewed by an MSRB principal prior to being opened due to regulatory issues, all 529 plans must be accompanied by a new Customer Acknowledgment Form to be processed, even if the client is an existing client with a recent form on file (within 3 years). Should one of these applications be received without the Customer Acknowledgment Form or an incomplete one, the application will be held until LMK receives the correct form.

ALL Information on the Customer Acknowledgment Form and Third-Party forms MUST BE COMPLETED, or a new account will not be opened.

Changes to Accounts

- Changes, additions or deletions to new account documentation or information must be received in writing and signed by all parties to the account. In addition, in the event of an update to a customer's account information, we are required, within 30 days, to ensure that the customer receives the updated new account information.
- You have a duty to provide an updated version of Form CRS any time when: 1) retail clients open a new account different from their existing accounts; 2) at the client's request (within 30 days).

Death of a Customer

- Upon receiving notification of the death of a customer, transactions in the account must immediately cease.
- The title of the account is to immediately be changed from the name of the deceased to the estate of the deceased.
- All discretionary trading authorizations or power of attorney given by the customer terminates immediately upon the death of that customer.
- All open orders are immediately canceled, and no transactions may occur in the account until all required legal documents have been received and approved by Compliance and/or your Supervising Principal.

Unacceptable Accounts

- Minors acting in their own capacity.

- Persons under any mental or legal incapacity.
- Accounts for associated persons of other brokers/dealers can be opened, but trading must be restricted until approval is obtained from the employing firm.
- Accounts for associated persons of banks, trust companies, insurance companies and other financial institutions engaged in the purchase and sale of securities can be opened, but trading must be restricted until approval is obtained from the employing firm.
- Margin accounts for fiduciaries such as executors or guardians acting as such and investment clubs.
- Discretionary accounts are not permitted to be maintained by a broker/dealer which is not also registered as an investment adviser and the individual with discretion registered as an investment adviser agent.
- Certain international accounts (check with Compliance to decide as to which international accounts are currently prohibited).
- Accounts for foreign banks/institutions/non-U.S. citizens living abroad.

Customer Verification of New Account Information

Customers must receive within 30 days of the account opening a copy of their new account form. Not less than every 36 months, LMK is required to send customers a copy of their suitability information. Check with your supervising principal to learn what, if any, responsibilities you have in meeting any of the above requirements. (By way of information, certain exemptions to this rule may apply – generally, these requirements only apply to those customers to whom you have a suitability obligation.)

Address Changes

The following steps must be taken for all address change requests:

- Address change requests initiated by LMK, the RR or Client, must be processed on the 'Address Change Request' form available on the www.lmkohn.com website under FC Access. This form requires the signatures of the client(s), Registered Rep and First Line OSJ. The completed form will be sent to the Home Office for processing.
- Address change requests will be confirmed with the customer by notice from the LMK back office. We will confirm all address change requests with the customer by sending a notice both to the old and new, addresses. You should take steps to ensure that you are aware of all your specific responsibilities regarding address changes.
- Address change requests must be approved by an appropriate supervising principal (OSJ) prior to the change being processed.
- Requests to change an address to a post office box are acceptable only if the customer's permanent street address is maintained in the client files, both at the home office and branch (if the latter is applicable).

Failure to comply with these exact policies may result in disciplinary action.

Returned Mail

The returned mail will be emailed to the rep. The rep will have 30 days to provide an Address Update Form signed by the client. If no response, the account(s) will be changed to House at which point the home office will follow "Lost Account" procedures.

Fed Wires

All outgoing wires will require Home Office Principal Supervisory approval prior to being submitted to RBC. Once the RBC wire transfer form is received, the Principal Supervisor will contact the client directly (via the phone number(s) provided in BetaLink) and will ask a series of security related questions to help verify the customer's authenticity. If unable to reach the client, then the wire will not go out. There will be NO EXCEPTIONS to this policy, so it is on you to ensure that the phone numbers listed in BetaLink are accurate and that you pre-notify the customer that they will be receiving a verification call from a member of the Home Office.

Remember that all third-party wires require a separate Change of Ownership form as well. We've updated the form to reflect the policy of Home Office customer verification. Failure to use the updated version of this form will result, without exception, in a denial of the wire.

Change of Ownership Guidelines

These guidelines are to be in effect when any kind of "transfer of ownership" occurs. This includes, but is not limited to third-party check requests, requests requiring a LOA, and third-party wire requests. In addition to the required RBC form or LOA for a transaction that involves a transfer of ownership, LMK requires a "Change of Ownership" form.

This form prevents processing of fraudulent email or smartphone hacking requests by allowing the RR to affirm with the client their personal acknowledgement of the request.

Requirements:

- For fund direct paperwork, each request should be accompanied by a copy of the evidence of ownership of the account (i.e., fund company statement, DST Vision printout, etc.).
- All signatories must have attained the age of majority and reasonably appear to be in control of their affairs.
- If the person signing is someone other than the registered owner, we must retain a copy of their legal capacity to sign for the registered owner (i.e., Power of Attorney, court appointment of executor or administrator, etc.). This must be presented with the request.
- Never submit an incomplete form or document for approval. Incomplete requests will be rejected.

Exceptions:

- Transferring assets between a joint account and an individual or retirement account when both owners are spouses.
- Transferring assets or sending a check and the recipient is a charity. This applies only if the charity chosen is a qualified 501(c)(3) that meets the definition of a non-profit organization.

Proof, such as a website disclosure or other form of verification, must be provided to evidence that the organization is a legitimate 501(c)(3) qualified charity.

- Transferring assets from one account to another when the Tax ID # is the same (i.e., individual account to revocable trust account, custodian account to individual account when the minor has attained the age of majority, etc.).
- Transferring from an individual to a custodian account if the funds are coming from a parent of the minor, or from the custodian of the account if that individual is some other relation to the minor.
- Distributions to the participant in a qualified retirement plan (Profit Sharing Plan, 401k, etc.) when the trustee's instructions are accompanied by a copy of the distribution form signed by the participant.
- Distributions to the beneficiaries listed in a trust when the specific beneficiary distribution pages of the trust are accompanied by a copy of the death certificate.
- Qualified Charitable Distributions (QCDs).
- 529 plan contribution(s) coming from and to the same account owner.

Consolidated Statements Prepared by Registered Representatives

As a RR of LMK you may be, on a case-by-case basis, authorized to prepare consolidated statements for clients. RR are reminded that these reports represent communications with the public by the firm; the dissemination of these reports must comply with all applicable FINRA rules as well as federal securities laws. RR are eligible to prepare and disseminate consolidated reports based on the following criteria:

- You have been approved by Compliance to prepare consolidated statements.
- You submit a copy of each consolidated statement to your Supervising Principal or Compliance for review and approval prior to disseminating or showing the report to any person or entity in the public.
- The consolidated reports must contain all required disclosures including acknowledging that the information contained in the report has not been verified and that the consolidated report does not serve as a substitute for account statement issued by the clients clearing firm, brokerage firm or investment company.
- Clients must attest in writing that they have been provided with appropriate disclosures and understand the nature and limitations of the consolidated reporting process and that the consolidated reports are not a substitute for the statement the clients received from the custodian or clearing firm where the assets are held.

Customer's Age

A customer's age MUST be indicated on all accounts except institutional accounts. An account is NOT permitted for anyone under the age of majority UNLESS the account is carried as a custodian account. For life insurance sales, the age of majority is 15 years and six months.

An individual or joint account CANNOT be opened in the name of any person under the age of majority in his/her state of residence. To ascertain the age of majority in a prospective client's state of residence, contact Compliance or ask your Supervising Principal to obtain the information for you.

UGMA/UTMA

An account for the benefit of a minor may be opened by an adult custodian.
There are two types of custodial accounts for minors - those under the Uniform Gifts to Minors Act (UGMA), and those under the Uniform Transfers to Minors Act (UTMA). All the states and U.S. territories have adopted either one, or both, of these Acts.

New account documentation must be completed to open an UGMA or UTMA account, and must include the following information:

- Minor's date of birth
- Minor's state of residence
- Minor's social security number

In states with laws modeled on UGMA, the account title must show as follows:
(Custodian's name) as custodian for (Minor's name) under the (State) UGMA

In states with laws modeled on UTMA, the account title must show as follows:
(Custodian's name) as custodian for (Minor's name) under the (State) UTMA

A transfer of property into an UGMA or UTMA account is a complete and irrevocable transfer of property to the minor. The transferor gives up all rights to the property; the transfer cannot be revoked.

UGMA /UTMA Custodial Account Transactions

- Only one custodian and one minor can be listed on a UGMA or UTMA account.
- Joint custodians and/or joint minors are NOT permitted.
- Powers of attorney giving discretionary authority over an UGMA or UTMA account to persons/entities other than professional money managers are PROHIBITED and will not be accepted.
- UGMA or UTMA accounts are NOT eligible for margin trading.
- UGMA or UTMA accounts are NOT eligible for futures trading.
- Option trading activity is limited in UGMA or UTMA accounts to purchasing puts against long stock positions and selling covered calls.

Customer Complaint Notification

We are required to supply/send to each customer information indicating where and to whom they may send a complaint. Check with Compliance to learn what, if any, responsibilities you have in providing such notification to your customer.

Customer Complaints

- All complaints (verbal or written, including via e-mail or fax) must be brought to the immediate attention of Compliance.
- You are never to negotiate a complaint on your own. This is for your protection, as well as the firm's. You will be given every opportunity to be involved in the complaint investigation, but the firm will not be able to protect you if you have entered conversations concerning allegations without appropriate guidance and assistance.
- During the investigation of any complaint, Compliance will want to discuss the matter with you and will want to see any relevant documentation. It is extremely important to always keep good notes and records so that in such an instance you will be able to back up your actions and enable Compliance, Legal and senior management to present your case accurately to the complainant.
- Failure to immediately pass a complaint on to the appropriate party will create the very likely possibility of increased regulatory risk to you and may incur internal sanctions, including the possibility of termination.

Municipal Securities Complaints

- Upon receipt of any complaint involving a Municipal Securities transaction, compliance with MSRB Rule G-10 must be ensured. G-10 requires that upon receipt of a customer complaint concerning municipal securities, an 'investor brochure' be promptly sent to the customer.
- Proof of sending the client the 'investor brochure' must be attached to the complaint and maintained as a permanent record of said complaint.
- The MSRB 'investor brochures' can be obtained by utilizing the MSRB Publications Order Form [available in the MSRB Manual, in MSRB Reports, by phone, or downloaded off the Internet (www.msrb.org)].
- It is your responsibility to know who is responsible for supplying a customer with the "investor brochure." It may be your responsibility, or it may fall to another individual or department within the firm (operations, compliance, etc.).

Customer Funds/Checks/Securities

It is not appropriate for any RR and associated persons to take personal control of any customer funds/checks/securities. Failure to adhere to the requirements concerning appropriate handling of customer funds/checks/securities may result in criminal charges as well as regulatory fines and sanctions.

Should any such items come into your possession, you must immediately and appropriately transfer these items (i.e., to your supervising principal, 'home' office, cashier, etc.).

You are also required to enter receipt and disbursement information onto all appropriate logs. Checks must be made payable to investment companies or RBC Capital Markets Corporation. Customer checks should **never** be made payable to LMK or to the RR for securities transactions. If, at any time, you accept a customer check made payable to you, it may be considered grounds for immediate dismissal.

Customer Physical Stock Certificates

RR and associated persons are not to take personal control of any customer physical certificates.

The customer must send directly to:
RBC Service
250 Nicollet Mall, Suite 1700
Minneapolis, MN 55401-1931
Attn: Security Processing

In the envelope to RBC, it must include the following:

- The physical stock certificate with the back signed or in lieu of that, the Irrevocable Stock or Bond Power (e-signatures are not accepted), found under RBC Forms; and
- Security & Paperwork Transmittal Log, found under RBC Forms.

Additional note: Trackable shipping should be utilized to help avoid the potential for lost certificates.

Customer Mail Retention

Time Limits for Holding Customer Mail. As per FINRA Notice to Members 04-71, FINRA IM-3110(i) permits us, upon receipt of a customer's written instructions to hold mail for a period of:

- no longer than two months if the individual is vacationing or traveling within the US, or
- for a period of no longer than three months if the customer is going abroad.

You should immediately notify your supervising principal upon receiving any such request from a client because no customer mail is to be held without the principal being made aware that the customer has so requested, in writing, and has been advised by return mail as to the time limitations of our ability to comply with the request.

Lists of all customers for whom you are at any time holding mail must be maintained, indicating the beginning date and the date by which your being able to hold their mail is no longer possible.

Discretionary Accounts

LMK prohibits RR from maintaining discretionary accounts. Maintaining discretionary accounts requires a firm to be registered as an Investment Adviser and the individual with discretion to be registered as an investment adviser agent.

You are expressly PROHIBITED from handling any brokerage account on a discretionary basis. You may, however, have limited discretion on time and price if granted the following:

- Approval by the client (oral); and
- Approval by Compliance

Removal of Limited Discretionary Authority from an Account

When a client orally grants time and price discretion, such discretion is LIMITED to the day it is granted, unless you have received from the customer a signed and dated written authorization allowing you to carry the order forward to completion. A client must submit written instructions to have limited discretion removed from his/her account, stating exactly (i.e., the month/date/year) when your discretionary authority ended.

False or Artificial Entries

False or artificial entries on any books, records, or accounts, for any reason, are strictly PROHIBITED. You are PROHIBITED from signing another individual's name or requesting any other individual to sign another person's name, on any document affecting a client's account or any records of this firm. You may NOT accommodate any client requests to assist them, or their associates, by falsifying signatures on any documents or records. Any deviation from this policy will result in IMMEDIATE TERMINATION.

E-Signature Policy

Any vendor used for e-signatures must comply with the ESIGN Act or they will not be accepted. All parties involved must agree to use e-signature. RR should document any verbal agreement to use e-signatures.

Some fund direct or insurance companies may not accept e-signatures or may have a different or more limited approved vendor list. LMK is not responsible for any delays in paperwork processing because of fund direct or insurance companies not accepting e-signatures. RR are responsible for determining if a financial institution will accept one of LMK's approved vendors e-signatures.

LMK will accept electronic signatures ONLY from the following approved vendors:

- DocuSign
- Adobe Sign **(NOT Fill & Sign)**.

The following are NOT acceptable as it relates to e-signatures:

- Legal documents submitted such as a Power of Attorney or anything notarized, or signature guaranteed that has an e-signature on it.
- RBC checking account applications.
- Typed or cursive signatures in the signature box that was not used by an approved vendor.
- Documents submitted were signed electronically but filled in by hand. If you use e-sign, everything must be completed electronically. In other words, you cannot print out forms that were signed electronically and fill in blanks or checkboxes yourself.
- Physical checks should not accompany digitally signed applications. However, you may use voided checks to establish ACH and deposit funds via ACH instead of check. It would be preferable to establish as much ACH as possible to avoid handling physical checks.

When using e-sign, all documents submitted must be electronically signed. Signature verification forms are to be provided to Compliance to validate the customer's signature for situations where electronic signatures are not able to be used.

LMK requires an e-signature attestation form to be completed by RR who wants to utilize e-signatures. This is required to be done prior to utilizing the electronic signature process.

RR must use electronic signatures for all documents submitted through e-sign. Each document submitted with e-signatures must contain the e-signature vendor's audit trail of the document showing time stamps, IP addresses, proof of document review, etc.

LMK requires the recipient identity verification option to be chosen when RR are utilizing DocuSign or Adobe Sign for individual recipients, requiring them to provide additional information to prove their identity.

RR must select the "SMS authentication" method for DocuSign and "Phone (SMS) authentication" method for Adobe Sign which require the recipient provide a passcode received by SMS text message to view their documents.

The specific instructions on how to do the DocuSign SMS authentication are as follows:

1) Click the "**Customize**" dropdown box in right hand corner of the Add Recipients screen
2) Click "**Add identity verification**"
3) Click the dropdown box under "**Identity Verification**" and then select "**SMS**"

Representatives are also required to save the DocuSign paperwork as a PDF, and this is done by clicking "Keep PDF form data" from the "Manage PDF form field data" popup box.

For Adobe Sign, SMS authentication can be provided as follows:

Go to the Add Recipients screen and click on the **picture of the envelope** (to the right of the recipient box) and then click **"Phone"** and that will ensure that the customer must put in an SMS code on their phone to view the document(s).

Certification paperwork for both DocuSign and Adobe Sign (called a "Cover Sheet') must be provided and if it is not included or comes without verification of SMS authentication, then it will be rejected by the Home Office.

Gifts and Gratuities

RR or members of their immediate family are prohibited from giving or receiving any item of value (i.e., gifts, gratuities, etc.) greater than $100 in value to/from a client/prospective client or an individual employed by any other entity with which we have a business relationship, per calendar year, when the item of value given or received relates to firm business.

Gifts of de minimis value (e.g., pens, notepads, or modest desk ornaments) or promotional items of nominal value that display a firm's logo (e.g., umbrellas, tote bags or shirts) are allowed. For a promotional item to fall within this exclusion, its value must be substantially below the $100 limit.

All associated persons are required to submit a request to Compliance through ComplySci system when giving or receiving any business-related gifts and gratuities with a client or prospective client or an individual employed by any other entity with which we have a business relationship. This should be done by completing and then uploading the firm's Gift Report Log excel spreadsheet which collects the necessary gift related information for Compliance to review.

All such requests will be reviewed by Compliance and then placed (and tracked) on the firm's gift and gratuity log. Gifts are not permitted to exceed $100 for any one person over a calendar 12-month period. Compliance will maintain the gifts and gratuities log and review it looking for any patterns that may raise concern.

Any gift or gratuity violations may be subject to disciplinary action up to and including termination.
If you have any questions about your responsibilities regarding gifts and gratuities, contact Compliance.

Business Entertainment

Entertainment of or by clients for a reasonable cost is allowed. Both the host and guest must attend the entertainment together and the entertainment costs must be considered reasonable.

Tickets to the Super Bowl, Masters, NBA Finals, World Series, Pebble Beach greens fees, etc. would not be considered reasonable and are therefore prohibited by the firm. Entertainment costs are considered reasonable if the total cost of the entertainment does not exceed $250, if the entertainment has a for-profit sponsor, or $500 if a non-profit sponsor is involved. Reasonable greens fees or admission to a baseball game are examples of reasonable entertainment.

Loans Between Registered Persons and Customers

FINRA Rule 3240 PROHIBITS you from borrowing money from, or lending money to, a customer.
There are certain limited instances where such borrowing or lending can occur, and we have put into place policies and procedures that will permit us to consider requests for such activities. It is your responsibility to be fully aware of all such policies and procedures as they relate to any prohibitions or acceptable scenarios.

Compliance will, on a case-by-case basis, consider approval of any such lending and/or borrowing requests ONLY if one of the following five conditions exists:

- The customer is a member of your immediate family (i.e., parent, grandparent, in-law, husband or wife, brother or sister, child, grandchild, cousin, aunt or uncle, niece or nephew or any other person whom the registered person supports, directly or indirectly, to a material extent.).
- The customer is in the business of lending money.
- The customer and the registered individual are both registered individuals of the same firm.

- The lending arrangement is based on a personal relationship outside of the broker-customer relationship.
- The lending arrangement is based on a business relationship outside of the broker-customer relationship.

If Compliance determines that the lending or borrowing situation falls under one of the above conditions, a determination will be made whether to approve your request. The approval or denial will be made in writing, and ONLY upon such written approval may you engage in the lending or borrowing arrangement. Your failure to adhere to the requirements regarding loans between registered persons and customers may result in disciplinary action, up to and including termination.

Margin Accounts

If an account is subject to a margin call, you will be notified by LMK Operations, RBC Margin department, or other area (depending on procedures utilized by your broker/dealer). Upon receipt of such notification, you should consult with your supervising principal or other appropriate individual prior to proceeding with any further activity in the account.

The Federal Reserve Board's Regulation T regulates the extension of credit by broker-dealers to customers. The initial margin requirement is currently set at 50% of the purchase price of the securities being purchased in the margin account.

In addition to following all other new account procedures, upon opening a margin account you must also do the following:

- Obtain a signed margin agreement [stating all the rules with which the client must abide and giving RBC the right to hypothecate (loan) the customer's securities to secure the credit extension].
- Provide a margin disclosure statement to all non-institutional clients. Copies of the disclosure document can be obtained from your Supervising Principal or Compliance.
- Maintain evidence of providing the disclosure statement in the client file.

All margin accounts must be approved by Compliance.

Sharing Customer Accounts

It is PROHIBITED for you to share directly or indirectly in the profits or losses in any customer account except for:

- Receive prior authorization from LMK to engage in certain specific sharing arrangements; and
- Obtain (and deliver to Compliance) prior written authorization from the customer; and
- The profits or losses shared in any account are only in direct proportion to the financial contributions made to such account by either LMK or you.

Family accounts are exempt from direct proportionate share limitation. (The immediate family is defined as parents, mother/father in-law, spouse, children or any relative to whose support the individual registered representative contributes, directly or indirectly).

LMK is permitted to receive compensation based on a share in profits or gains in an account if all certain conditions are satisfied.

Before Compliance will allow any such sharing, there must be sufficient information on file to reasonably believe the arrangement represents 'arm's length' between the parties. (Questions concerning what constitutes 'arm's length' should be directed to Compliance.)

Any compensation formula agreed upon must consider BOTH gains and losses realized or accrued over a period of at least one (1) year.

Registered Person Named a Customer Beneficiary

A RR shall decline being named a beneficiary of a **customer's estate** or receiving a bequest from a customer's estate upon learning of such status unless one of the following conditions is satisfied:

- The customer is a member of the registered person's immediate family; or
- Upon learning of such status, the registered person provides written notice describing the proposed status to the member with which the registered person is associated, in such form as specified by the member, and receives written approval from LMK of such status prior to being named a beneficiary of a customer's estate or receiving a bequest from a customer's estate. If LMK disapproves the status or places conditions or limitations on it, the RR shall not assume such status or shall comply with such conditions or limitations.
- A RR shall decline being named as an executor or **trustee or holding a power of attorney** or similar position for or on behalf of a customer upon learning of such status unless one of the following conditions is satisfied:
- The customer is a member of the registered person's immediate family; or
- Upon learning of such status, the registered person provides written notice describing the position and the person's proposed role to the member with which the registered person is associated, in such form as specified by the member, and receives written approval from LMK of such status prior to acting in such capacity or receiving any fees, assets or other benefit in relation to acting in such capacity; and
- The RR does not derive financial gain from acting in such capacity other than from fees or other charges that are reasonable and customary for acting in such capacity; and
- If LMK disapproves the position or places conditions or limitations on it, the RR shall not act in such capacity or shall comply with such conditions or limitations.

Logs

RR, who handles customer accounts must also maintain complete, accurate and up-to-date records of client information in a posting book or log, etc. RR who does NOT maintain such records will not be able to effectively adhere to the 'Know Your Customer' requirements.

You are required to submit Incoming Correspondence logs and Purchase & Sale logs each month by the 15th through Complysci. If the 15th falls on a weekend or holiday, they are due the business day prior to the 15th. If you have nothing to report, you must submit a log stating that you have no log activity.

At the minimum, such logs should contain the following information:

- Name of client.
- Current address.
- All requisite suitability information is maintained on a current basis and reviewed at least annually.
- All purchases and sales information, including trade date, security name, quantity, and price.
- Security holdings.
- Type of account (i.e., cash, margin, discretionary).

Premier Lines of Credit

RR may offer the RBC Premier Line of Credit to high-net-worth investors. Neither the RR nor LMK will participate in any revenue sharing on the Premier Line of Credit. This solution, or service, is only offered as a value add and is not intended to be a revenue source for LMK or RR.

Each line of credit is for a minimum of $500,000. Lines of credit may be fixed rate or variable. RBC determines the lending levels based on the types of assets in the account - typically 70% is the most RBC will lend. RBC Bank has the right to issue collateral calls, or securities sales to meet sufficient collateral to support the credit line. Every new line of credit must be approved by RBC as well as LMK in writing prior to funding any loan.

Suitable client situations may include:

1. Refinancing high-cost debt.
2. Meet Real Estate Financing Needs on a short-term basis (less than 3 years).
3. Business financing.
4. Personal liquidity to avoid selling securities subject to capital gains liability.
5. Satisfy other tax obligations.
6. other reasonable short-term liquidity needs for purchases, payments, or liabilities.

This is a value-added offering and is not part of the general business of LMK or any registered representative. This is not a product or service to be solicited, but rather a solution to a specific client's needs that the client has identified. If the collateral for a line of credit decreasing the appropriate OSJ will notify the RR if the loan is getting close to a collateral call.

Privacy Policy Disclosure (SEC Regulation S-P)

RR are required to supply all new customers with a Privacy Policy notice disclosing its policies and procedures regarding the sharing of non-public personal information. This information must be provided to only 'natural' persons, as institutional customers are exempt. LMK is required to supply all customers with a Privacy Policy notice annually.

There are specific rules and requirements under SEC Regulation S-P for the safeguarding of customer information. You should be aware of the requirements and our policies and procedures on such safeguarding to ensure that you are not violating any rule or internal policies or procedures concerning private, non-public information you have in your possession.

Client Confidentiality

Confidential or proprietary information obtained in the course of your employment with LMK may not be used for personal gain or shared with others for your personal benefit, or theirs. It is your responsibility to respect, and protect, the right to privacy of all our clients.

Rollovers - Retirement Plans and IRAs

RR are required to make a comparison of the fees and expenses when recommending a rollover transaction. This includes rollovers from retirement plans and IRA accounts. RR must consider and document their prudent analysis of why a rollover recommendation is in a retirement investor's best interest when recommending the following:

- From an ERISA plan to another ERISA plan.
- From an ERISA plan or to an IRA.
- From an IRA to another IRA.
- From one type of account to another, such as a commission-based account to a fee-based account.

For recommendations to rollover assets, the relevant factors include but are not limited to:

- Alternatives to a rollover, including leaving the money in the investor's employer's plan if permitted.
- the fees and expenses associated with both the plan and the IRA.
- whether the employer pays for some or all the plan's administrative expenses; and
- the different levels of services and investments available under the plan and the IRA.

RR should obtain the following when recommending a rollover:

- Copy of the customer initialed Zacks (or comparable program) analytical report
- Copy of recent retirement plan/IRA statement
- Copy of Participant Fee Disclosure Document 404(a)(5) - ERISA plans only
- Customer Acknowledgment Form
- Retirement Plan Rollover Form

Securities Investor Protection Corporation - SIPC

You, as a RR, are responsible for adhering to the FINRA rule requiring that at the time of opening a new customer account the customer is given, in writing, documentation as to our SIPC membership,

indicating that the customer can obtain information about SIPC (including the SIPC brochure) by contacting SIPC by phone (202-371-8300) or by going to the SIPC website (www.sipc.org).

Senior Investors: Diminished Capacity

If you have any Senior Investors, it is important that you understand, to the best of your ability, the issues that can arise for Seniors who have diminished capacity in any way (e.g., limited eyesight or hearing, the onset of some form of dementia, or any other aging-related disability). You should work closely with your designated Supervising Principal and Compliance when dealing with Senior Investors, most especially when you have concerns regarding how to handle a particular customer.

Another troubling issue is suspected financial - and sometimes mental or physical - abuse of senior customers by their family members or caregivers. Financial abuse is difficult to define, and therefore, difficult to recognize. In general terms, it is the misuse of an older adult's money or belongings by a relative or a person in a position of trust.

Red flags can include sudden, atypical, or unexplained withdrawals; drastic shifts in investment style; inability to contact the senior customer; signs of intimidation or reluctance to speak in the presence of a caregiver; and isolation from friends and family.

FINRA Rule 4512 requires you to make reasonable efforts to obtain the name of and contact information for a trusted person upon the opening of or when updating information on a non-institutional customer account. The amendments do not, however, prohibit you from opening and maintaining an account if a customer fails to identify a trusted contact person. Furthermore, the customer must be informed in writing that you are authorized to contact the trusted person and disclose information about the customer's account.

Per FINRA Rule 2165, temporary holds are allowable on disbursement of funds or securities from the account of a vulnerable adult if there is reasonable belief that financial exploitation of the specified adult has occurred, is occurring, or will be attempted. As of March 17, 2022, a member firm can also place a temporary hold on a transaction in securities when the firm has a reasonable belief that the customer is being financially exploited. In such cases, the member has up to 55 business days to maintain a disbursement or transaction hold where the rule's criteria are satisfied (including the external reporting to a state authority), unless otherwise terminated or extended by a state authority. All documentation from the request through the disposition of the holder is to be maintained.

Senior Investors: High-Pressure Sales Seminars Aimed at Seniors

Under no circumstances may RR hold a seminar without receiving PRIOR approval from Compliance, regardless of who your proposed audience is. Furthermore, you may NOT use any title 'designation' of any sort without PRIOR approval.

RR are prohibited from making false, exaggerated, unwarranted or misleading statements or claims in communications with the public. This prohibition includes references to nonexistent or self-conferred degrees or designations or referencing legitimate degrees or designations in a misleading manner.

Permission to utilize any professional designations and/or titles must be given to you in WRITING, and you must maintain such approval records. Utilization of any non-approved designations/titles will result in disciplinary action, including the possibility of termination.

Any seminars directed at seniors must also receive pre-approval by Compliance. All scripts, handouts, dates, names of individuals conducting seminars to be attended by seniors, as well as any other relevant material, must be pre-approved. All such documentation must be maintained.

If you receive approval to hold a seminar to which senior investors will be invited, a list of attendees, including their phone numbers and home addresses must be supplied to Compliance.

Senior Investors: Suitability

RR are to consider the importance of liquidity and the fact that seniors and retirees may have less tolerance for certain types of risk than other investors. For example, retirees living solely on fixed incomes may be more vulnerable to inflation risk than those who are still in the workforce, depending on the number of years those retirees are likely to rely on fixed incomes. Likewise, seniors whose investment time horizons afford less time or opportunity to recover investment losses may be disproportionately affected by market fluctuations.

Over-reliance on net worth is particularly problematic where an investor meets the accredited investor standard based largely on home values, which may represent the largest asset of many Senior Investors. Questions you should consider when dealing with Senior Investors include, but are not necessarily limited to:

While not all seniors are, or should be, risk-adverse, and while no product per se is unsuitable for older investors, certain products or strategies pose risks that may be unsuitable for any seniors because of time considerations, liquidity, volatility, or inflation risk.

Of specific concern should be transactions involving products that have withdrawal penalties or otherwise lack liquidity, such as deferred variable annuities, equity indexed annuities, some real estate investments and limited partnerships; variable life settlements; complex structured products, such as collateralized debt obligations (CDOs) or cases where investors have mortgaged home equity for investment purposes or have utilized retirement savings, including early withdrawals from IRAs, to invest in high risk investments.

Prohibited Acts

RR are specifically prohibited from doing any of the following:

1. Engaging in 'private' securities transactions (any transaction not sponsored or authorized by an authorized principal of this broker/dealer). Registered individuals may not affect securities transactions for any person or entity outside the scope of his or her employment with this broker/dealer. Any registered individuals affecting private securities transactions without first receiving written permission

from the principal of this firm will immediately be terminated. Transactions excluded from the above prohibition are: (a) those subject to Rule #3050 of FINRA Conduct Rules; (b) personal transactions in investment company and variable annuity securities; and (c) those transactions among immediate family members for which the associated person does not receive any selling compensation.

2. Breaching fiduciary duty. A registered individual's fiduciary responsibilities include managing the account in a manner directly comporting with the needs and objectives of the client, ensuring that the client is continually informed regarding changes in all matters affecting his or her interest, acting responsibly to protect those interests, ensuring that the client is fully aware of each completed transaction and openly and clearly explaining any impacts and possible risks of any investment strategy.

3. Raising money individually or as an agent for any business enterprise whatsoever without the advance written consent of an authorized principal of this firm.

4. Warranting or guaranteeing the present/future value or price of any security or warranting that any company, partnership, or issuer of securities will meet its obligations, promises, or comply with its representations to investors.

5. Agreeing to repurchase a security at some future time from a client for the registered individual's account, for the firm's account or for any other account.

6. Raising money for a charitable political organization without informing an appropriate principal prior to the commencement of such activity.

7. Acting as personal custodian of client securities, stock powers, money, or other property.

8. Arranging for or accepting authority to be granted access to a safety deposit box or other safekeeping place belonging to a customer/client.

9. Borrowing securities from a client.

10. Executing an order without the client's express permission (unauthorized transactions).

11. Mismarking orders in terms of whether the transaction was solicited or unsolicited.

12. Borrowing money from a client (other than the limited situations where this is permissible under FINRA Rule 2370)

13. Receiving compensation for securities transactions (from clients or other securities dealers) for services rendered, including finder's fees, purchase rep fees, investment advisory fees, and commissions of any sort. This prohibition can be waived in writing, only be an appropriate principal of this firm, in advance of any transaction.

14. Planning for a client to borrow money for this purpose of purchasing securities. Advice and assistance can be given to clients in obtaining letters of credit from their bank for completing a unit purchase in a private placement.

15. Maintaining a joint account in securities with any client, or sharing any benefits, profit or loss with any client resulting from a securities transaction, except under the following circumstances: prior written authorization is given (by Compliance) to the firm or to the associated person; prior written authorization is received by this firm from the customer; and prior written guidelines indicate that this firm or the associated person share in the profits and losses in the account ONLY in direct proportion to the financial contributions made to such account by either the firm or the associated person.

16. Entering any business transaction or relationship jointly with a client without the specific advance written approval of an appropriate principal.

17. Making written or oral representations, regarding securities, other than those contained in official offering prospectus if issue is under registration, or in materials specifically authorized by this firm to us if the securities are the subject of a private placement.

18. Accepting an account from a customer on a discretionary basis. Only registered investment advisory firms are permitted to maintain discretionary accounts.

19. Planning for the purchase or sale of securities for a customer/client except through this broker/dealer, unless specifically authorized (in writing) by an appropriate principal.

20. Advertising in any newspaper or publication without obtaining prior written approval from an appropriate principal.

21. Offering or selling securities in states in which the registered individual is not appropriately registered/licenses.

22. Recommending the purchase (or continuing purchase) of securities in amounts which are inconsistent with the reasonable expectation that the customer/client has the financial ability to meet such a commitment.

23. Compensating any person, firm, or entity other than another registered individual of this firm for any services rendered in connection with the sale of a security to a customer without express written advance approval of an appropriate principal.

24. In many states it is prohibited for individuals to represent more than one broker/dealer or issuer unless both entities are affiliated by direct or indirect common control. All such registration issues should be discussed with an appropriate principal.

25. No individual associated with this firm shall, directly or indirectly, give or permit to be given anything of value, including gratuities, more than one hundred dollars ($100) per individual per year to any person, principal, proprietor, employee, agent, or representative of another person, where such payment or gratuity is in relation to the business of this firm. (A gift of any kind is considered a gratuity).

26. Selling 'control' or 'restricted' securities without prior written approval from the Compliance Department. If you have any questions concerning any of these or other prohibitions, or if you are

unclear as to an activity in which you wish to engage falling under one of the above, contact your Supervising Principal or Compliance for clarification.

Trading

Suitability: Investment Recommendations

A RR must have a reasonable basis to believe that a recommended transaction or investment strategy (see further below for details concerning recommended investment strategies) involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile.

At the time of recommendation, the LMK Additional Disclosure Document is to be given to the customer. A recommendation would be considered a “Buy”, “Sell”, or “Hold”. Alternative investments must be considered in your recommendation and the details of your recommendation are to be recorded in LMK Dash notes or your approved client relations management software. Two additional methods of recording customer notes are through e-mail (since it is monitored and archived through Global Relay) and by sending the customer a letter memorializing the details surrounding the recommendation and conversation between the representative and the client.

A customer's investment profile includes, but is not limited to:

- the customer's age.
- other investments.
- financial situation and needs.
- tax status.
- investment objectives.
- investment experience.
- investment time horizon.
- liquidity needs.
- risk tolerance.
- any other information the customer may disclose to the member or associated person in connection with such a recommendation.

A client's investment objectives, risk tolerance, financial resources, and level of sophistication and knowledge about financial matters and securities markets, and all other investor profile requirements, must be clearly understood.

Income, liquidity needs, time horizons, age, employment status, occupation, dependents, and other relevant information must be considered and discussed with the client when determining investment objectives and making appropriate recommendations.

Suitability must also be a concern even when accepting a non-recommended transaction. There have

been cases where RR and their firms have been cited for unsuitable, non-recommended transactions, and the mere fact that a registered individual STATES that a transaction was not recommended was not the determining factor in the arbitration case.

Transactions you consider clearly unsuitable should not be processed without first consulting a supervising principal who may require a written disclosure from the customer acknowledging this firm's concern that the transaction is unsuitable, and that the customer wants to proceed regardless.

If at any time a customer wants to undertake a transaction that you consider unsuitable, you must discuss the trade with your supervising principal PRIOR TO EXECUTING THE TRADE. A supervising principal may not approve new account forms and the opening of a new account and, therefore, the first transaction may not be undertaken, unless the principal determines that you have obtained sufficient investor profile information.

For retail clients, any investment more than three hundred thousand dollars ($300,000) may require a new financial statement unless there is one in the client's file which is current within two years prior to the proposed transaction.

If a trade appears unsuitable, you may be contacted to discuss the trade, requiring you to defend your position that it was suitable. If there is no acceptable defense and the transaction is ultimately deemed to be unsuitable, disciplinary action may be warranted.

Every effort must be made to obtain the following, or similar, information (as well as any other information deemed to be pertinent in terms of our making investment recommendations) on all new accounts and on all accounts as they are routinely updated.

- Title of Account.
- Customer's Full Name/Home Address/Home Phone.
- Customer's Employer/Customer's Occupation/Customer's Title.
    - Is Employer a broker-dealer?
    - Is the customer affiliated with FINRA?
    - Is the Customer associated with another broker-dealer?
    - Is Customer a public company officer/director/controlling stockholder?
- Spouse's Employer/Spouse's Occupation/Spouse's Title, if applicable.
- Customer's Employer Address and Spouse's Employer Address, if applicable.
- Name/Address/Relationship of third-party operating account.
- Type of Account.
- Citizenship/Age.
- How was the account acquired/How long has the representative known the client?
- Bank References/Other References.
- Previous Investment Experience.
- Other securities holdings.
- Investment Time Horizons.

- Liquidity Needs.
- Income/Net Worth/Tax Bracket.
- Investment Objectives.
- Initial Transaction information.
- Social Security/Taxpayer ID Number.
- Signature of Registered Representative/Signature of Principal.
- Any standing Instructions.
- Verification of Registered Representative's Licensing/Registration in Customer's State of residence.
- Other brokerage accounts held by customers.
- Is Customer related to/associated with an Employee of this firm?
    - Supporting documentation to be obtained includes but is by no means limited to:
        - Tax returns.
        - Power of Attorney, if applicable.
- If the client is an Employee Benefit Plan participant
        - Copy of plan document.
        - Written authorization executed by plan trustee which expires and requires renewal on an annual basis.

Front Running/Trading Ahead

RR are prohibited from buying, selling, or recommending the purchase or sale of any security or a derivative thereof for any account in anticipation of:

- a price change resulting from a contemplated or pending block transaction in the security or a derivative thereof for another account or
- the issuance of a research report, research rating change, or other similar occurrence, that could materially impact the market for a security.

RR must wait to purchase securities for their personal benefit when the RR recommends the same security to their clients. Due to the recommendation, RR are to trade their personal accounts at the end of the day or the next business day.

Churning

Churning a client's account (executing transactions solely for the purpose of generating commissions) is STRICTLY PROHIBITED. Uncovered churning activities will result in, minimally, suspension of trading activities for a specified period, and in severe or repeat instances, termination. Accounts that turn over four times in one calendar year will be evaluated for possible churning.

General Overview/Securities Transactions

As RR, you must constantly bear in mind that your conduct is governed not just by LMK but also by several regulatory bodies (SEC, FINRA, NYSE, MSRB, other SROs and applicable state jurisdictions). While certain products (i.e., options, municipals, etc.) have additional product-specific sales practice requirements, all sales efforts and securities transactions must adhere to the rules, regulations and

requirements overseeing sales practices, fiduciary responsibilities, best business practices and fair dealing with the public.

All sales efforts must be viewed with respect to the suitability of the product for the customer, rather than on the premise that the transaction will result in a profit for the customer and a commission for the firm. Further, we must follow all guidelines of Regulation Best Interest when making recommendations to a retail customer and provide them with our additional disclosure document.

You must be familiar with all material product characteristics and applicable industry regulations prior to soliciting or affecting any securities transactions. All fees and charges must be fair and reasonable.

Products must be approved by LMK prior to any transactions being undertaken.

Any product questions or issues surrounding suitability should be brought to the attention of your Supervising Principal prior to executing the transaction.

Order Errors/Trade Corrections

It is your responsibility to exercise care during the order taking and execution process to prevent the necessity of having to make any corrections or having any order errors. Order errors will, however, occur from time to time and do not necessarily mean that any fraudulent activities have taken place. However, failure to disclose any errors or required corrections may result in sanctions. All order errors and trade corrections must immediately be brought to the attention of your designated supervising principal. RRs will bear cost and responsibility for errors and corrections not identified on the trade date.

Order Tickets/Investor Questionnaires/Subscription Agreements/Applications

Upon receipt of a client order, you must complete an order ticket, as broker-dealers are required to maintain a memorandum of each brokerage order and of any other instruction, given or received, for the purchase or sale of securities, whether executed or unexecuted. You must be familiar with our order ticket policies, as order tickets may be completed electronically or in traditional hardcopy form. Order tickets must disclose the following:

- The terms and conditions of the order or instructions, as well as any modification to the account for which it was entered.
- The time of order receipt.
- The time of order entry - the time when the order is transmitted for execution.
- The time of order execution.
- The price at which the order is executed and, to whatever extent feasible, the time of execution or cancellation Items 3, 4 and 5 above are all required, even if either two of them are the same time.
- Your representative number, or name, if you are responsible for the account.
- The representative number, or name, of any other person who entered or accepted the order.
- Solicited orders should be designated as such.
- An indication if the order is executed pursuant to discretionary authority.

- Sales tickets must be marked 'Long' or 'Short' Subscription/Application basis orders (i.e., private placements, mutual funds, etc.) are exempt from Items 2, 3, 4 and 9 above.

Continuous failure to fill out these required documents correctly and completely may result in disciplinary action, ranging from a withholding of the commission relevant to a specific order to a suspension of your sales activities.

Insider Trading

Safeguard Statement Upon being hired, or at sometime within the first year of your employment with LMK, you are required to sign, and return to Compliance, an Insider Trading Safeguard Statement. You will be requested to sign the statement again annually, reiterating your understanding of our Insider Trading prohibitions and implications.

In addition, you are required to:

- Maintain as confidential all business-related information in connection with your duties at LMK.
- Refrain from disclosing, except on a carefully determined need-to-know basis, any inside information to any person. If you are unclear what constitutes a need-to-know basis, discuss this matter with Compliance.
- Refrain from trading on inside information.

If you have information that an employee is trading in material, non-public information, or who may have provided such information to others who are not authorized to receive such information, you must IMMEDIATELY inform Compliance.

There may, however, be outside persons authorized to receive such information in connection with one or more transactions, such as individuals who are typically authorized to receive such information, including, among others, attorneys, accountants, and investment bankers involved in the relevant transaction.

Therefore, any questions regarding whether information may be properly communicated to another person must be brought to the attention of your Supervising Principal or Compliance PRIOR to taking any action.

Market Manipulation

It is PROHIBITED for any individual involved in the securities business to participate in any type of activity which might be construed as a manipulation of financial markets. It is further PROHIBITED to circulate any rumors of a sensational or important enough nature to effect market conditions. Activities that affect the underlying price of a security for reasons other than supply and demand, or other factors generally affecting the markets, can be construed as 'market manipulation.' As an RR, it is obligatory that you remain watchful for potential, or actual, manipulation of markets.

Public Offerings

When LMK is participating in a public offering for which a registration statement is not yet effective, you are PROHIBITED from accepting orders or payment for orders in those securities.

- During this pre-effective period, you may ONLY solicit customer indications of interest in the offering.
- During this pre-effective period, the preliminary prospectus or 'red herring' is the ONLY form of written communication you are allowed to send to a client.
- When your Supervising Principal notifies you that an offering has been declared SEC-effective, you may contact clients to reconfirm their interest in the public offering and accept orders.
- A final prospectus MUST be sent to the customer prior to, or to, the confirmation.

If you have any questions regarding the solicitation of an offering (pre-effective/post-effective period restrictions or requirements etc.) you should bring them to the attention of Compliance.

Restricted Stock Transactions

Restricted securities are those securities that have been acquired from an issuer in a transaction not involving a public offering. The resale of restricted securities is subject to restrictions and can only be executed pursuant to an exemption from registration or registration under the Securities Act of 1933.

Typically, company insiders, including officers, directors, and control persons (i.e., ownership of less than 5% of outstanding stock) are among the most common individuals to acquire restricted shares. The most popular exemption from registration relied upon to resell restricted securities is Securities Act Rule 144.

To uncover potential transactions in restricted stock, you must endeavor to obtain complete background data for all new accounts, including information concerning your client's affiliation (i.e., a current or past officer, director, or similar official of the company).

Prior to the trade, you must have a signed and completed New Account Form for that client. The designated Principal will review this New Account Form and either approve or return it for clarification prior to, or within two days following, the initial transaction.

In cases where certificates are being deposited, you must inspect the certificates for restricted legends indicating that the certificates are restricted securities, in which case, they can only be sold after Compliance has approved such a sale.

To comply with Securities Act Rule 144, the following steps must be taken:

- Five copies of Form 144 must be filed with Compliance.
- The issuer must be current in its SEC filings.
- Restricted shares must have been held for at least one year.
- The securities must be sold in an unsolicited brokerage transaction.
- You must adhere to restricted share volume restrictions.

- You must also contact Compliance to determine if LMK requires any additional Rule 144 documentation, such as a written Legal Opinion from client's counsel acknowledging the appropriateness of the sale.

Securities Act Rule 144A provides a safe harbor from Section 5 registration for the resale of private placements by qualified institutional buyers provided certain conditions are met. These conditions are extensive and quite complex. Accordingly, you must consult with your supervisor prior to effecting any Rule 144A transaction.

Marking Order Tickets

You must mark all "sell" order tickets for equities either "long," "short" or "short exempt" as required by Rule 200(g) under SEC's Regulation SHO. Contact Compliance if you have any question regarding the marking of "sell" order tickets.

Locate and Delivery Requirements

You may NOT accept a short sale order in an equity security from another person unless you are aware that we have:

- Borrowed the security, or entered an arrangement to borrow the security, or
- Reasonable grounds to believe that the security can be borrowed so that it can be delivered on the date delivery is due; AND
- Documented compliance with the above provisions

To meet the borrowing requirements noted above, the SEC has stated in a "Frequently Asked Questions Concerning Regulation SHO" (available at www.sec.gov) that broker-dealers may use "easy to borrow" reports, or other similar reports, to show securities available for loan. Consult with your Supervising Principal or
Compliance if you are not certain of your responsibilities in terms of complying with the above requirements.

There are several exemptions from the above requirements:

- Orders from another registered broker or dealer that is required to comply with the above requirements - SEC Rule 203(b)(1).
- Any sale of a security that a person is deemed to own, provided that, in the case of restricted securities, you have been reasonably informed that the person intends to deliver such security as soon as all restrictions on delivery have been removed. If the person has not delivered such security within 35- days after the trade date, we must borrow securities or close out the short position by purchasing securities of like kind and quantity.
- Short sales effected by a market maker in connection with bona-fide market making activities in the security for which this exception is claimed.
- Transactions in security futures

If you are uncertain at any time whether any exemptions apply to a particular customer's transactions, ask for guidance from your Supervising Principal or Compliance.

Threshold Securities Fail-to-Deliver.

Exchange Act Rule 203(b) covers the requirements regarding threshold security fails-to-deliver buy-ins. In addition, FINRA enacted Rule 3210 regarding short sale delivery requirements, which applies short sale delivery requirements to those equity securities not otherwise covered by the delivery requirements of Regulation SHO, namely non-reporting OTC equity securities.

A threshold security is defined by the SEC as "any equity security of an issuer that is registered pursuant to Section 12 of The Exchange Act, or for which the issuer is required to file reports pursuant to Section 15(d) of The Exchange Act for which:

- there is a fail to deliver aggregate position for five consecutive settlement days at a clearing agency of 10,000 shares of more and that is equal to at least .5% of the issue's total shares outstanding.
- is included on a list disseminated by an SRO; and provided, however, that a security shall cease to be a threshold security if the aggregate fail to delivery position at the clearing agency does not exceed the level specified in paragraph (c)(6)(i) of this section for five consecutive settlement days."

Fail-to-deliver positions in a threshold security, open for thirteen-settlement days (or ten-settlement days plus T-3 for the total of thirteen days), must be closed out by our firm purchasing securities of like kind and quantity.

Until a position is closed out, you may not affect further short sales in a threshold security without borrowing or entering a bona fide arrangement to borrow the security.

There are some close-out exceptions in Rule 203(b)(3) about which you, or your Supervising Principal, should be aware.

You should ensure that either your Supervising Principal, Compliance or Operations notify you of all open fails-to-deliver subject to this Rule as it impacts your ability to effect further short sale orders in a particular security.

Trading Ahead of Market Orders

FINRA Rule 5320 prohibits firms from trading ahead of customer market orders under certain circumstances. In short, the Rule calls for broker/dealers to make every effort to fully and promptly execute each customer market order received. The rule applies to all Nasdaq and exchange listed securities.

It's important to note that Rule 5320 applies to all broker-dealers that accept and hold customer market orders, irrespective of whether the broker-dealer is a market maker in the security.

Rule 5320 does not apply to riskless principal transactions, provided that certain requirements are satisfied, as described in the Rule. Certain off-lot orders are also exempt from the Rule.

If at any time you are unclear about any of the provisions under FINRA Rule 5320, you should discuss it with Compliance.

Time and Price Discretion Documentation - Retail Clients

When a client orally grants time and price discretion, such discretion is LIMITED to the day it is granted, unless you have received from the customer a signed and dated written authorization allowing you to carry the order forward to completion.

All open orders subject to time and price discretion - must be indicated as such on the order tickets – and must have appropriate written authorization in the client file.

In instances where an open order exists for which appropriate written authorization cannot be located, you are required to:

- IMMEDIATELY obtain ORAL approval for the following day, so that you will be able to continue to fill the order.
- Obtain the requisite WRITTEN authorization by the following day.

Error Accounts

Associated persons are prohibited from adding a transaction to LMK 'error account' to cover up an unethical or illegal action. Any transactions transferred by any means from a customer account to an error account must be documented to show they are bona fide corrections, cancellations, or errors.

Fair Prices and Commissions

Under FINRA Rule 2121, regarding 'listed' or 'unlisted' securities, when we buy for our own account from a customer, or sell for our own account to a customer, the buy or sell must be at a price which is fair, taking into consideration all relevant circumstances, including market conditions with respect to such security at the time of the transaction, the expense involved, and the fact that we are entitled to a profit; and if we acts as agent for a customer in any such transaction, it is prohibited to charge the customer more than a fair commission or service charge, taking into consideration all relevant circumstances, including market conditions with respect to such security at the time of the transaction, the expense of executing the order and the value of any service which may have been rendered by reason of experience in and knowledge of such security and the market therefor.

Mark-Up Policy

The question of fair mark-ups or spreads no definitive answer can be given and no interpretation can be all-inclusive for the obvious reason that what might be considered fair in one transaction could be unfair in another transaction because of different circumstances.

RR are not to enter any transaction with a customer in any security at any price not reasonably related to the current market price of the security or to charge a commission which is not reasonable.

When determining the appropriateness of a mark-up, FINRA Rule 2121 and all supplementary materials should be reviewed. If you have any questions, you should bring them to the attention of your supervising principal or Compliance.

Municipal Entities – Regulatory Notice 19-28

Regulatory Notice 19-28 states that a person who "provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or undertakes a solicitation of a municipal entity or obligated person" may be considered a Municipal Advisor. Registration, therefore, may be required if the person is advising or recommending an investment strategy on how to invest proceeds from the issuance of municipal securities or the brokering of escrow investment accounts.

L.M. Kohn & Company strictly prohibits you from making any solicitations (i.e., providing advice or recommendations) on behalf of a municipal entity or obligated person in relation to the transacting of municipal securities business. Municipal entities or obligated persons, who choose to transact business with the firm, are solely responsible and required to pick and choose their own investments in accordance with their own investment strategies. You "may provide the municipal entity client with general market and financial information, information regarding currently available investments, or price quotes for investments available for purchase or sale in the market that meet criteria specified by the municipal client" as described in Regulatory Notice 19-28. You must obtain a communication: electronic, in writing or verbally memorialized that no municipal bond offerings are used as the source of funds for any investment account carried through LM Kohn & Company. This communication or attestation must be submitted to compliance@lmkohn.com no less than annually.

If you are found to be in violation of this policy, then you will be subject to disciplinary action up to and including termination of employment with the firm. Please contact the Compliance Department with any questions.

Unreasonable Fees

Charges, if any, for services performed, including miscellaneous services, such as collection of monies due for principal, dividends, or interest; exchange or transfer of securities; appraisals, safe-keeping or custody of securities, and other services, shall be reasonable and not unfairly discriminatory between customers.

Products

Product Approval

Lists of 'products' which you are permitted to offer to customers will be given or made available to all registered personnel as they are updated or altered in any manner. If you are uncertain as to the status of a particular security/product, you must immediately take the question up with your Supervising Principal.

If you are found to be engaged in transactions involving products not approved by LMK, you may face disciplinary sanctions.

RRs are specifically prohibited from selling:

- Viaticals
- Private Placements

Certificates of Deposit

Certificates of Deposit Certificates of Deposits ('CDs') are typically issued by a bank, directly to a customer, carrying a fixed interest rate of a fixed duration of time, insured by the FDIC against depository institutional insolvency, and as such are generally considered to be a simple and conservative product, carrying few risks.

However, non-traditional CD products are being offered to investors that are more complex and carry more risk.

These are generally referred to as 'long-term' CDs. They usually have a maturity of several years (in some instances, as long as twenty years) and sometimes carry a higher yield than an FDIC-insured CD. They may also, however, have any number of additional features affecting the rate of return and degree of risk such as variable interest rates, callability by the issuing bank, available for trade in a secondary market and subject to transaction costs not typically associated with a traditional CD.

Equity Linked Certificates of Deposits / Principal Protected Structured Investments

Principal Protected Structured Investments combine the potential of long-term growth based on an underlying asset, a basket of assets or even indexes with the safety and security of full principal protection. Instead of paying a fixed rate of interest, a principal protected note provides a return at maturity based on the appreciation of an underlying asset or basket of assets, such as a US or international equity market index, one or more commodities, or virtually any other financial benchmark. While the interest the investor will receive is uncertain, and could be zero, the return of the initial investment amount at maturity is assured, subject to the credit quality of the issuer, regardless of the performance of the underlying assets. In many cases there is an imputed interest rate that the security will accrete at, giving your clients in a taxable account a potential tax liability.

RRs can receive additional training on structured products, including Principal Protected Notes, by signing in on the approved website for firm approved training. Training must be memorialized by a course generated certificate, with this certificate being forwarded to Compliance for review.

Brokered CD: may only be purchased through the LMK fixed income/trading department or on Bond Desk if the RR has been approved for Bond Desk function. Access to this function can only be set up through the Home Office.

Depending upon various factors, these non-traditional CD products can, from a legal standpoint, be considered securities. (If you have any questions as to whether this or any other product you are discussing with a client is a security, speak to your designated supervisor.)

Regardless of whether a product is a security or not, all registered personnel, must understand the product and be able to disclose to customers all product characteristics and risk factors adequately and clearly (i.e., possible loss of principal, call features, insurance issues, etc.)

For further regulatory concerns and FINRA recommendations concerning customer investments in nontraditional CD products, reference can be made to FINRA Notice to Members 02-28 (www.FINRA.org) as well as information relating to FINRA Rule 2111 (the new suitability rule) within this Manual.

Debt Securities

You must take all appropriate steps to ensure that your clients understand the risks as well as the rewards of the debt securities being recommended or offered, and you have met the disclosure requirements of Regulation Best Interest.

- Understanding the terms, conditions, risks and rewards of bonds and bond funds we sell (performing a reasonable-basis suitability analysis)
- Making certain that a particular bond or bond fund is appropriate for a particular customer before recommending it to that customer (performing a customer specific suitability analysis).
- Providing a balanced disclosure of the risks, costs and rewards associated with a particular bond or bond fund, especially when selling to retain investors.

If you believe that you need any additional training on Debt Securities, please bring the matter to the attention of your supervisor. Specific fixed income product questions contact RBC Services.

Digital Assets

LMK does not invest in digital assets on behalf of clients. LMK reviews all firm accounts on a periodic basis to ensure that there are no regulatory assets invested in digital assets.

Inverse and Leveraged Exchange Traded Funds

RR may not solicit orders to purchase a leveraged or inverse ETF for any LMK customer account. If such a transaction does take place, the trade will be busted, and the RR will be charged for any losses that incurred.

Inverse and Leverage ETFs are allowed to transfer (ACAT) in with home office approval.

Single-Stock Exchange Traded Funds

RR may not solicit orders to purchase single-stock exchange-traded funds (ETFs) for any of its brokerage customers.

Government Securities

Any activities involving government securities must adhere to all FINRA sales practice requirements and Conduct Rules as they apply to all other securities transactions undertaken by registered individuals on behalf of this broker/dealer. All US Government direct obligations, securities issued by U.S. territories, and US agency obligations can only be executed through the LMK fixed income/trading department.

High Yield Investments

Any recommendation of high-yield bonds (which may have speculative characteristics and carry a risk premium in the form of a higher current yield) requires a heightened suitability (beyond what is required under FINRA Rule 2111) determination (i.e., the client must be aware of the significant risks posed by high yield bonds in comparison to an investment grade bond). While investors often find the higher yield attractive, such investments can present significant risks and therefore suitability is a key issue.

Other high-yield investments, such as high-yield bond mutual funds, also pose higher risks and, therefore, are also subject to heightened suitability determination. All high-yield investments must also meet the obligations of Regulation Best Interest. Any suitability determination issues or questions must be addressed to your designated Supervising Principal PRIOR to the execution of a high-yield bond transaction.

Structured Products

Structured Products are considered high-yield securities. LMK does not authorize the recommendation of any non-FDIC insured structured products.

Training is available at www.FTPortfolios.com for any RR who wishes to recommend Firm-approved structured products.

Initial Equity Public Offerings (IPO)

Associated persons and their immediate families are prohibited from participating in IPOs, except for broker-dealers who are engaged solely in mutual funds and/or variable annuities and/or Direct Participation Programs.

Limited Partnerships

LMK approves trading of publicly traded master limited partnerships (MLPs). LMK does not approve trading of the following securities: non-traded limited partnerships (LPs); non-traded business development companies (BDCs); and non-traded real estate investment trusts (REITs).

Mergers and Acquisitions

Without a formal written contract or engagement letter, registered personnel are PROHIBITED from performing any Mergers and Acquisition (M&A) related services. The primary concern with M&A clients is customer confidentiality. Therefore, upon any discussion taking place with a prospective M&A client, you must IMMEDIATELY contact Compliance to determine the steps you should take to ensure that you adhere to our policies regarding confidentiality.

Without confidentiality requirements in place, the process of determining whether we will become involved with a particular deal CANNOT begin. In cases where publicly traded companies are involved, remain vigilant of your responsibility to NOT engage in any activities that may violate our Insider Trading policies and procedures. If your M&A activities involve any of the following, you must successfully complete the Series #79 exam prior to engaging in such activities:

(1) advising on or facilitating debt or equity securities offerings through a private placement or a public offering, including but not limited to origination, underwriting, marketing, structuring, syndication, and pricing of such securities and managing the allocation and stabilization activities of such offerings, or

(2) advising on or facilitating mergers and acquisitions, tender offers, financial restructurings, asset sales, divestitures or other corporate reorganizations or business combination transactions, including but not limited to rendering a fairness, solvency, or similar opinion.

Municipal Securities (including 529 College Savings Plans)

You must be comfortable with describing to customers the general characteristics of all municipal securities we offer, and you must be thoroughly knowledgeable of, and in a position to adequately disclose, all important features that may impact an individual's decision to purchase or sell a particular product. These include, but are not necessarily limited to tax consequences, pricing, credit agency ratings, yield related information, call features (if applicable), and maturity.

If you are uncertain of any of these matters, you should discuss your questions with your Supervising Principal.

The following are key points you should be aware of when conducting any municipal securities business.

- As with any security recommendation, a suitability determination must be made PRIOR to recommending a municipal security transaction (in accordance with FINRA Rule 2111). You must record evidence of the suitability determination, and any other information used - or considered to be reasonable, and necessary for making recommendations to customers - on the client's new account documentation forms.
- In addition, the core obligations required under Regulation Best Interest (Reg BI) must be met.

As an RR, you have a duty to make suitable 529 plan recommendations, which entails a full understanding of issues involving multiple share classes. In a multi-class structure, each class of shares invests in the same portfolio of securities but may be sold through different distribution arrangements

and may entail different expense levels. Likewise, different classes of shares may result in different sales compensation being paid to broker-dealers and their registered personnel.

Although the purchase of certain fund classes may allow an investor to avoid paying a front-end sales load, the cost imposed by a class's higher expenses may outweigh this benefit, particularly with respect to large dollar purchases.

The impact on an investor's long-term results that breakpoints, rights of accumulation, and letters of intent may have when they reduce the sales charges paid on purchases of share classes that impose front-end sales charge must be considered whenever higher-expense classes of mutual fund shares are being discussed with a client.

Specifically for 529 plans, it is important to discuss with your client the common suitability factors, including time horizon, that determine an appropriate share class recommendation (e.g., if a client's child is under the age of 10 and wants to hold long term, then it is inappropriate and unacceptable to offer them C-shares when A-shares are much more suitable in that instance). The client should be disclosed the benefits and limitations of each available share class, so that the client can make an educated decision on the share class that is most appropriate for their specific situation. **Although there are exceptions, please be aware that C-shares are typically not the most suitable shares to be used with 529 plans due, in part, to the age of the child which typically results in a lengthier time that the shares are expected to be held.**

Mutual Funds

You must be comfortable describing to customers the general characteristics of ALL mutual funds we offer, and you must be thoroughly knowledgeable of, and in a position to appropriately disclose all fees, possible tax consequences and other important features that may impact an individual's decision to purchase a particular product.

- When recommending mutual fund transactions, you must be aware of the information required to be obtained and considered for suitability purposes (FINRA Rule 2111) as well as obligations under Regulation Best Interest.
- When recommending mutual funds, you must ensure that investors understand the concept of total return.
- When explaining total return, you must explain that total return measures overall performance of a mutual fund, whereas current yield is based only on interest or dividend income received by the fund.
- Where appropriate, it is also important to explain to investors the difference between "return of principal" and "return on principal."
- When presenting information to customers regarding distribution rates, differences between distribution rate and current yield must be fully explained.
- It is your responsibility to ensure that the customer understands what you have disclosed or explained.

- The starting point for any recommendation of a mutual fund to a customer is to clearly define the investor's objectives and financial situation. Attention should be given to funds having multiple fee structures to determine that not only is the type of fund being matched to the investor's objective, but also to ensure that the appropriate fee structure has been recommended.
- Prospectuses and approved materials should be shared with the public and general conversations regarding performance, portfolio structure, etc. should be held.
- Suitability is the only final determination regarding the investment vehicles that are appropriate for a particular client.
- When reviewing mutual fund transactions, your Supervising Principal will be sensitive to any patterns of purchases and solicitations that may be indicative of potential suitability problems.

A prospectus must be delivered to each customer buying shares in a mutual fund. The prospectus delivery, which must be accomplished before the transaction settles, is handled either directly by the registered individual dealing with the customer or by our clearing firm.

Under Securities Act Rule 154, prospectus delivery requirements are satisfied - with respect to two or more investors sharing the same address - by sending a single prospectus, subject to certain conditions, including investor consent to the delivery of one prospectus.

While the fund may be sending out the prospectus, prospectus delivery is OUR responsibility, and we must undertake sufficient due diligence to ensure that our responsibility is met, regardless of who is undertaking the action.

You must document all mutual fund recommendations and maintain copies of the client prospectus acknowledgement letters.

- Breakpoints/Rights of Accumulation/Letters of Intent
    - Many front-end-load mutual funds offer breakpoints, rights of accumulation and letters of intent as a means of reducing front-end sales fees normally charged to investors. You are required to understand all these discount features and to be able to explain them to customers in full, PRIOR to making any sale. Selling mutual fund shares in dollar amounts just below a breakpoint is PROHIBITED unless PRIOR approval is received from the appropriate Supervising Principal, and the transaction is initialed evidencing such approval.
    - You are REQUIRED to alert clients close to a breakpoint that they can receive a reduced sales charge by either purchasing some additional shares or availing themselves of the benefits found under a 'Letter of Intent' or 'Rights of Accumulation.' If the client insists on making the purchase below a breakpoint level, approval MUST be obtained from your Supervising Principal PRIOR to order entry.

Your failure to appropriately advise clients of discount features and to knowingly recommend an investment amount just under the breakpoint to receive a higher commission will subject you to disciplinary action for failing to act in accordance with just and equitable principles of trade.

For clients to take advantage of the commission discounts available under a 'Letter of Intent' or 'Rights of Accumulation,' it is your obligation to systematically link the related accounts. Accounts of an individuals are NOT to be AUTOMATICALLY linked to those of their spouse, minor children and/or IRAs UNLESS the specific fund prospectus permits such linking.

- Splitting
  - Recommending the purchase of more than one mutual fund, having the client's investment split among the funds, may cause the customers to miss mutual fund breakpoints and, therefore, not receive discounts that they would have received if their entire investment were placed in only one mutual fund.
  - You are advised to be aware of these situations and to inform your clients of the missed breakpoint before proceeding with a split transaction.
- Switching
  - A mutual fund "switch" is the sale, and subsequent purchase, of a mutual fund within a specified time. Mutual funds are designed as long-term investments. Short-term, in-and-out trading or switching between families of funds (i.e., many funds under a single management company) that results, or could result, in additional commission charges, or which could establish new required holding periods is STRICTLY PROHIBITED by both LMK and by regulatory standards.
  - Under certain circumstances, however, a switch may be reasonable and justifiable. Any determination regarding switching should be discussed with, and approved by, your Supervising Principal PRIOR to execute any transaction involving switching.
  - It is important to consider the original source of funds used for the purchase of a mutual fund when identifying mutual fund switches.
  - If a switch is approved, a 'Switch Letter' must be obtained from the customer and kept on file - in the client file and in a 'switch letter' file.
  - At the time of the transaction, all mutual fund switches resulting in a charge to the client, or a new required holding period, must be fully disclosed to the client.
- Mutual Fund Switch Letters
  - Use of switch letters is required under all the following circumstances and conditions:
    - New assets transferred in from outside securities firms, to include change of dealer situations.
    - where mutual funds in any share class are sold and the proceeds are used to purchase mutual.
    - funds of any share class or any other packaged product.
    - In any case where a switch is coming out of an "A" or "B" share classes into a "C" share.
    - In any case where a switch is coming out of "A" or "C" share classes into a "B" share.
    - In any case where a switch is coming out of "B" or "C" share classes into "A" share.
    - In any case where a switch incurs a sales charge to the client, front end, or back end.
  - Exceptions:
    - "C" to "C" share class switches where there is not a sales charge incurred by the client.

    - "A" to "A" share class switches done at NAV.
    - Same mutual fund family exchanges into same share class.
    - Mutual fund switches are done on an advisor platform where there is no front end or back-end sales charges incurred or potentially incurred by a client.
    - When assets are transferred in from an outside B/D or Investment Company, and the assets are no load funds, then the sale of those no-load assets with their proceeds being used for purchase in another mutual fund family / share class will be exempt from the switch letter rule.
- Selling Dividends
    - FINRA prohibits anyone from recommending a purchase of securities due to an upcoming ex-dividend date otherwise known as 'selling dividends' - that is, the practice whereby representation is made to the client that an advantage would be gained in purchasing a mutual fund in anticipation of a dividend distribution.
- Deferred Sales Charges
    - It is a violation to state, or imply to an investor, that an investment company with a contingent deferred sales charge is a no-load fund. The fact that there are deferred sales charges must be disclosed on the front of a customer's purchase confirmation, sent by the fund.
    - Investors purchasing a no-load or no-initial-load fund must be made aware of any existing redemption sales charges.

It is an unfair sales practice and an omission of material information to state that there is no-initial-load without completely explaining the nature of any contingent deferred sales load – an annual sale load that is charged on redemption on a declining-percentage basis, usually reduced to zero percent by the sixth or seventh year of share ownership.

It is your responsibility to ensure the client's understanding of all the various charges made by mutual funds to defray sales and sales-promotion expenses, regardless of whether they are deducted from the investor's initial purchase payment, charged upon redemption, or levied against the net assets of the fund.

You must also ensure the following:

- A complete and balanced disclosure has been made to investors regarding the distinctions among classes of a multi-class fund or feeders of a master-feeder fund.
- Where an expense ratio is represented as an advantage of a particular fund, the ratio is explained to the customer in the context of, and compared with, other mutual fund expense ratios.
- Where a fund portfolio may include financial derivatives, all potential risks have been fully disclosed and clearly explained.
- When performance information is presented, the concepts of total return, yield, and distribution rates are explained to, and understood by, the investor.

- Materials designed for internal, or dealer-only use are not distributed in any manner to the public, either orally or in writing.

Non-Conventional Investments (NCIs)

Alternative investments to conventional equity and fixed income investments do not fall under a common category. However, investors have shown increased interest in products such as asset-backed securities, distressed debt, index-linked notes, non-traded REITS, equity-linked notes, multi-callable step-up notes, redeemable secured notes, auction rate preferred securities, principal protected index-linked CDs, derivatives products, and emerging market debt securities. These are collectively referred to as nonconventional investments (NCIs) and have complex terms and features that are not easily understood.

If you recommend NCIs, you must understand the features of each product offered - as with all securities - so that you will make an adequate suitability determination before executing a transaction. You must also be certain that the recommendation is appropriate under FINRA Rule 2111 and Regulation Best Interest.

While due diligence efforts may vary from product-to-product, there are common features that you should understand to be able to perform an appropriate suitability analysis. These include, but are not necessarily limited to, the following:

- The liquidity of the product
- The secondary market and the prospective transparency of pricing in any secondary market transaction
- The creditworthiness of the issuer
- The creditworthiness and value of any underlying collateral
- The creditworthiness of any counterparties, where applicable
- The principal return and/or interest rate risks, and the factors that determine such risks.
- The tax consequences of the product
- The costs and fees associated with purchasing and selling the product.

While you can rely on representations made regarding an NCI that are found in a prospectus or disclosure document, reliance on such materials alone may not be adequate for us to satisfy our due diligence requirements.

The content of the prospectus or disclosure document may not contain sufficient information necessary to fully evaluate the risk of the product. In such an instance, you must obtain additional information about the NCI, and if you are unable to do so, you must conclude that the product is NOT appropriate for sale.

You should not rely heavily on a customer's financial status as the basis for recommending NCIs, as net worth alone is not necessarily a clear indicator of whether a certain product is suitable for a particular investor.

Given the unique nature of NCIs, these products may present challenges when it comes to a member's duty to dispense its suitability obligation; however, the difficulty in meeting such challenges cannot be considered as a mitigating factor in determining whether members have met their suitability obligations. NCIs with risks may be suitable for recommendation to only a very narrow band of investors capable of evaluating and being financially able to bear those risks.'

You cannot rely too heavily on a customer's financial status as the basis for recommending NCIs, as net worth alone is not necessarily determinative of whether a particular product is suitable for a particular investor. FINRA Notice to Members 03-71 states, 'given the unique nature of NCIs, these products may present challenges when it comes to a member's duty to dispense its suitability obligation: however, the difficulty in meeting such challenges cannot be considered as a mitigating factor in determining whether members have met their suitability obligations. NCIs with risks may be suitable for recommendation to only a very narrow band of investors capable of evaluating and being financially able to bear those risks.'

To ensure suitability for a specific customer, you are required to examine:

- The customer's financial status.
- The customer's tax status.
- The customer's investment objectives.
- Other information used or considered to be reasonable in making recommendations to the customer.

Options

- You are expressly prohibited from opening an option account without receiving prior approval from a registered Options Principal.
- An options agreement must be completed, including a section for customer verification of financial information pertinent to customer suitability.
- All suitability information must be completed in its entirety prior to sending the options agreement to the appropriate Options Principal for approval.
- All Regulation Best Interest obligations must be met.
- No option or listed index warrant transaction is to be transacted without the registered representative first having a reasonable basis for believing at the time that the client:
    - Has knowledge and experience in financial matters sufficient to make him/her reasonably capable of evaluating the risks of the recommended transaction.
    - Is financially able to bear the risks of the recommended transaction.
    - Factors which must be weighed include, but are not necessarily limited to:
    - Age
    - Marital status
    - Number of dependents
    - Employment status
    - Income
    - Total net worth
    - Investment experience

- Knowledge of markets
- Investment objectives
- Ability to undertake potential financial risks of transactions involved.

Before approving an investment partnership for option trading, a written document must be obtained designating the person or persons authorized to sign each agreement on behalf of the partnership and stating that such authority specifically includes option trading.

You are responsible for determining that options prospectus/applicable booklets are delivered to the customer at, or prior to, the time the account is approved for option transactions.

- Proof that the prospectus was sent must be included with the new account information (either in the form of a cover letter or note, dated, and signed by the individual who supplied the prospectus)
- Additionally, it must be ascertained that Options Risk Disclosure forms were appropriately supplied to customers, with a signed acknowledgement form being maintained in the customer's file.

- Upon opening the account, you must note the level of options activity approved for the account (i.e., buying, covered writing, spreading, naked writing, etc.).
- LMK requires all customers to execute and submit a 'Special Statement for Uncovered Option Writers' letter before it approves any account for uncovered options. This document will be maintained with the customer's new account application.
- LMK will have option prospectuses/applicable booklets concerning options available for walk-in customers.

Penny Stocks

LMK does not recommend penny stocks. The firm only accepts orders on an unsolicited basis, from customers, for penny stocks. Additionally, the firm's Risky Investment Form must be completed and signed off by customers for their associated penny stock transaction(s) to be accepted.

Prior to effecting a transaction in a penny stock, you must disclose, and provide the customer with the firm's Risky Investment Form (to be signed/dated by the customer, RR, and supervisory principal) and subsequently confirm in writing to the customer at or prior to the confirmation, the aggregate amount of cash compensation you will receive concerning the transaction.

Penny stock transactions will be executed on an Agency basis only. RBC must provide penny stock customers with an account statement containing the following information:

- The identity and number of shares or units of each security is held for the customer's account.
- The estimated market value of the security (to the extent it can be determined), as follows:
  - The highest inside bid quotation on the last trading day.
  - In the absence of a bid, the weighted average price per share paid by the broker dealer as set forth in the Rule; or
  - If neither are applicable, a statement that there is "no estimated market value."

- The legend specified by the SEC as set forth in Rule 15g-6.

Supervising principals will, by their signature on the firm's Risky Investment Form and review of transactional details/customer paperwork, evidence that all the applicable disclosures and requirements have been met.

Special Purpose Acquisition Companies (SPACs)

LMK prohibits its registered representatives from soliciting Special Purpose Acquisition Companies (SPACs).

SPACs are shell companies that raise capital in initial public offerings (IPOs) for the purpose of merging with or acquiring an operating company. The capital raised is placed into a trust prior to the acquisition of the business.

In 2021, FINRA issued a report which highlighted the risks involved in the formation and initial public offerings of SPACs. The report details several risks that firms should look to with SPACs. They include:

- Insider trading - specifically possession of and trading by underwriters and SPAC sponsors with material nonpublic information related to, among other things, SPAC acquisition targets, including private placement offerings with rights of first refusal provided to certain investors prior to the acquisition.
- Misrepresentations and omissions in offering documents and communications.
- Fees associated with SPAC transactions; and
- Control of funds raised in SPAC offerings.
- The SEC has also expressed concerns including risks from fees, conflicts, and sponsor compensation, from celebrity sponsorship and the potential for retail participation drawn by baseless hype, and the sheer amount of capital pouring into the SPACs.

Unit Investment Trusts

As equity markets have become increasingly volatile, Unit Investment Trusts (UITs) have become more popular with investors. UITs that charge initial sales charges sometimes offer discounts in the sales charge based on the dollar amount or number of units of the investment. The thresholds at which the discounts are offered in the sale of UITs generally are called 'price breaks', and substantially like breakpoint discounts in the sale of mutual fund shares.

FINRA extends 'the same duties that apply to correctly applying breakpoint discounts in the sale of mutual fund shares to the sale of UITs that offer price breaks, and firms should develop and implement the same type of procedures for ensuring the proper application of such discounts in connection with the sale of UITs.

Shares of UITs are often offered as a “series.” Investors may take funds generated by a UIT and invest them in a new UIT. This is called a “series-to-series rollover.” Often, the new UIT series will have a similar objective and strategy. In this case, the issuer may offer a sales charge discount.

If you are recommending liquidating a UIT, you should be charging no more than $30 per liquidation since you received an upfront commission on the purchase.

If you are liquidating a UIT to buy a new UIT, you must consider UIT rollover sales charge discounts. A UIT should not be sold prior to the investment company's rollover discount period or maturity and then later purchased into a new UIT, causing unnecessary sales charges for the client.

If you have any questions concerning UIT breakpoints or other features, speak with your supervising principal or Compliance prior to soliciting any UIT business.

Variable Products (Annuities and Life Insurance)

As a RR of LMK engaged in transactions involving variable products, you must be capable of conveying the general characteristics of all variable products being offered and you must be thoroughly knowledgeable of, and in a position to adequately disclose all fees, possible tax consequences and other important features which may impact an individual's decision to purchase a particular product.

Both Variable Annuities and Variable Life have been deemed by the regulators to be securities, which must be offered through a registered broker/dealer. However, while Variable Annuities are considered an investment vehicle and can be discussed with clients in those terms, Variable Life Insurance products SHOULD NOT be referred to as investments – they are life insurance contracts and clear disclosure of this fact must be made to all customers.

Furthermore, as an RR engaged in transactions involving Variable Annuities and Variable Life, you must be insurance licensed as well as broker/dealer licensed. Insurance licensing carries responsibilities IN ADDITION to, and not necessarily in concurrence with, broker/dealer licensing. If you have any questions concerning your status under insurance regulations, you should address them to your Supervising Principal.

It is your responsibility to ensure that you are sufficiently educated in the difference between the two products and what disclosures are required for each. Every representative who wishes to offer annuities must complete firm element training that may be accredited through the annual compliance meeting or other training sessions offered by the home office or assigned OSJ. For those representatives wishing to offer 'L' share class annuities to their clients or prospects, they must complete the LMK L share training course and successfully attain a 70% on the L Share Annuity Quiz. If you are unclear or wish to request additional training, you should bring the matter up with your Supervising Principal or Compliance.

Prospectus Delivery (Annuities and Life Insurance)

- Providing a current prospectus meets the regulatory requirement for disclosure for both products. The prospectus provides information on the features, risks, investment options and structure of an investment and delivery of the prospectus is mandatory prior to or at the time of soliciting a specific investment. (Clients should be advised to maintain the prospectus to have it available for future reference).

- Before submitting applications to insurance companies, you are required to obtain written documentation verifying the customer's receipt of the prospectus and their understanding of early redemptions and associated tax consequences and penalties.
- You must have a receiving notification of some sort to be able to determine the date on which the client's 'free look' provision begins.

In addition to supplying customers with a current prospectus, balanced discussions should take place which cover potential risks as well as possible rewards. A client's understanding of information contained in the prospectus should be increased; associated costs must be discussed, and clients are to be reminded that when investments are sold, contract values may be either higher or lower than when purchased. Additionally, disclosure must be made on:

- Sales charges
- Administrative expenses
- Mortality expenses
- Surrender periods and charges.
- Sub-account options and investment management fees
- Death benefit features and amounts
- Long-term care features, if applicable
- Critical care features, if applicable
- Contingent deferred sales loads
- Variability of contract values - risk of loss of principal
- Policy premium lapse periods

Private Placement Offerings

The SEC has created various exemptions from registration for certain limited offerings, intended to achieve the SEC's primary mission of investor protection while reducing the small issuer's burden. Private placements can be structured as equity, debt, LLCs, LPs, etc. It is important to understand the underlying structure of any private offering in which you may become involved, and to be aware of any different regulatory requirements that the underlying structure may incur. With few exceptions, regardless of how the security is structured, the requirements and the responsibilities are the same.

If you have any questions of how an underlying structure may impact a deal in which you are becoming involved, you should seek guidance from the Compliance Department. As regards private offerings, LMK will rely on, and adhere to, one of the safe harbor rules, such as Regulation D or Regulation S under the Securities Act of 1933. The SEC's other regulations, including its anti-fraud rules and its prohibition on market manipulation under the Exchange Act's Rule 10b-5 and Regulation M, are unaffected and still in effect for all private offerings.

LMK prohibits its registered personnel from commencing sales of private placement offerings. In certain rare cases, to accommodate a customer, it may be allowable (as an exception) but only with written approval from the Compliance Department.

Marketing, Advertising & Social Media

Cold Calling/Telemarketing

The term telemarketing means consisting of or relating to a plan, program, or campaign involving at least one outbound telephone call. Cold Calling is a form of telemarketing governed by FINRA Rule 3230, which covers the SRO, Federal Trade Commission (FTC) and Federal Communications Commission (FCC) guidelines and restrictions related to telephone solicitations. “Telephone solicitation” is defined as “the initiation of a telephone call or message for the purpose of encouraging the purchase or rental of, or investment in, property, goods or services, which is transmitted to any person.”

Preconditions for Conducting Cold Calling

Before any registered representative of LMK may engage in any cold calling activity, the following conditions must be met:

- You must receive written permission from Compliance, prior to any calls. Submit your request to compliance@lmkohn.com.
- You must follow the firm’s applicable policies, procedures, and regulatory requirements regarding cold calling.

Pre-Call Screening

- Firm Specific DO-NOT CALL List
  - Registered representatives must consult LMK Do Not Call List prior to placing any cold call the same day as the call.
  - The LMK Do Not Call List has no expiration period. RR may not call anyone on list.
  - If RR is advised by any person that he/she does not want to be called by anyone at LMK in the future, you must immediately notify your supervisor of such request in writing and provide:
    - Person’s name
    - Telephone number *not* to be called.
    - Date you spoke with the person.

- National DO-NOT-CALL LIST - We are required to participate in the FTC’s National Do-Not-Call Registry. If you have any questions about this Registry, you can go to www.telemarketing.donotcall.gov and download Q&A for Telemarketers and Sellers about the Do-Not-Call Provisions of the FTC’s Telemarketing Sales Rule. FTC fines for not adhering to the rule run as high as $11,000 per incident.
- RR must consult the Federal Trade Commission's National Do-Not-Call Registry (“National DO NOT CALL LIST”) prior to placing any cold call the same day as the call.
- RR may not initiate any outgoing call to an individual whose name appears on the National DO NOT CALL LIST except:
  - If LMK has established a business relationship with the recipient of the call.

- If LMK has prior express, written agreement with the individual to be called which has been approved by the Compliance Department and contains the number to be called.
- If the RR has an existing personal relationship with the recipient of the call.

Time of Day Restrictions

It is prohibited to call a residential number before 8 a.m. and after 9 p.m. local time of the recipient being called UNLESS - LMK has established business relationships with the person called, or LMK has received prior express consent from the person called or Person called is a broker dealer.

Identification of Caller

For each cold call placed, you must disclose:

- Your name and your affiliation with LMK
- The fact that the purpose of the call is to solicit the purchase of securities or a related service.
- Either your office address or office telephone number

Other Restrictions

- No Outsourcing of Calls
- Prohibition on Receipt or Disclosure of Consumer Account Numbers
- Prohibition Against Abandon Calls
- Prohibition Against Pre-recorded Messages
- No telemarketing transactions permitted / All transactions will be completed in the ordinary course of business after completion and acceptance of new account paperwork by the home office.
- Prohibition on blocking the transmission of caller identification information/ Cooperation with caller identification services required.

Exemptions from the National Registry Do-Not-Call Requirements

FINRA has adopted the exemptions included in the rules of the FCC and FTC under which sellers and telemarketers may make telephone solicitations to persons on the National Registry.

Established Business Relationship

- Such relationships are excluded from cold-calling prohibitions when such a relationship exists between the firm and a person. That is, if the person has made a financial transaction or has a securities position, a money balance, or account activity with the firm, or at a clearing firm that provides clearing services to the broker-dealer, within the previous 18-months preceding the date of the telemarketing call. The definition of “account activity” is borrowed from FINRA Rule 2231, which is used to determine when a member or its clearing firm must send a customer account statement. Note: The time-of-day restrictions do NOT apply to this exemption.
- An exemption applies when a firm is a broker-dealer of record for the account of the person within the previous 18 months immediately preceding the date of the telemarketing call. The term “broker-dealer of record” refers to the broker-dealer identified on a customer’s account

application for accounts held directly at a mutual fund or variable insurance product issuer. The definition of "broker-dealer of record" is NOT contingent on the receipt of compensation. Note: The time-of-day restrictions DO apply to this exemption.

- An exemption applies when a person has contacted the firm to inquire about a product or service offered by the firm within the three months immediately preceding the date of the telemarketing call. Note: The time-of-day restrictions DO apply to this exemption. It is important to note that, in all instances, a person's request to be placed on a firm-specific do-not-call list TERMINATES the exemption for an established business relationship. There is nothing in NASD Rule 2212 that prohibits you from contacting a customer SOLELY concerning the administration of his or her account; such calls do not, in and of themselves, constitute telephone solicitation or telemarketing.

Prior Written Consent

Calls may be made to persons from whom you have obtained a prior express invitation or permission. FCC and FTC requirements specify that the permission must be evidenced between either our broker-dealer or you - and the individual - specifically stating that the person agrees to be contacted by us. The agreement must also include the telephone number to which such calls may be placed.

Personal Relationship

Calls may be made to an individual with whom you have a personal relationship. Personal relationship is defined as any family member, friend or acquaintance of the telemarketer making the call. In determining whether a telemarketer falls into this category, the FCC will look at, among other things, whether a reasonable consumer would expect a call from such a person because they have a close, or at least a firsthand, relationship.

This exemption applies SOLELY to the National Do-Not-Call Registry. If an individual with whom an associated person has a personal relationship has requested to be placed on the firm's specific do-not-call list, the associated person may NOT make a telephone solicitation to such person.

Affiliated Entities

An individual's request to be placed on our firm specific do-not-call list applies only to us and not to any affiliated entity UNLESS the person would reasonably expect the affiliated entity to be included, given the identification of the caller and the product that is advertised.

Telemarketing Activities by Unregistered Persons

Unregistered persons may only contact prospective customers for the following:

- Extend invitations to firm-sponsored events.
- Inquire whether the customer would like to discuss investments with a registered person; and
- Inquire whether the customer would like to receive investment literature.

Retail Communication

Includes any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period. 'Retail investor' includes any person other than an institutional investor, regardless of whether the person has an account with the firm.

Correspondence

Includes any written (including electronic) communication that is distributed or made available to 25 or fewer retail investors within any 30 calendar-day period.

You are required to obtain principal approval of each retail communication before use. The principal will determine whether the material needs to be filed with FINRA prior to use. It is your responsibility to know when final approval is given to a retail communication and to not use the material until you are certain that such final approval is in effect.

Exempted from pre-approval are:

- any retail communication that is excepted from the definition of 'research report', unless the communication makes any financial or investment recommendation.
- any retail communication that is posted on an online interactive electronic forum; and
- any retail communication that does not make any financial or investment recommendation or otherwise promotes a product or service of the firm.

While the above do not require pre-approval, you should always verify that material is exempt prior to use. All communications with the public, regardless of whether they need pre-approval, are required to be reviewed and supervised.

Institutional Communication

Includes any written (including electronic) communication that is distributed or made available only to institutional investors but does not include a member's internal communications. "Institutional account" means the account of a bank, savings and loan association, insurance company, registered investment company, registered investment adviser, or any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million.

Correspondence and Institutional Communications

These two categories of communications with the public do not require pre-approval but do require review and supervisory oversight. Therefore, if you are not clear as to whether a document falls into one of these two categories, you should check with a principal or Compliance before utilizing the material.

Technology Policy Notice

The use of social media presents risks and carries with it certain responsibilities. We have established these guidelines to assist you in making responsible decisions about your use of social media. For purposes of this policy, social media includes all means of communicating or posting information on the

Internet which include but are not limited to: video or wiki postings, sites such as LinkedIn, Facebook and X (Twitter), Instagram, Threads, chat rooms, podcasts, virtual worlds, personal blogs, microblogs or other similar forms of online journals, diaries or personal newsletters including any web blog, journal, bulletin board, personal web site, or social networking or affinity web site, whether or not associated with the Company, as well as any other form of electronic communication. If permission to use a social media site is granted, LMK will retain records of any communications through the site.

All associated individuals should know in instances where an associated person recommends security through a social media site, suitability requirements must be adhered to. With respect to communications posted by associated persons of LMK on electronic bulletin boards and/or message boards, such materials are considered advertisements because they can be viewed by anyone with access to these services. Accordingly, you are **PROHIBITED** from posting information to any bulletin or message boards without receiving prior approval from your Supervising Principal or Compliance. Texting and Instant Messaging are **PROHIBITED.**

Chat room discussions are considered public forums, and it is therefore important to be aware that chat rooms are not appropriate places for you to discuss the purchase or sale of securities or any business related to L.M. Kohn & Company. Therefore, participating in chat rooms is **PROHIBITED.** You may not publicly discuss clients, investment strategies or recommendations, investment performance, other products or services offered by our Firm. You cannot post on personal blogs or other sites the name, trademark, or logo of LMK or any business with a connection to LMK. You cannot post company-privileged information, including copyrighted or trademarked information or company-issued documents. You cannot post on personal blogs or social networking sites photographs of other employees, clients, vendors, or suppliers, nor can you post photographs of persons engaged in company business or at company events. You cannot post on personal blogs and social media sites any advertisements or photographs of company products, nor sell company products and services. Employees cannot link from a personal blog or social networking site to LMK's website.

Technology Guidelines

- Be honest and accurate, and if you make a mistake, correct it quickly.
- Avoid posts that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, coworkers, or suppliers, or that might constitute harassment, discrimination, or bullying. Examples might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment based on race, sex, disability, religion, or any other status protected by law or Firm policy.
- Do not post internal reports, policies, procedures, or other internal confidential communications that discuss customers, proprietary information or information about vendors, business associates, or customers.
- Comply with copyright and other intellectual property laws.
- As a RR, it is important that any time you are creating, reviewing, approving and/or disseminating correspondence you fully understand and have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable

for the customer, based on the information obtained through the reasonable diligence of the firm or associated person to ascertain the customer's investment profile."

- While costs must be understood and considered when making a recommendation, it is only one important factor among many factors. Simply recommending the least expensive or least remunerative security without any further analysis of the other factors and the retail customer's investment profile. Depending on the facts and circumstances, a more expensive security or investment strategy may be recommended if there are other factors about the product or strategy that reasonably allows you to believe it is in the best interest of the retail customer, based on that retail customer's investment profile.

Financial Institutions Networking

RR operating under LMK networking arrangement with a financial institution such as a bank, savings bank, or credit union the firm will clearly identify and distinguish its broker-dealer services from the services of the financial institution. The RR shall insure that its broker-dealer services area is displayed clearly with signage that includes an SIPC sign, the name of the registered representative assigned, as well as any DBA. Additionally, the following disclosure must be included on any signage; "Securities offered through L.M. Kohn & Company, member FINRA/SIPC/MSRB 10151 Carver Road, Suite 100, Cincinnati, Ohio 45242, (800) 478-0788.
The location of the securities office will be physically separate from the routine retail deposit-taking activities of the financial institution.

All official books and records for any such financial institution registered branch will be maintained at the home office located at 10151 Carver Road, Suite 100, Cincinnati, Ohio 45242. Copies of books and records are permitted at the financial branch location if they are either held electronically with user id and password or in locking filing cabinets if hard copy.

At or prior to the time that a customer account is opened the registered representative will deliver in writing to each customer a disclosure detailing the broker-dealer services being provided by the LMK and not by the financial institution, and that the securities products purchased or sold in a transaction are:

- not insured by the Federal Deposit Insurance Corporation ('FDIC'),
- not deposits or other obligations of the financial institution and are not guaranteed by the financial institution; and
- subject to investment risks, including possible loss of the principal invested.

(B) The disclosures required by paragraph (a)(3)(A) of this Rule also shall be made orally by a member that is a party to a networking arrangement for any customer account opened on the premises of a financial institution.

Communications with the Public

All advertisements and sales literature, including material published, or designed for use, in radio or television broadcasts, Automated Teller Machine ('ATM') screens, billboards, signs, posters and brochures, that announce the location of a financial institution where broker-dealer services are provided by the member or promote the name or services of the financial institution or that are

distributed by the member on the premises of a financial institution or at such other location where the financial institution is present or represented must be approved by the assigned OSJ prior to use. Such advertisements may require FINRA review, a submission date to the OSJ of 45 days prior to initial use shall be adhered to.

Sales, Marketing, Promotional Material

You are prohibited from utilizing any sales, marketing or promotional material which have not been indicated to you as having been pre-approved by an appropriately designated principal of this firm.

If you are unclear as to whether all marketing material in your possession has been appropriately approved, check with your Supervising Principal or with Compliance. You should discard any material you may have available which has been determined not to have been so approved.

If you maintain your own web site, it is important to realize that any presence you maintain on the Internet may violate the advertising rules and regulations. You should download copies of all your web site pages and give them to your Supervising Principal for review.

You should also be aware that by offering any 'hyperlinks' on a personal web site, you become responsible for any information being maintained on the sites visitors can get to from visiting your site.

Marketing material marked as 'internal use only' is strictly prohibited from being shared with customers.

Marketing material includes:

- letterhead and business cards.
- Advertisements.
- Brochures and flyers.
- Client / prospecting letters and mailers.
- Columns prepared for outside publications, reprints, and excerpts.
- Interviews and public appearances.
- Seminar invitations and handouts.
- Statement messages / stuffers.
- Seminar invitations and handouts.

The inclusion of the term 'electronic' in the definition of 'advertisement' clarifies the applicability of Rule 2210, FINRA Conduct Rules, to communications available to all computer or electronic network subscribers, including items displayed over network bulletin boards.

The inclusion of the term 'electronic' in the definition of 'sales literature' clarifies the applicability of the FINRA's Conduct Rules to messages sent directly to targeted individuals or groups. (This definition DOES NOT INCLUDE a personalized message sent to a particular individual via electronic mail - such messages would fall under the correspondence rule, see Rule 3010, FINRA Conduct Rules).

- Telemarketing scripts are also included in the definition of 'sales literature;' these are considered by the FINRA as 'comparable to a form letter delivered orally.'
- Publicly available Web sites are considered advertisements.
- Bulletin board postings are considered advertisements.
- Group e-mail is considered sales literature.
- Password-protected Web sites are considered sales literature.

Social Media

It is LMK's policy to monitor employee use of social media, networking, and similar communications. Employees should take note that their social media and networking use is monitored by Compliance (daily) through the Smarsh archiving system and that their e-mails are monitored by Compliance (daily) through the Global Relay archiving system.

There should be no expectation of privacy in the use of the Firm's Internet, e-mails, any use of blogs, instant messages, company-owned cellular phones, and text messages on company-owned equipment under this policy. Every message leaves an electronic trail that's both traceable to a specific individual and accessible by LMK even if it is deleted. Blogging or other forms of social media or technology include but are not limited to video or wiki postings, sites such as LinkedIn, Instagram, Facebook and X (Twitter), Threads, chat rooms, pod casts, virtual worlds, personal blogs, microblogs or other similar forms of online journals, diaries, or personal newsletters.

LMK will retain records of any communications through the approved site. With respect to communications posted by associated persons of LMK on approved social media sites, such materials are considered advertisements because they can be viewed by anyone with access to these services. You are **PROHIBITED** from posting static content to these sites without receiving prior approval from your Supervising Principal or Compliance. Texting and Instant Messaging are **PROHIBITED.**

You must also understand the difference between static content and interactive communications.

- **Static content** is typically posted for the longer term and lacks the immediacy of a real time conversation. Most static material must be approved by a registered principal prior to use, and sometimes may be required to be filed with FINRA.
- **Interactive communications** are typically real-time and involve a dialog with third parties. Interactive material does not require principal approval prior to use if it is extremely general in nature and does not refer to any specific products and is supervised in a manner similar to the way firms supervise correspondence and institutional communications.

Participating in conversations in chat rooms is **PROHIBITED.** You may not publicly discuss clients, investment strategies or recommendations, investment performance, other products or services offered by the firm. You may not post on personal blogs or other sites the name, trademark, or logo of LMK or any business with a connection to LMK. You may not post company-privileged information, including copyrighted or trademarked information or company-issued documents. You may not post on personal

blogs or social networking sites photographs of other employees, clients, vendors, or suppliers, nor can you post photographs of persons engaged in company business or at company events. You may not post on personal blogs and social media sites any advertisements or photographs of company products, nor sell company products and services. Associated persons may not link from a personal blog or social networking site to LMK's website.

You should avoid including personal or account related information on social media communications. You are required to ensure that any postings or materials being shared on social media sites are done in a professional manner.

More specifically, you are **PROHIBITED** from posting information or materials considered to be:

- Defamatory, libelous, confidential, harassing, abusive, threatening, obscene, harmful, offensive, objectionable or which may lead to liability or violation of law.
- Fraudulent, deceptive, or misleading.
- Infringing on the copyright, intellectual property, proprietary, or other rights of any person/entity.
- Violating any person's privacy or publicity rights.
- Attempting to influence polls, rankings, or web traffic.
- Promotional in nature or focused on selling a product or service.
- Phishing, spam, chain letters, scams, or pyramid schemes.
- Containing a virus or any other component that may harm a person's computer.
- Containing, depicting, or promoting illegal content or activities.
- Containing or requesting any personal or confidential information.
- Containing or requesting account numbers, policy numbers, or claim numbers.
- Containing or requesting e-mail addresses, phone numbers, or financial information.
- Requesting or providing specific investment advice, recommendations, or testimonials.

Any information, comments, photos, and videos (along with any image, likeness, voice, and statements contained therein) and any other content or actions taken by users on our Social Sites ("User Content") is the responsibility of the person who posted them and does not necessarily reflect the views or opinions of LMK.

We are not responsible, do not endorse, and do not confirm the accuracy of any User Content. This includes the ads, products, advice, opinions, recommendations of, or other material that any third-party may place on social media or other websites. Links to third-party sites and associated content are intended for informational purposes only and should not be considered investment advice or recommendations to invest.

LMK is not responsible for the terms of use, privacy, or security policies of social media sites you visit, and any usage of these sites is at your own risk and subjects you to the terms and conditions of the site's social media provider.

LMK reserves the right, at any time, to amend the terms and conditions of its social media policies. Associated persons are expected to review, understand, and adhere to the firm's social media policies. Failure to comply with these policies may result in disciplinary measures including fines and possible termination.

Awards

RR must disclose to LMK if they are receiving a business-related award. If an RR is paying award providers for the ability to promote themselves as award recipients, the RR must ensure proper disclosures to the public that payments were made. PRIOR to any purchase, RR must submit such requests for use of awards to compliance through the Complysci site. The amount that was paid for any awards, plaques, or reprints for any advertisements must be disclosed in the reprints or the articles, near the plaques, or near any other physical awards representations. This must be in a prominent location that is visible. For social media and websites any description of any award received must have a hyper link that goes directly to the disclosure of such award. The disclosures must include a description of the criteria used for the award, any amounts paid for the awards, the number of awards that were granted, whether you are required to be a member of an organization to be eligible to receive the award, and whether the award was independently granted.

General Provisions

Unless specific to job scope requirements, associated persons are not authorized to and therefore may not speak on behalf of LMK through social media or otherwise. Associated persons may not publicly discuss clients, investment strategies or recommendations, investment performance, other products or services offered by our Firm (or affiliates, if applicable), employees or any work-related matters, whether confidential or not, outside company-authorized communications.

Associated persons are required to protect the privacy of LMK, its clients and employees, and are prohibited from disclosing personal employee and non-employee information and any other proprietary and non-public information to which employees have access. Such information includes but is not limited to customer information, trade secrets, financial information, and strategic business plans.

Personal Blogs and Social Networking Sites

Bloggers and commenters are personally responsible for their commentary on blogs and social media sites. They can be held personally liable for commentary that is considered defamatory, obscene, proprietary, or libelous by any offended party, not just LMK.

It is LMK's policy that no associated persons may use employer-owned equipment, including computers, company-licensed software, or other electronic equipment, nor facilities or company time, to conduct personal blogging or social networking activities. Employees cannot use blogs or social media sites to harass, threaten, discriminate, or disparage employees or anyone associated with or doing business with LMK. Associated persons may not post on personal blogs or other sites the name, trademark, or logo of LMK or any business with a connection to LMK. Associated persons cannot post company-privileged information, including copyrighted or trademarked information or company-issued documents. Associated persons cannot post on personal blogs or social networking sites photographs of other

employees, clients, vendors, or suppliers, nor can employees post photographs of persons engaged in company business or at company events. Associated persons cannot post on personal blogs and social media sites any advertisements or photographs of company products, nor sell company products and services. Associated persons cannot link from a personal blog or social networking site to LMK internal or external website. Associated persons must pay to use the monitoring service from Smarsh, should they choose to utilize any of the social media platforms.

Text Messaging

No LMK business, whatsoever, may be conducted via text messaging. LMK does not capture text messaging communications, therefore any employee(s) found to be texting business-related communications will be subject to disciplinary action up to and including termination.

Internet Monitoring

Associated persons are cautioned that they should have no expectation of privacy while using company equipment or facilities for any purpose, including authorized blogging. Associated persons are cautioned that they should have no expectation of privacy while using the Internet. Your postings can be reviewed by anyone, including LMK. LMK reserves the right to monitor comments or discussions about the company, its employees, clients, vendors, and the industry, including products and competitors, posted on the Internet by anyone, including employees and non-employees.

LMK uses blog-search tools and software, and/or may engage outside service providers to periodically monitor forums such as blogs and other types of personal journals, diaries, personal and business discussion forums, and social networking sites.

Social Networking

Social networking sites, such as Facebook, X (Twitter), Threads, and LinkedIn, typically include both static content and interactive functions which will require pre-approval from Compliance. Examples of static content typically available through social networking sites include profile, background, or 'wall' information. As with other Web-based communications such as banner advertisements, a registered principal of the firm must approve all static content on a page of a social networking site established by the firm or a registered representative before it is posted.

You should know in instances where you recommend a security through a social media site, suitability requirements (under FINRA Rule 2111) are adhered to. Prior to posting any recommendations, you must have all content reviewed and approved by Compliance.

If online communications are permitted to recommend any specific investment products, you need to use a pre-approved communication or template. Certain 'third-party posts' may be used provided that LMK has (1) been involved in the preparation of the content or (2) explicitly or implicitly endorsed or approved the content.

Communications posted on electronic bulletin boards and/or message boards are considered advertisements because they can be viewed by anyone with access to these services. Accordingly, you are PROHIBITED from posting information to any bulletin or message boards without receiving prior approval from your Supervising Principal or Compliance.

Chat Rooms

Chat room discussions are considered public forums, and it is therefore important to be aware that chat rooms are not appropriate places for you to discuss the purchase or sale of securities or any business related to LMK.

Video Conferencing

Video conferencing is considered a type of public appearance from a regulatory standpoint. When video conferencing is being utilized for a seminar, client meeting, webinar, or other public appearance speaking activity that is unscripted and does not constitute a retail communication or correspondence, associated persons must adhere to the following general standards listed under FINRA Rule 2210(d):

- All member communications must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts regarding any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, considering the context of the material presented, would cause the communications to be misleading.
- No member may make any false, exaggerated, unwarranted, promissory, or misleading statement or claim in any communication. No member may publish, circulate, or distribute any communication that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.
- Information may be placed in a legend or footnote only if such placement would not inhibit an investor's understanding of the communication.
- Members must ensure that statements are clear and not misleading within the context in which they are made, and that they provide balanced treatment of risks and potential benefits. Communications must be consistent with the risks of fluctuating prices and the uncertainty of dividends, rates of return and yield inherent to investments.
- Members must consider the nature of the audience to which the communication will be directed and must provide details and explanations appropriate to the audience.
- Communications may not predict or project performance, imply that past performance will recur or make any exaggerated or unwarranted claim, opinion or forecast.

Per FINRA Rule 2210(f), any recommendations made must include the following disclosures (if applicable):

- any financial interest in any of the securities of the issuer whose securities are recommended, and the nature of the financial interest (including, without limitation, whether it consists of any option, right, warrant, future, long or short position), unless the extent of the financial interest is nominal; and any other actual, material conflict of interest of the associated person or member of which the associated person knows or has reason to know at the time of the public appearance.

- Education, training, and procedural updates are to be provided by the firm and must be adhered to by its associated persons. Event documentation is to be archived according to regulatory recordkeeping requirements. Video conference recording, if utilized, requires prior notification to all attendees. The firm will conduct post-review and additional follow-up (if applicable) to help ensure that its procedures are implemented and adhered to. Associated persons must be appropriately registered/licensed in all state(s) where the video conference attendees reside.

Any scripts, slides, handouts or other written (including electronic) materials used in connection with video conferencing must be approved by the firm prior to use.

The firm mandates that associated persons providing information via "desktop share" close all non-related background windows to help ensure that proprietary firm or customer related information is not inadvertently leaked.

Voicemail

The following is a voicemail template that has been approved for usage by Compliance:

You have reached the voicemail of (name) of (office name) and L.M. Kohn & Company. I am unable to take your call at this time. Please do not leave any buy or sell orders or other instructions for your account on our voicemail system, as they will not be executed. If you would like to enter a buy or sell order immediately, please call L.M. Kohn & Company at 800-478-0788, option #3. Otherwise, please leave your name and telephone number and I will return your call promptly. Thank you.

It is important to include L.M. Kohn and Company with your office name, as well as instructions not to leave transactional orders by voicemail (if applicable).