

# SARNA ACCOUNT AGREEMENT

## SECTION I - DISCLOSURES AND ACCOUNT INFORMATION

### 1. INTRODUCTION

Sarna Finance LLC (“Sarna”) would like to welcome you and to provide you with the following information and resources that are available to you regarding your brokerage account. Sarna is a broker-dealer that is registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). For further information regarding Sarna’s broker-dealer status, please visit FINRA’s broker check website at [brokercheck.finra.org](http://brokercheck.finra.org).

Your account will be a self-directed brokerage account and not an advisory account (unless you sign a separate advisory agreement with a third party and not Sarna). If you have further questions regarding your account, please email Sarna at [info@sarnafinance.com](mailto:info@sarnafinance.com).

### 2. INVESTING RISK DISCLOSURES

Sarna welcomes your decision to open an account and to execute your orders on the Sarna platform. Prior to making any investment decisions, please carefully consider the risks of limiting the placement and execution of your orders solely on Sarna’s platform. If you cannot access the platform or the platform is not operational, you may not be able to place orders for your account(s) with Sarna. Also, you should be aware that when trading volumes in the markets increase rapidly and many investors want to buy or sell securities at the same time, backlogs may form and orders may not be able to be filled quickly.

While Sarna has put very significant resources into building and testing its systems, computer glitches, slowdowns and outages can and will occur. Sarna may also need to restrict access to some parts of the platform from time to time to perform routine maintenance. Sarna will do its best to schedule system updates and maintenance during times when the exchange markets are closed. While Sarna intends for the platform to continuously be available during market hours, you understand and **AGREE** that Sarna cannot guarantee that you will always be able to access the platform to place orders.

Sarna’s execution platform is not designed to recognize your personal financial circumstances or investment objectives. Investment strategies which may appear on the Sarna platform reflect the views of third-party providers and not Sarna. Such strategies might not be suitable for you. You understand and **AGREE** that Sarna cannot and does not guarantee their accuracy or suitability. You also **AGREE** that you are responsible for determining whether you can bear the risks associated with your orders. Since Sarna is not aware of your personal financial situation or tolerance for risk, Sarna will not review or consider this information prior to executing your orders. You understand that Sarna has not determined whether the available tools will result in investments suitable for you.

You should understand that holding securities in your account on margin involves risks including, but not limited to, the following:

- You can lose more money than you deposit into your account;
- Sarna may be forced to sell securities or other assets held in a margin account;
- Sarna may be forced to sell securities or other assets without first contacting you;
- Sarna is entitled to, if necessary, select which securities or other assets in your account are liquidated or sold to meet a margin call;
- Sarna may increase “house” maintenance margin requirements at any time and is not required to provide an advance written notice of the increase; and
- Margin calls must be met immediately and there is no guarantee that a request for an extension of time to meet a margin call will be approved.

### 3. ELECTRONIC COMMUNICATIONS

As part of applying for an account with Sarna, you consent to electronic delivery of all communications including, but not limited to, account statements, confirmations, tax documentation and other information relating to your account. Your consent will be effective immediately and will remain in effect unless it is revoked by you in writing. Sarna reserves the right to terminate your account or, in certain instances, to charge you a fee if you request or if Sarna determines that it must send you documentation or communicate with you by some other means. You **AGREE** that, when Sarna sends electronic communications to you, delivery to you has occurred whether or not you actually access or review the communications.

You **AGREE** to review all account statements, trade confirmations and other communications that Sarna delivers to you. You **AGREE** that Sarna may conclude that statements and confirmations are correct unless you contact Sarna within five (5) calendar days of receiving notice that these documents are available for your review. You **AGREE** that, if you fail to notify Sarna within five (5) calendar days, you may not later assert that your statements or confirmations were incorrect or that transactions were not authorized by you. If, for any reason, you do not receive your account statements or trade confirmations, you **AGREE** to promptly notify Sarna so that we can determine the cause of the notification failure and take the appropriate steps to correct any delivery issues.

Sarna will send all communications to the email address reflected in your account profile unless and until this address is changed by you by logging into your account. You accept that all communications and notifications which Sarna provides to your email will be deemed personally delivered to you whether or not you actually receive or review the information. You are responsible for promptly updating your account profile by logging into the Sarna platform whenever any of your information including, but not limited to, your name, email address and physical address is no longer accurate.

Any notice of withdrawal of your consent to electronic delivery will be effective only after Sarna has a reasonable period of time to process your request. If you do not agree to be bound by the terms contained in this section of the Sarna Account Agreement, but nevertheless would like to open an account, please email Sarna at [info@sarnafinance.com](mailto:info@sarnafinance.com) so that Sarna may attempt to address your concerns.

#### **4. REQUIRED ACCOUNT INFORMATION**

To assist the government with fighting the funding of terrorism and money laundering activities, federal law requires Sarna to obtain, verify, and record information that identifies each account holder. Accordingly, when you apply to open an account, Sarna must ask for your name, address, date of birth, taxpayer identification number, and other information which will allow Sarna to identify you. You may also be asked for a copy of your driver's license or other documents necessary for verification purposes.

#### **5. ACCOUNT TYPES**

Sarna offers many different types of accounts including individual accounts, joint accounts, margin accounts, option accounts, retirement accounts, and third-party advisory accounts. Each type of account may be subject to certain restrictions and eligibility requirements, and certain services may not be available to specified customers or account types. You are responsible for selecting and applying for the account type that is appropriate for your needs and circumstances.

#### **6. NO TAX, LEGAL, OR OTHER ADVICE**

Sarna does not provide any tax, legal, or any other advice regarding your account(s). Sarna is not obligated to participate in any legal proceedings, including bankruptcy proceedings, against the issuer of any security held or formerly held in your account. Please consult with your personal tax, legal and/or investment advisor, but not with Sarna, for any advice prior to making any and all investment-related decisions.

#### **7. DEPOSITS AND WITHDRAWALS**

##### **A. LINKED CHECKING ACCOUNT**

You may set up one designated outside checking account to be linked to your Sarna account. To change the linked checking account, please login to your account and complete the applicable modification in your "Account Profile" at [sarnafinance.com](http://sarnafinance.com).

By opening your brokerage account at Sarna, you are confirming that you understand and **AGREE** that the deposit and withdrawal of funds to/from a linked checking account will be conducted exclusively via Automated Clearing House ("ACH") transactions. You understand that ACH transactions are subject to processing delays which may last up to five (5) business days or longer, and that funds transferred may not be credited to your account or otherwise available to you during this processing period. Sarna, in its sole discretion, may impose a longer waiting period during which funds may not be available. Sarna also reserves the right, without advance notice to you, to refuse to process certain types of transactions into or out of your account.

##### **B. TRANSFER OF FUNDS**

You may initiate a deposit to your Sarna account via wire transfer from your financial institution according to the instructions made available to you on the Sarna platform. Upon verification, any funds received will be credited to your account. Sarna reserves the right to reject and reverse any third-party wires or other incoming deposits if the source of the funds cannot be verified to Sarna's satisfaction.

You **AGREE** to be bound by all applicable ACH rules, Federal Reserve Board rules, Clearing House Interbank rules, and other bank rules or regulations that may apply regarding deposits to or withdrawals from your account. Please be aware that funds may not be transferred to the account you designate until Sarna verifies that the bank account to which the funds are being sent is titled in your name and is not a third-party account. You may be charged a fee for any transfers to or from your Sarna account.

#### **C. NOTIFICATION IN THE EVENT OF UNAUTHORIZED TRANSFERS**

If you believe that an unauthorized transfer has occurred in your account or that your account has been improperly debited or credited, you **AGREE** to promptly email Sarna at [info@sarnafinance.com](mailto:info@sarnafinance.com).

#### **8. PURCHASES AND SALES**

All orders to buy or sell securities must be placed through the Sarna platform. You **AGREE** that Sarna has no responsibility for any orders to purchase or sell securities that you place or attempt to place. Alternative methods of placing orders are not available. Sarna's customer service representatives at [info@sarnafinance.com](mailto:info@sarnafinance.com) can assist you in entering an order online, **BUT THEY CANNOT ACCEPT ORDERS OVER THE TELEPHONE.**

You understand and **AGREE** that you will receive the price at which your order is executed in the marketplace. You understand and **AGREE** that particularly, but not only during periods of high volume, illiquidity, fast market movement or volatility in the marketplace, the execution price received may differ from the market quote at the time of order entry. You also understand and **AGREE** that, in certain circumstances, you may receive partial executions of an order at different prices. You **AGREE** that Sarna may use its discretion to route your orders for execution and you **AGREE** to hold Sarna harmless for all routing decisions.

Sarna may, in its sole discretion and without prior notice to you, prohibit or restrict your ability to enter orders or to substitute securities in your account. Sarna cannot guarantee that we can satisfy a request to cancel or modify an order once you have submitted it. You understand and **AGREE** that Sarna may receive late and/or erroneous trade reports from the marketplace where your order is executed. This may result in an adjustment to your order or to the trade execution reported to you.

You understand and **AGREE** that Sarna is under no obligation to keep you informed of market or other developments which may affect your account or the expected outcome of any trade. You acknowledge that the contents of your account may include valuable rights that could expire unless you take action. You understand and **AGREE** that Sarna has no obligation to notify you of the nature of any rights or other terms, or of any expiration or redemption dates or other deadlines, that may apply to or affect the value of any securities or other assets held in your account. You understand and **AGREE** that you are and will be solely responsible for knowing any and all applicable rights, terms, or deadlines and for any action taken or not taken with respect to any securities and other assets held in your account.

#### **9. MARGIN ACCOUNT REQUIREMENTS**

To place a trade on margin, your account must be approved as a margin account and must maintain at least a balance of \$2,000 as minimum equity. You have an obligation to monitor the balances in your margin account, and to maintain funds sufficient to meet any margin requirement. Sarna reserves the right to determine whether or not to approve a margin account. Sarna may, due to market conditions or for other reasons, require you to deposit additional cash or securities into your account at any time.

## **10. CONFLICTS OF INTEREST**

Sarna's interests may not always be the same as yours. Sarna is compensated by you and, sometimes, by others who compensate Sarna based on transactions executed on your behalf. Please ask any questions that you have regarding your rights and Sarna's obligations including, but not limited to, questions regarding the extent of Sarna's obligation to disclose these conflicts to you and to act in your best interest.

## **11. ORDER FLOW PAYMENTS**

Orders you enter through your account may be executed on exchanges or by other liquidity providers. Sarna will select routing destinations consistent with its best execution obligations and other applicable laws and regulations. Sarna may receive rebates for routing orders to certain exchanges and liquidity providers and/or may be credited for fees incurred with those organizations. The source and amount of any compensation which Sarna receives in connection with your transactions will be disclosed to you upon written request.

Sarna regularly reviews transactions executed using its platform to assess the quality of executions and to determine where to best route customer orders. Factors considered include, but are not limited to, execution speed, price improvement opportunities, and the availability of efficient and reliable order handling systems.

## **12. FEES & CHARGES**

Sarna earns revenue by charging fees for various services that it provides to you including the processing of transactions and by charging interest earned on cash balances that you borrow in your account. Sarna may also charge transaction processing fees or commissions along with other operational, service, custodial, and miscellaneous service charges. Please review Sarna's Fee Schedule for a complete list of fees and charges. This Fee Schedule may be periodically updated without any notification to you.

## **13. SIPC INSURANCE COVERAGE**

Securities held in your account are not insured by the Federal Deposit Insurance Corporation and are subject to investment risks including the possibility of total loss. Sarna is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC protects customers against the loss of their securities in the event of a SIPC member's insolvency and liquidation by replacing missing securities and cash up to a maximum of \$500,000 per customer (limited to \$250,000 for claims of cash). SIPC does not protect you against losses from any changes in the market value of your investments. You are advised to read the explanatory brochure available at [sipc.org](http://sipc.org) and/or to contact SIPC directly at 202-371-8300.

## **14. MARKET DATA**

Sarna will provide various sources of market data to you in accordance with the terms of, and your Agreement to, the Sarna Finance LLC Market Data Addendum to this Sarna Account Agreement, which Addendum is incorporated herein by reference. You **AGREE** that you will only use this market data for your own personal, non-professional use. You also **AGREE** not to provide, retransmit, redistribute or publish this market data to any other individual or entity without the express written consent of Sarna. The Sarna Finance LLC Market Data Addendum and the "NYSE Market Data Agreement" and the "NASDAQ Market Data Agreement" will be deemed to have been entered into and executed by you by your Agreement to this Sarna Account Agreement.

You represent and warrant that you qualify as a “Non-professional” user. You **AGREE** to contact us at [info@sarnafinance.com](mailto:info@sarnafinance.com) if at any time you believe that you may not qualify as a “Non-professional” user. If you have told Sarna in writing that you are a “Securities Professional”, then you represent and warrant to Sarna that you are a Securities Professional until you notify Sarna in writing to the contrary.

Sarna will make reasonable efforts to have market quotes, data and other information available for your convenience. There may be a time delay in receiving quotes, prices and other data. You understand that these financial products and services are provided by third-party vendors which Sarna engages on your behalf. Sarna cannot and does not guarantee the accuracy, reliability, timeliness or completeness of the information provided.

#### **15. FREE CREDIT BALANCES**

All free credit balances (i.e., unrestricted cash balances) are payable to you upon your demand. You **AGREE** that, unless you notify Sarna in writing, your free credit balances may be swept into a bank account or money market fund different and distinct from your brokerage account.

#### **16. PRIVACY POLICY AND INFORMATION DISCLOSURE**

You acknowledge that you have received a copy of the Sarna Privacy Policy (“Privacy Policy”) which describes Sarna’s policies regarding the use and sharing of certain personal information provided by you to Sarna. Sarna may use and share information and you may “opt out” of certain types of information sharing in accordance with this policy. Please email us at [info@sarnafinance.com](mailto:info@sarnafinance.com) with any questions regarding Sarna’s Privacy Policy.

If you fail to fulfill the terms of your credit obligations, Sarna may submit a negative credit report to a credit-reporting agency. Under the Fair Credit Reporting Act, you have the right to notify Sarna if you believe we have reported inaccurate information about you or your account. If you have any questions regarding any information that has been reported, please contact Sarna in writing at [info@sarnafinance.com](mailto:info@sarnafinance.com). Include your complete name, current address, telephone number, account number, type of account, the specific item or dispute and the reason why you believe the information reported is incorrect.

You understand that, if you are associated with another broker-dealer, an exchange, or FINRA, Sarna is required to notify that party in writing of your intention to open and/or maintain an account. You also understand that Sarna is required to send duplicate copies of confirmations and statements or other similar information to certain parties with which you are associated.

## **17. TELEPHONE COMMUNICATIONS**

You **AGREE** and affirmatively **CONSENT** to Sarna monitoring and recording your telephonic communications and electronic communications relating to your account without further notice. You also understand and acknowledge that not all telephonic and other electronic communications may be recorded and Sarna does not guarantee that any particular record will be retained. Finally, you understand that Sarna does not consent to the recording of any telephonic conversations with any Sarna representative by yourself or by any other party, and that any such recording without Sarna's consent may be a violation of the law.

## **18. RESTRICTED SECURITIES**

Prior to placing an order for securities subject to Rules 144 or 145 of the Securities Act of 1933, you must identify the status of the securities and furnish Sarna with the documents necessary to obtain approval to transfer and register these securities. There may be delays in processing your request and the required documents. Sarna will not be liable for any losses caused directly or indirectly by processing or any other delays. Sarna reserves the right to decline acceptance of any order until the transfer and registration of these securities has been approved.

## **19. DIVIDENDS**

At this time, Sarna allocates all dividend payments to your account. Sarna allocates all relevant dividends, capital gains and/or return-of-capital distributions to your account. Please be advised that Sarna reserves the right to implement a dividend reinvestment program in the future.

## **20. PROXY VOTING AND VOLUNTARY CORPORATE ACTIONS**

Sarna will not take any action on your behalf regarding corporate actions without your specific instructions. Voluntary corporate actions may include, but are not limited to, tender offers, exchange offers, mergers with an election, Dutch auctions and subscriptions for rights and/or warrants. You understand that it is your obligation to contact Sarna in order to participate in any voluntary corporate action and to provide Sarna with your participation instructions, and you **AGREE** that Sarna may, in its discretion, reject your participation instructions. Sarna will endeavor to process or reject any participation instructions from you within five (5) business days of actual receipt by Sarna. You **AGREE** to hold Sarna harmless for any processing delays or for any other reason that your instructions are not timely carried out. You acknowledge that Sarna may modify your participation instructions if your position in a relevant security in your account changes before the corporate action is completed.

## **21. ABANDONED, UNCLAIMED OR DORMANT ACCOUNTS**

Sarna may impose fees on accounts that are considered unclaimed, abandoned, or dormant. Additionally, Sarna may, in its sole discretion and without notice to you, close your account due to minimal activity. In such cases, Sarna will liquidate all securities positions and send the account balance less any applicable fees to you. Accounts which are abandoned or unclaimed will be escheated or delivered to the state listed in the address of record for your account. For more information about the treatment of unclaimed property and the escheatment process, please contact the respective state government agency for the state in which you reside.

## 22. BUSINESS CONTINUITY

If you believe you cannot access the Sarna platform at any time due to an outage or other issue, you are encouraged to obtain information through the following notification methods:

- If Sarna is aware of an issue, a banner message will be displayed in the Sarna platform that will provide information about the outage and will be updated as new information becomes available.
- If there is sustained outage that Sarna is aware of, Sarna will make a best-efforts attempt to email you. The message will provide details regarding the outage and instructions for how to access your account.
- You can email Sarna at [info@sarnafinance.com](mailto:info@sarnafinance.com) and Sarna will respond to you as soon as possible.

## 23. INFORMATION SECURITY

You are responsible for securing the confidentiality of your username, password, and any other information needed to access your account(s). You **AGREE** to be solely responsible for all electronic communications including, but not limited to, orders and other transactions that are sent from your account when it is accessed with your username, password and any other security information associated with your account. You **AGREE** that Sarna cannot be held responsible for losses or damages which could result from computer malfunctions, viruses or the illicit use of your information or account. You also **AGREE** to notify Sarna immediately at [info@sarnafinance.com](mailto:info@sarnafinance.com) if you suspect or know that your username or password has been stolen or if you suspect unauthorized use of, or access to, your account(s).