

## SPECIAL PRIVACY INFORMATION RELATED TO THE INTERNET AND OUR WEB SITE

When a customer visits our Web site, they utilize an Internet access provider and a Web browser software program, which supports a security technology called Secure Sockets Layer (“SSL”). This technology encrypts all data, which is intended to disguise all data, so that others cannot read anything that is passed between computers on the Internet. These browsers will activate SSL automatically whenever a customer logs on to his or her Stone & Youngberg account

Our web server sends an electronically transmitted file called a “cookie” that holds bits of information. When a customer navigates through our Web Site, their browser “requests” pages to view and that request includes the information stored in the cookie previously sent to the customer’s computer. Some cookies contain encrypted information about customer accounts, and/or identifying information that has been provided by the customer and allows Stone & Youngberg to process online transactions and requests.

Our Privacy Policy applies to all customers who are current or former Stone & Youngberg clients or who register for one of our services. Stone & Youngberg will communicate our Privacy Policy and provide a copy of that policy to you on an annual basis. Customers who have concerns about their personal account information or want to correct, update, or confirm their information can mail a letter to One Ferry Building, San Francisco, CA 94111, call 800-447-8663, or send an email to [info@syllc.com](mailto:info@syllc.com).

## MARGIN ACCOUNT DISCLOSURES

Stone & Youngberg is furnishing this document to you in order to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided. Consult your Stone & Youngberg Investment Executive regarding any questions or concerns you may have with your margin accounts. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Pershing LLC, Stone & Youngberg’s clearing broker. If you choose to borrow funds you will need to open a margin account. It is important that you fully understand the risks involved in trading securities on margin. These risks include, but are not limited to the following:

### Stone & Youngberg or Pershing can force the sale of securities or other assets in your account(s).

If the equity in your margin account falls below the maintenance margin requirements or the firm’s higher “house” requirements, the firm can sell, at its sole discretion, securities or other assets in your account to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

### You can lose more funds than you deposit in the margin account.

A decline in the value of securities that are purchased in your margin account may require you to deposit additional funds into your Stone & Youngberg/Pershing account in order to avoid the forced sale of those securities or other securities or assets in your account(s).

### Stone & Youngberg or Pershing can sell your securities or other assets without contacting you.

Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their account to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are *not* required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities *without* notice to the customer.

### You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

Because the securities are collateral for the margin loan, the firm has the right to decide which securities to sell in order to protect its interest.

### Stone & Youngberg or Pershing can increase “house” maintenance margin requirements at any time and is not required to provide you advance written notice.

These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause Stone & Youngberg/Pershing to liquidate securities in your account(s).

### You are not entitled to an extension of time on a margin call.

An extension of time to meet margin calls is generally not permitted, under extraordinary conditions, extensions may be granted.

## FEE SCHEDULE

Beginning January 1, 2009, your account(s) may be subject to fees or charges associated with the maintenance of that account(s). You may also incur charges associated with the purchase and sale of financial products. These charges may include commissions, fees, mark-ups, or other charges related to the processing of financial transactions. Set forth below is a list of all fees and charges effective January 1, 2008. Please pay particular attention to the “Footnotes” section, as this information provides additional detail to many of the charges listed below. Also note that many of the items listed are incurred in association with a specific event. Your Investment Executive can supply specific information regarding any fees or charges that may apply to your account.

### Checking Account Fees

Silver ProCash Plus Account (1) . . . . .	None
Gold ProCash Plus Account (2) . . . . .	\$ 75.00 per year
Corporate Gold ProCash Plus Account (2) . . . . .	\$150.00 per year
Platinum ProCash Plus Account (2) . . . . .	\$125.00 per year
Corporate Platinum ProCash Plus Account (2) . . . . .	\$195.00 per year
Returned Checks . . . . .	\$ 20.00 per event
Stop Payment . . . . .	\$ 20.00 per event
ATM Access . . . . .	None
Personal Checks – Initial Order . . . . .	None
Personal Checks – Re-Order Fee . . . . .	\$ 10.00 per event
Business Checks – Initial Order . . . . .	\$ 50.00 per event
Business Checks – Re-Order Fee . . . . .	\$ 40.00 per event

Individual Retirement Account (3) . . . . .	\$ 35.00 per year
Roth IRA & Education IRA (3) . . . . .	\$ 35.00 per year
SARSEP, Simple IRA & 403(b)(7) Custodial Accounts . . . . .	\$ 50.00 per year
IRA Termination Fee . . . . .	\$ 75.00 per event
Conversion from Traditional IRA to Roth IRA . . . . .	\$ 25.00 per event
Cash Account (4) . . . . .	\$ 10.00 per credit extension

### Transfers:

Legal/GNMA Transfers . . . . .	\$ 35.00 per transfer
Restricted Legal Transfers . . . . .	\$ 50.00 per transfer
Register & Ship . . . . .	\$ 30.00 per transfer
Accommodation Transfers . . . . .	\$ 30.00 per transfer
Outgoing Account Transfers . . . . .	\$ 75.00 per transfer

### Foreign Receive and Deliver Fees:

EuroClear . . . . .	\$ 50.00 per item
All Other Foreign Securities . . . . .	\$ 75.00 per item
Customer Name Safekeeping . . . . .	\$ 2.00 per account, per position, per month
Foreign Securities Safekeeping . . . . .	\$ 2.00 per account, per position, per month
Wire Funds . . . . .	\$ 20.00 per wire transfer
Equity Order Commission . . . . .	\$ 60.00 minimum per order
Custody Fee (5) . . . . .	\$25 per inactive account, per year

### Limited Partnerships, Private Placements, and other Special Products

Subscription Fee . . . . .	\$50 one time per purchase
Redemption Fee . . . . .	\$50 one time per position
Annual Administration Fee . . . . .	\$35 per position
Document Review Fee . . . . .	\$100 per review, regardless of outcome
IRS 990-T UBTI Tax Return Filing . . . . .	\$200 per return filed

- (1) The ProCash Plus Silver accounts require a fee for asset balances below \$5,000 per month; should the account asset balance fall below \$5,000 as of the second-to-last business day of the month, a \$2.00 fee will be applied on the last business day of the month.
- (2) The annual fee for Gold and Platinum accounts will be waived for each account over \$1,000,000 or one account per household where the combined account assets are \$1,000,000 or greater.
- (3) Fees for Individual Retirement accounts will be waived for households where the combined account assets are \$250,000 or greater.
- (4) Interest on all cash delinquencies will be charged directly to the customer’s account at the Fed Funds Rate plus 40 basis points. The interest rate is subject to change from time to time.
- (5) A Custody Fee is applied to any account that has not executed a trade within a calendar year or has dividend reinvestment activity only.



STONE &  
YOUNGBERG

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Member FINRA/SIPC

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# STONE & YOUNGBERG LLC 2009 STATEMENT OF DISCLOSURES AND FEES

*Retain for your Records*

## BUSINESS CONTINUITY PLAN DISCLOSURE

In the event that an emergency causes a significant business interruption, Stone & Youngberg LLC and its clearing firm have developed business continuity plans in order to protect the interests of our clients. This Disclosure summarizes our Firm’s strategy to minimize the risks associated with a disruption to our facilities.

Our clearing firm has developed their own business continuity plan. Pershing’s disclosure is available on the internet at [www.pershing.com](http://www.pershing.com).

## Communications with our Clients and Employees in the Event of a Disruption

In the event of a significant business disruption clients may continue to contact us by telephone at 415-445-2300 or 800-447-8663, by email or by fax at 602-794-4046. General information messages concerning the outage will be available by telephone and on the internet at the Firm’s website, [www.syllc.com](http://www.syllc.com).

The Firm has established plans to ensure the safety and well being of our employees. Employees have received emergency plan education and supervisors retain current copies of the plan.

## Mission Critical Information Systems and Office Relocation for Trading, Sales and Operations

Stone & Youngberg has identified its mission critical applications, some of which are supported by our clearing firm’s business continuity plan and some by other vendors. The Firm maintains a primary facility housing its trading, sales, operations and information technology platform and a backup facility in a geographically distant location. In the event that the primary facility has an outage exceeding the established time threshold, personnel and functions will be relocated to alternate facilities.

Our plans are routinely tested and updated as necessary.

A copy of the Firm’s Plan can be obtained by calling 800-447-8663.

## ANTI-MONEY-LAUNDERING CUSTOMER NOTICE

To help the government fight the funding of terrorism and money-laundering activities, Federal law now requires all broker-dealers to obtain, verify, and record information that identifies each customer who opens an account with Stone & Youngberg LLC. When you open an account, we will ask you for identifying information, and in some cases photo identification may be required.

## PUBLIC DISCLOSURE NOTIFICATION FROM FINRA

Investors should also be aware of the availability of information from the Financial Industry Regulatory Authority (FINRA) as follows: FINRA public disclosure program hotline number is 800-289-9999. FINRA regulation website is [www.finra.org](http://www.finra.org). An investor brochure that includes information describing the FINRA Regulation public disclosure program may be obtained via the FINRA web site or by calling the public disclosure hotline.

## CUSTOMER ACCOUNT AGREEMENT FOR STONE & YOUNGBERG LLC AND ITS ASSIGNS:

### 1. PROVISIONS IN THE EVENT OF FAILURE TO PAY OR DELIVER

Whenever the undersigned does not, on or before the settlement date, pay in full for any security purchased for the account of the undersigned, or deliver any security sold for such account, you are authorized (subject to the provisions of any applicable statute, rule, or regulation):

(A) Until payment or delivery is made in full, to pledge, repledge, hypothecate, or rehypothecate, without notice, any or all securities which you or your clearing agent may hold for the undersigned (either individually or jointly with others), separately or in common with other securities or commodities or any other property, for the sum then due or for a greater or lesser sum and without retaining in your possession and control for delivery a like amount of similar securities.

(B) To sell any or all securities which you or your clearing agent may hold for the undersigned (either individually or jointly with others), to buy in any or all securities required to make delivery for the account of the undersigned, or to cancel any or all outstanding orders or commitments for account of the undersigned.

### 2. CANCELLATION PROVISIONS

You are authorized, in your discretion, should the undersigned die or should you for any reason whatever deem it necessary for your protection, without notice, to cancel any outstanding orders in order to close out the accounts of the undersigned, in whole or in part, or to close out any commitment made on behalf of the undersigned.

### 3. GENERAL PROVISIONS

Any sale, purchase, or cancellation authorized hereby may be made according to your judgment and at your discretion on the exchange or other market where such business is then usually transacted, at public auction, or in private sale without advertising the same and without any notice, prior to tender, demand, or call, and you may purchase the whole or any part of such securities free from any right of redemption, and the undersigned shall remain liable for any deficiency. It is further understood that any notice, prior to tender, demand, or call, from you shall not be considered a waiver of any provision of this agreement. The undersigned shall include any person executing this agreement.

### 4. SUCCESSORS

This agreement and its provisions shall be continuous, and shall inure to the benefit of your present organization, and any successor organization or assigns, and shall be binding upon the undersigned and/or the estate, executors, administrators, and assigns of the undersigned.

### 5. AGE

The undersigned, if an individual, represents that he or she is of full age.

### 6. INTEREST IN ACCOUNT

No one except the undersigned has an interest in any of its accounts with you unless such interest is revealed in the title of such account, and in any case, the undersigned has the interest indicated in such title.

### 7. ORDERS AND STATEMENTS

Reports of the execution or orders and statements of the account of the undersigned shall be conclusive if not objected to in writing, the former within two days and the latter within ten days, after forwarding by you to the undersigned by mail or otherwise.

### 8. EXTRAORDINARY EVENTS

You shall not be liable for loss or delay caused directly or indirectly by war, natural disasters, government restriction, exchange, or market rulings, or other conditions beyond your control.

### 9. FEES AND CHARGES

The undersigned agrees to the fees and charges contained in the fee schedule provided herein. We may change the fee schedule from time to time.

### 10. JOINT ACCOUNTS

If this is a joint account, unless we notify you otherwise and provide such documentation, as you require, the brokerage account(s) shall be held by us jointly with rights of survivorship (payable to either or the survivor of us). Each joint tenant irrevocably appoints the other as attorney-in-fact to take all action on his or her behalf and to represent him or her in all respects in connection with this Agreement. You shall be fully protected in acting, but shall not be required to act upon the instructions of either of us. Each of us shall be liable, jointly and individually, for any amounts due to you pursuant to this Agreement, whether incurred by either or both of us.

### 11. ADDRESS

Communications may be sent to the undersigned at the current address of the undersigned which is on file at your office, or at such other address as the undersigned may hereafter give

you in writing. All communications so sent, whether by mail, telegraph, messenger, or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

### 12. RECORDING CONVERSATIONS

The undersigned understands and agrees that for our mutual protection we may electronically record any of our telephone conversations.

### 13. ARBITRATION DISCLOSURES

THIS AGREEMENT CONTAINS A PRE DISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

- ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS, AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD.
- THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

### 14. AGREEMENT TO ARBITRATE CONTROVERSIES

IT IS AGREED THAT ANY CONTROVERSY BETWEEN US ARISING OUT OF YOUR BUSINESS OR THIS AGREEMENT SHALL BE SUBMITTED TO ARBITRATION CONDUCTED BEFORE ANY NATIONAL SECURITIES EXCHANGES ON WHICH A TRANSACTION GIVING RISE TO SUCH CLAIM TOOK PLACE (AND ONLY BEFORE SUCH EXCHANGE) OR THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.. AND IN ACCORDANCE WITH ITS RULES.

NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS ACTION WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: THE CLASS CERTIFICATION IS DENIED, (II) THE CLASS ACTION IS DECERTIFIED; OR (III) THE CLIENT IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT TO THE EXTENT STATED HEREIN.

### PAYMENT FOR ORDER FLOW DISCLOSURE

#### SEC Requirement

The Securities and Exchange Commission has implemented a requirement that brokerage firms disclose to their customers their policies and practices regarding receipt of "payment for order flow." For this purpose, "payment for order flow" is compensation or other consideration paid to a brokerage firm by a registered stock exchange or association (such as the American Stock Exchange, a regional stock exchange and the Financial Industry Regulatory Authority, Inc.) or by another broker-dealer, in return for directing customer orders for execution. Examples of non-cash compensation include reciprocal arrangements, discounts, rebates, reductions or credits against fees that would otherwise be payable in full by the brokerage firm.

Types of payment for order flow received might include profit participation from specialists on regional exchanges in connection with the overall profitability of the specialist unit in those stocks/ options in which orders are routed, and a refund or credit against future fees from a Canadian securities firm for orders executed on Canadian exchanges.

Orders are routed to these specialists and the Canadian firm if it can be reasonably ascertained that doing so will result in best execution of customer orders. In addition, we may receive a payment for certain odd lot orders executed on the Chicago Stock Exchange from Chicago Stock Exchange Specialists and the odd-lot execution service of the Chicago Stock Exchange. If you do not wish to have your order executed on a particular exchange, please inform your Account Executive.

The factors considered in determining where to send an order include (1) opportunity for price improvement, (2) reputation of the exchange specialist who makes the market in the

stock, (3) size of the order, (4) the quality of previous order executions, including the cost, efficiency and likelihood of execution.

We may also facilitate the routing of some regional specialists' proprietary orders to the New York Stock Exchange's Designated Order Turnaround ("DOT") system in exchange for a portion of the commissions generated by such proprietary orders.

#### Trade-by-Trade Disclosure

The confirmations for orders routed to regional specialists will state as follows: "We acted as broker on this transaction. Transactions in these securities are subject to payment for order flow. The nature and source of additional cash or non-cash compensation, if any, received by us in connection with your transaction will be provided upon written request."

#### Price Improvement

When an order is executed at a price that is more favorable than existing quotations, it has received "price improvement." An order routed to a regional specialist may receive an execution at a price that is superior to the nationally displayed best bid or offer in accordance with the exchange's policies and procedures governing price improvement.

Periodically, an assessment is conducted as to the quality of the markets to which order flow is routed, as well as that of competing markets, in order to ensure that customer orders are directed to the market providing the most beneficial terms for the execution of those orders.

The preceding disclosure applies to Stone & Youngberg LLC. At the present time, Stone & Youngberg LLC does not receive payment for order flow nor is such activity anticipated.

#### Order Routing

Pursuant to Securities and Exchange Commission Rule 606, Stone & Youngberg LLC is required to publish quarterly statistics regarding its customer agency order routing practices. This report is accessible on the Internet at [www.tagaudit.com](http://www.tagaudit.com) (Public Rule 606).

Pershing's order routing disclosure is available on the internet at [www.orderroutingdisclosure.com](http://www.orderroutingdisclosure.com) or on the reverse side of the last page of the customer statement under the "Terms and Conditions" Pershing 382 Notice.

**Please be advised, Stone & Youngberg will not execute any trade orders left on voicemail. If you reach voicemail during market hours, please dial "0" for assistance.**

#### STONE & YOUNGBERG LLC PRIVACY POLICY

The Gramm-Leach Bliley Act mandates we communicate our privacy policy to you and provide you with a copy of our policy on an annual basis. We review our privacy policy on an annual basis and update our online and printed materials as necessary.

Stone & Youngberg LLC collects personal information in order to open customer accounts, to process customer transactions and to provide the highest level of customer service possible. We understand that by selecting Stone & Youngberg, clients have entrusted us with private financial information and we are committed to utilizing a range of security measures to protect that trust. No private customer information is sold to anyone for any purpose. You do not have to contact us to benefit from our privacy protections as they apply automatically to all our customers.

#### INFORMATION COLLECTED

The types of personal information collected by Stone & Youngberg include:

- Information provided by customers on new account applications and other forms
- Information about a customer's transactions
- Information obtained to verify a customer's identity
- Information provided by a customer or collected on our Website

#### STATEMENT OF PRIVACY POLICY

It is the policy of Stone & Youngberg that:

- No personal information is sold to any third parties.
- All Firm employees are required to safeguard personal information.
- The Firm's physical, electronic, and procedural safeguards protect customer information.
- Personal information may be disclosed to third parties, when the following circumstances exist:

1. Personal information is needed to assist in processing or servicing customer transactions or accounts, including companies which print and mail customer account statements.
2. When information assists us in providing customers with new services or products, developing or maintaining our computer systems, marketing services on our behalf or other financial institutions with which we have joint marketing agreements.
3. When we believe in good faith that disclosure is required or permitted under law. (e.g. to co-operate with regulators or the law, to fulfill our regulatory obligations).
4. When a customer specifically asks us to do so in writing.

If the Firm wishes to disclose customer information not consistent with this Policy we will provide you with advance notice giving you an opportunity to opt out of such disclosure.