LPL Financial

Brokered CD Disclosure Statement Receipt

Instructions: Clients who purchase brokered certificates of deposit (CDs) must sign this form at or before time of purchase. One copy of this form must be obtained for each account investing in brokered CDs. It is not necessary to submit a copy to LPL Financial, however, keep a copy of this receipt in the client file.

1. General Information

Account Number _____ **Rep ID** _____

Account Registration _____

2. Summary of Material Risks

1. **Loss of Principal** - If you choose to sell the CD prior to the maturity date, the pre-maturity sales price of the brokered CD may be less than its original purchase price. This will be particularly true if interest rates have risen since the time of the original sale.
2. **Secondary Market** - A secondary market for brokered CDs may be limited.
3. **Call Features** - Brokered CDs may include a provision that allows the issuing bank or other depository institution to "call" or redeem the CD prior to maturity at a given price. Call features typically are exercised when a brokered CD is trading at a premium to its call price in the secondary market. The call option is solely at the discretion of the issuer.

   If a brokered CD is "called," investors seeking to reinvest their redeemed funds will be subject to reinvestment risk because interest rates may have fallen since the time they first purchased the brokered CD.
4. **"Step Rate" CDs** - Brokered CDs may also have "step-up" or "step-down" features. A "step-down" CD will pay an above-market interest rate for a defined period of time but will then "step-down" to a lower, predetermined rate that will be paid until maturity. Similarly, a "step-up" CD will generally pay a below market interest rate for a defined period of time but will "step-up" to a higher, predetermined rate that will be paid until maturity. The "step rate" on a brokered CD may be below or above prevailing market rates. "Step-up" and "step-down" brokered CDs are also subject to secondary market risk and often will include a call provision by the issuing depository institution that would likewise subject them to reinvestment risk. The initial rate on a "step rate" brokered CD cannot be used to calculate the yield to maturity.
5. **Pricing** - It may not be possible for LPL Financial to determine an accurate market value for a brokered CD. The actual value of a brokered CD may be different from its purchase price and the price estimate displayed on the client statement.
6. **FDIC Insurance - You are responsible for monitoring the total amount of deposits that you hold with one Issuer in order for you to determine the extent of deposit insurance coverage available to you on your deposits, including the CDs and any amounts you may have invested in LPL Financial's Insured Cash Account Program with the same depository institution. LPL Financial is not responsible for any insured or uninsured portion of the CDs or any other deposits.**
7. **Brokered CD Offerings** - LPL Financial will provide you with the names of Issuers currently making CDs available, but LPL Financial does not guarantee in any way the financial condition of any Issuer or the information an Issuer may provide. LPL Financial does not endorse, approve or research the Certificate of Deposit or the issuing financial institution.

Account Owner Acknowledgment

3. I acknowledge that:

I have received the Brokered CD Disclosure Statement and understand that it is my responsibility to thoroughly read and understand it prior to investing in brokered CDs. In addition, I understand the Summary of Material Risks, as described in the Brokered CD Disclosure Statement. The applicable implications and risks of investing in Brokered CDs have been discussed with me by my financial advisor.

Account Owner Signature	Account Owner Name (print)	Date
Joint Account Owner Signature	Joint Account Owner Name (print)	Date
Financial Advisor Signature	Rep ID Number	Date