

IMPORTANT REGULATORY DISCLOSURE INFORMATION

NYSE Rule 108 NYSE Specialist Parity Trading with Orders Represented in the Crowd

New York Stock Exchange Rule 108 relates to NYSE Specialist and Floor Broker obligations in connection with Specialist "parity" with orders represented in the crowd. Member organizations are required to disclose to its customers that in executing orders on the NYSE Floor, our floor broker may permit the specialist to trade on parity with this order for some or all of the executions associated with filling that order, where such permission would not be inconsistent with our floor broker's best execution obligations.

Pursuant to NYSE Rules, the specialist must announce his/her intention to trade on parity, and give our floor broker(s) a meaningful opportunity to object. Brokers who object to the specialist trading on parity must state as such and must record such objection. In deciding whether to permit a specialist to trade on parity with orders that they are representing, our Floor brokers must be mindful of their "best execution" obligations under the NYSE Rules, including the

obligation that they use due diligence to execute your order at the best price available to them under the published market procedures of the Exchange.

By providing you with this information, separate customer approval is not required under NYSE Rule 108(a) for our Floor broker to permit the specialist to trade on parity for each order or trade you enter, but we may rely on this disclosure to you, our customer, or any resulting guidance provided by you upon entry of your order(s). Should you specifically request that the specialist not be on parity with your customer order, you must state such objection upon order entry. Such disapproval becomes a condition of your order and is maintained in our order records.

For more information, please see NYSE Information Memo 05-81 available on the New York Stock Exchange website at www.nyse.com

Specified Banks Notice USA PATRIOT ACT

Pursuant to U.S. regulations issued under section 311 of the USA PATRIOT Act, 31 CFR 103.192, S.J. Levinson & Sons, LLC is prohibited from opening or maintaining a correspondent account for, or on behalf of, Specified Banks¹. The regulations also require us to notify you that your correspondent account with our financial institution may not be used to provide Specified Banks with access to our financial institution. If we become aware that the Specified Banks are indirectly using the correspondent account you hold at our financial institution, we will be required to take appropriate steps to prevent such access, including terminating your account.

¹ Currently, Specified Banks include Latvian bank VEF Banka and its subsidiaries including Veiksmes Lizings and Commercial Bank of Syria and its subsidiaries including Syrian Lebanese Commercial Bank. A complete list of Specified Banks can be found at http://www.fincen.gov/reg_section311.html

Customer Disclosures for Extended Trading Hours

From time to time, S.J. Levinson and Sons, LLC may accept and execute trades outside of regular market hours in accordance with customer instructions and/or best execution obligations. Customers are advised as to the following characteristics of trading outside of regular market hours:

1. **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity.

Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

2. **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of

- a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular markets hours.
3. **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
 4. **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
 5. **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
 6. **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
 7. **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”).** For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

Customer Inquiries/Complaints

We are committed to investigating and responding to any questions or complaints you have about your account(s), confirmations, your periodic statement or any other matter related to your account(s). SJ LEVINSON will notify its clearing firm with respect to matters involving services performed by it. Please direct your

complaints or comments to compliance:

Phone: (914) 220-1655
Email: agoldstein@sjlevinson.com
Write: SJ Levinson & Sons
2700 Westchester Ave.
Purchase, NY 10577

SIPC Notice

SJ Levinson is a member of Securities Investor Protection Corporation (SIPC). You may obtain information regarding (SIPC) and obtain a brochure entitled *How SIPC Protects You* by contacting SIPC at (202) 371-8300 or www.sipc.org.

Investor Education & Protection

Please be advised that FINRA offers an investor brochure describing its Public Disclosure Program which can be obtained via the FINRA website (www.finra.org) or through the FINRA Public Disclosure Program Hotline Number at (800) 289-9999.

Business Continuity Planning Disclosure

SJ Levinson & Sons LLC (SJL) has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do at (914) 220-1616, you should call our alternative number (914) 980-5658 or (917) 842-4136 or via email at elevinson@sjlevinson.com. If you cannot access us through either of those means, you should contact our clearing firm, Goldman Sachs Execution & Clearing LP (GSEC), at (212) 934-4125 for instructions on how you may enter orders and status existing orders or the settlement of previously executed trades.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access

to their funds and securities if we are unable to continue our business.

Our clearing firm, GSEC, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within 8 hours. Your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 4 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within 6 hours. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site www.sjlevinson.com or our customer emergency number, (914) 980-5658 or (917) 842-4136 how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you can contact us at (914) 220-1655 or agoldstein@sjlevinson.com.

Statement of SJ LEVINSON and GSEC Responsibilities

SJ LEVINSON is responsible for:

- The opening, approving and monitoring of your account(s), including obtaining, verifying and retaining your account information and documents; accepting your account(s); and monitoring trading and other activity in your account(s).

- Determining whether any investment advice or recommendations given to you by your investment representative or its employees are suitable for you, and those persons placing instructions for your account are authorized to do so. GSEC will not give you advice about your investments and will not evaluate the suitability of investments made by

you, your investment representative or any other party.

- The acceptance of orders and other instructions from you regarding your account, and for promptly and accurately transmitting those orders and instructions to GSEC. Under normal circumstances, GSEC will not accept orders or instructions directly from you. SJ LEVINSON may execute the transaction and instruct GSEC to post the execution to your account.
- Operating in compliance with all applicable laws, rules and regulations relating to its own operations, the supervision of its sales representatives and other personnel, and the supervision of transactions and other activity in your account.
- Maintaining the required books and records with respect to the functions it performs.
- Investigating and responding to any questions or complaints you have about your account(s), confirmations, your periodic statement or any other matter related to your account(s). SJ LEVINSON will notify GSEC with respect to matters involving services performed by GSEC. Please direct complaints or comments to compliance at (914) 220-1655 or write to SJ Levinson & Sons, 2700 Westchester Avenue, Purchase, NY 10577, Attn: Compliance.

GSEC is responsible, at the direction of **SJ LEVINSON**, for:

- The clearance and settlement of securities transactions.
- The execution of securities transactions, in the event GSEC accepts orders from SJ LEVINSON.
- Preparing and sending to you periodic statements of your account as well as confirmations of the transactions in your account(s) unless SJ LEVINSON has undertaken to send confirmations. Certain information on your statements, such as prices and descriptions of securities are obtained from third parties. For more specific pricing information, and prior to placing orders, GSEC suggests that you contact SJ LEVINSON. In some cases, SJ LEVINSON may instruct GSEC to post transaction or other information to your account. GSEC does not independently verify such information. GSEC provides

to SJ LEVINSON copies of each confirmation and statement sent to you.

- Custody (or safekeeping) of funds and securities delivered to GSEC on your behalf or received by GSEC in connection with transactions in your account(s). GSEC's handling of funds and securities which it holds or receives on your behalf is determined by the instructions given by SJ LEVINSON. *
- The receipt and delivery of funds and securities for your account in accordance with SJ LEVINSON instructions. GSEC is not responsible for any funds or securities, which are not actually delivered to it, or for any funds withdrawn from your account(s) by SJ LEVINSON or its employees.
- The extension of margin credit in connection with buying or maintaining securities in your account(s). Prior to trading on margin, you must deliver to GSEC through SJ LEVINSON a completed margin account application agreement with GSEC. You and SJ LEVINSON are responsible to ensure that your margin accounts are at all times in compliance with Regulation T of the Federal Reserve Board, the rules of the New York Stock Exchange, Inc. and all other self-regulatory organizations and the house rules of GSEC. These rules are exclusively for the protection of GSEC and to the extent permitted by law; GSEC will not be liable to you for any failure to comply with these rules. In addition, GSEC will not determine whether any extension or margin credit for which you apply or accept is suitable or appropriate for you. SJ LEVINSON regularly receives from GSEC information on the status of margin accounts and notice of changes in GSEC's house rules. SJ LEVINSON is responsible for informing you of margin requirements of your account and how to comply with them. GSEC has the right to take market action in your account if it does not meet margin requirements.
- Maintaining the required books and records with respect to the functions it performs.

The securities in your account are protected in accordance with the Securities Investor Protection Corporation (SIPC). For more details on SIPC, or to request a SIPC brochure, visit www.sipc.org or call 1-202-371-8300.

IMPORTANT INFORMATION ABOUT PERSONAL PRIVACY AND INFORMATION SHARING

On November 12, 1999, President Clinton signed the Gramm-Leach-Bliley Act (GLB) into law. Title V of the GLB sets forth privacy requirements for use of nonpublic personal financial information by banks, securities industry members, insurance companies, and other financial institutions. Consequently, the U.S. Securities & Exchange Commission (SEC) has issued Regulation S-P that requires, among other things, that notice be provided to consumers by financial institutions of the firm's policies relating to private client information.

At S.J. Levinson & Sons LLC, we appreciate the trust our customers place in us and we recognize the importance of protecting the confidentiality of non-public personal information that we collect about them. Keeping this information secure is a top priority for us and so we share with you our Privacy Policy for our clients.

S.J. Levinson & Sons LLC collects nonpublic personal information about our customers from the following sources:

- Information we receive from you on applications or other forms and correspondences;
- Information about your transactions with us or others; and
- Information we may receive from consumer or credit reporting agencies.

The information is used to ensure accuracy in reporting and recordkeeping, and to carry out requested transactions. We limit access to your information to those of our employees and service providers who are involved in offering or administering the products and services that we offer. We do not disclose your information to anyone except as permitted by law. S.J. Levinson & Sons LLC's internal security policies restrict access to your non-public personal information to authorized employees who require such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that are designed to comply with federal standards to guard this non-public personal information. It has always been S.J. Levinson & Sons, LLC's policy not to disclose any non-public personal information about our clients to anyone except as permitted by law.

We reserve the right to disclose nonpublic personal information to any person or entity, including, without limitation any governmental agency, regulatory authority or self-regulatory organization having jurisdiction over us if (i) we determine in our discretion that such disclosure is necessary or advisable pursuant to or in connection with any United States federal, state or local, or non-US law, rule, regulation, executive order or policy, including without limitation any anti-money laundering law or the USA Patriot Act of 2001, and (ii) such disclosure is not otherwise prohibited by law, rule, regulation, executive order or policy.

If your account is closed or you become an inactive customer, we will continue to adhere to the privacy policies and practices as described in this notice.

If you have any questions or comments regarding this notice, please feel free to contact us at (914) 220-1655.

Order Handling

Best Execution & Regulation NMS – SJ Levinson seeks to execute its customers' orders at the most favorable terms reasonably available under prevailing market conditions. Under the Reg NMS, we have implemented procedures that are designed to prevent "trade-throughs" of NMS Stocks – the execution of trades during regular trading hours at prices inferior to protected quotations displayed by trading centers. SJ Levinson utilizes Intermarket Sweep Orders ("ISOs"). An ISO is a type of limit order that allows us to trade through a protected quote provided certain conditions are met. When executing an order, we must route an ISO to execute against the full displayed size of any protected quotation with a price that is superior to the proposed execution price of the order that we plans to execute. The ISO designation allows the receiving exchange or ADF participant to immediately execute the order without regard to better-priced quotes displayed in other markets. Unless another exception under the Order Protection Rule applies, it will be necessary for us to route an ISO, or multiple ISOs, whenever executing your order outside of the national best bid or offer. As a general matter, we will route ISOs as agent on your behalf and attribute any better prices received from such executions to your order. Once responses to the ISOs are received, we will execute the remaining balance of your order at the agreed upon trade execution price. You may "opt-out" of receiving ISO fills however, by informing us on a trade-by-trade basis that you do not wish to receive the benefit of better prices obtained from the ISOs; in which case we will execute your entire trade at the agreed upon trade execution price and size. In this case, any required ISOs will be routed on a principal basis and retained by us or allocated to other customer orders.

Payment for Order flow - Pursuant to federal securities regulations, we are required to disclose at the time your account is opened, and annually thereafter, our payment for order flow practices. We route your equity orders to market centers for execution. These market centers may include dealers who make markets in these securities. We may receive compensation for routing equity orders to market centers. In exchange for routing your equity orders to certain market centers, we may receive monetary rebates per executed share for equity orders that add liquidity to its book and/or rebates for

aggregate exchange fees. The rebates are considered payment for order flow even though it may not necessarily offset our aggregate payments for removing liquidity. The amount of the rebate depends on the agreement reached with each market center and will be furnished to you upon written request. We also receive payment for routing your options orders to designated broker/dealers or market centers for execution. Compensation is in the form of a per contract cash payment. The source and amount of any compensation received in connection with your options transaction and any additional information concerning the options order flow payments will be furnished to you upon written request. Order routing decisions are based on a number of factors including the size of the order, the opportunity for price improvement and the quality of order executions. We regularly review routing decisions, market centers and test trade executions to ensure that your orders meet our duty of best execution. In the absence of specific instructions from customers, we generally direct orders for certain securities to market centers regardless of whether a particular order qualifies for such payments as described above. However, orders normally directed to a specialized market maker or alternative market center may be re-routed because of market conditions in accordance with Reg NMS requirements. Extraordinary market activity (heavy volume, fast market, market downturn) or equipment failure may also be a factor in the determination of order routing.

Disclosure of Order Routing Information – SJ Levinson will, at your request, provide information with respect to the venue(s) to which your directed or non-directed orders were routed for execution, as well as the time of execution of such orders. We also prepare quarterly reports on its routing of non-directed orders in NMS Stock and listed options, a link to which is available on our website. We will provide you a written copy of the quarterly report at your request.

"Held" or "Not Held" Orders - When you place an order with SJ Levinson for execution, you may specify that we handle your order on either a "not held" Of a "held" basis. A "not held" order means you are giving us time and price discretion in seeking to obtain the best execution of your order. A "held" order means we do not have discretion in handling your order. If you give us a "held" market order or marketable limit order, we must execute the order at the then

prevailing market price, if you give us a "held" limit order, any execution has to occur at the limit price or better, if available. "Not held" orders give us the flexibility and discretion to work your order to seek to obtain the best execution reasonably available. We believe that by exercising appropriate judgment and discretion (j.e. on a "not held" basis) with respect to your order, it generally can achieve the best execution possible under the facts and circumstances. However, a "not held" order does not have price protection

Average Price Reports – SJ Levinson may execute your order in more than one transaction over a period of time, or, in certain markets, aggregate your order with other orders. In such instances, we will provide you with a report noting that the aggregate amount of securities purchased or sold in your account received a single "average" price. We will provide you with information about individual executions at your request.

"Net" Basis Orders - At the time you place an order with SJ Levinson, you may request to trade on a "net" basis. A "net" transaction means a principal transaction in which we, after having received an order to buy (sell) an equity security, purchases (sells) the equity security at one price (from (to) another broker-dealer, market center or another customer) and then sells to (buys from) the customer at a different price. In such case, we do not charge you a commission, but rather collect the price difference between its principal transaction to buy (Sell) the equity security and its subsequent sale (purchase) of the equity securities to (from) you as compensation for executing your transaction. In general, net trades must comply with the Reg. NMS Order Protection Rule (discussed above). The net price reported to the Consolidated Tape is the price of the trade for all purposes under Order Protection Rule, such as determining whether a trade-through occurred and routing the necessary orders to execute against protected quotations to comply with the ISO exception.

Selling Securities "Long" - When you enter an order to sell a security "long", you are representing to us that you own the security and will deliver such security in good form by settlement date. Failure to deliver the securities by settlement date may result in our closing the transaction immediately or thereafter by purchasing like securities for your account and risk, without prior notice.

Fail to Deliver Securities Sold for Settlement

- On October 14, 2008, the SEC adopted Rule 204T of Regulation SHO as an interim final temporary rule ("Interim Rule"). This Interim Rule extends, until July 31, 2009, the requirements of the SEC's September 17, 2008 Emergency Order (the "Order") requiring the delivery of equities sold long or short on settlement date. In compliance with the terms of the Interim Rule, any fail to deliver position must be closed out by the opening of trading on T+4. While we and our clearing firm will use its best efforts to minimize the impact of any fails, we may be required to purchase shares from another source to cover your position should you not deliver the necessary shares by settlement. Should the fail continue to exist past the opening on T+4, the Interim Rule requires that shares be pre-borrowed prior to us accepting any short sales in that security from any client until the fail to deliver position is closed out. In such case, clients will be required to obtain a pre-borrow from our clearing firm's Stock Loan Department prior to entering a short sell order with us.

Capacities in Which We Act –We may act as principal or agent in executing or effecting transactions with or for you. When we trade securities with or for you, we may be engaging in similar trading with, or for other customers. We may also trade alongside a customer by executing the same trade or trading strategy at approximately the same time as a customer or when covering a principal position. If we do trade alongside you, we will disclose that fact to you and seek your consent. From time to time, employees may share with you trading information, ideas or strategies that relate to securities or financial instruments in an unattributed/anonymous manner related to order flow and market information to which we are privy. SJ Levinson does not act as an advisor with respect to you or any of your customers or accounts. Ideas or strategies should not be treated as research or a solicitation to buy or sell securities. We do not produce or publish research nor do we make recommendations of any particular securities or investment strategies on which you should base any investment decision. SJ Levinson's policy is to maintain the confidentiality of client order and transaction information. Be assured that we have strict policies and procedures in place on confidentiality of client information, as well as, sophisticated and secure trading and operational technology to provide superior protection of our clients' trading activity.