

Eagle Sweep Disclosure

EFFECTIVE MAY 2018



FIRST REPUBLIC
SECURITIES COMPANY, LLC
It's a privilege to serve you®

FIRST REPUBLIC SECURITIES IS A WHOLLY-OWNED
SUBSIDIARY OF FIRST REPUBLIC BANK.
MEMBER FINRA/SIPC

Eagle Sweep Disclosure

Effective May 2018

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Important Information about the Eagle Sweep Program

First Republic Securities Company, LLC (“FRSC”) makes available a cash sweep program for holding uninvested cash in our customers’ Brokerage Accounts. The primary sweep option for those customers who qualify is the Eagle Sweep program. The Eagle Sweep Account is an FDIC-insured deposit account opened and maintained by FRSC’s Clearing Agent, Pershing LLC, at FRSC’s affiliated bank, First Republic Bank. First Republic Bank is a California State-chartered bank the deposits of which are insured by the FDIC to the extent provided under the Federal Deposit Insurance Act and FDIC rules. The deposit account shall be entitled “Pershing LLC as agent for its customers acting for themselves and others.”

For all new FRSC brokerage accounts opened after March 1, 2007, and carried at Pershing LLC, customers will have agreed that, if they qualify, the Eagle Sweep program will be used to hold the customer’s cash balances, unless the customer directs FRSC in writing to use a different sweep option. For FRSC brokerage accounts opened before March 1, 2007, the Eagle Sweep program is being made available to those customers who direct FRSC in writing to change their existing cash sweep option to the Eagle Sweep program.

Not all sweep options are available to all FRSC customers. Customers who qualify for the Eagle Sweep program include individuals, joint accounts, personal trusts and estates, state and municipal government entities, domestic non-profit corporations, sole proprietorships, Individual Retirement Accounts (“IRAs”) and other pension and employee benefit plans, partnerships and for-profit corporations. FRSC is making the Eagle Sweep available for reasons that include the features and benefits to be provided

to its customers, the profitability and cost to it of providing the various cash program options and its funding needs.

Certain FRSC customers include certain money market mutual funds. Not all options are available to all of our customers.

Under the Eagle Sweep program, Pershing LLC will act as your agent to place your cash balances into an Eagle Sweep deposit account at First Republic Bank. Withdrawals from your Eagle Sweep deposit account can only be made through your FRSC brokerage account. If you have an existing FRSC brokerage account that uses a different sweep option, and you are eligible for the Eagle Sweep program, you may change to the Eagle Sweep program at this time by signing and returning a letter of instruction or you may elect the Eagle Sweep option at any future date you choose, subject to the availability of alternative programs at that time.

Interest rates, effective yields and APYs for each of the options for cash pending further investment are subject to change at any time. Those rates will normally go up and down to some degree with market rates of interest. Applicable rates of the different sweep options will be different from one another, some paying significantly higher or lower rates than others. The interest rates paid to customers on the Eagle Sweep Account are set by First Republic Bank in its sole discretion, and may pay interest at lower rates than the current yields on money market mutual funds. Current rates and other information on our programs are available at www.firstrepublic.com/brokerage.

FRSC may at any time change the products available as a sweep for your brokerage account, or change the terms and conditions of the Eagle Sweep or the sweep product or program, after providing not less than 30 days' written notice to you. Changes to interest rates, APYs and balances required to qualify for higher rates may be changed without prior notice to you; for other changes, FRSC will provide you with notice prior to: (1) making changes to your Eagle Sweep Program; (2) making changes to the terms and conditions of a deposit product currently available through your Eagle Sweep Program; (3) changing, adding, or deleting deposit products available through your Eagle Sweep Program; or (4) changing your sweep option from one product to another. FRSC may send written notice of a change to you by e-mail, regular mail, as part of your statement, or by other means, including, if permitted by applicable law, by posting on the FRSC website. The notice will describe the new terms and conditions and provide you with other available options should you choose to decline the new terms, conditions, or products. You may ask us to remit your available cash balances to you, or place them in another sweep option for which you are eligible. If you do not close your account within thirty (30) calendar days of the notice of modifica-

tion to the terms and conditions and/or to the services provided by FRSC, then you will be deemed to have accepted the modification. Any modifications that are required by law will be immediately effective.

First Republic Bank and its affiliates and third party service providers may receive fees and derive other benefits from each of the programs. For example, under the Eagle Sweep program, Pershing LLC receives from FRSC a payment to operate and maintain the Eagle Sweep program. In the case of money market mutual fund sweep options, FRSC and Pershing LLC receive Rule 12b-1 fees and other servicing fees from participating money market funds. Pershing LLC pays fees to FRSC based on customer balances in money market funds.

Other benefits that First Republic Bank receives from its cash programs include access to relatively low-cost funding of its own assets. For example, Eagle Sweep deposits may provide First Republic Bank with relatively low-cost funds that can be lent or invested at higher rates, thus enabling First Republic Bank to earn a profit based on the spread between the rate paid to its customers and the interest earned by First Republic Bank on the assets.

Each of the cash program options provided by FRSC has different risks and is regulated in very different ways. The Eagle Sweep is a program by which Pershing LLC acts as your agent to place your cash balances into a deposit account at First Republic Bank, and is regulated primarily under federal banking laws. Money market mutual funds are pools of investments in short-term debt instruments, and are regulated by the SEC under the Investment Company Act of 1940 and other federal securities laws. Earnings on money market mutual funds are the net return on this pool, after payment of expenses, and tend to go up and down over time with market rates of interest on short-term debt instruments. Some money market mutual funds invest primarily in tax-exempt municipal securities and offer tax savings to certain customers. Interest paid to customers on Eagle Sweep Accounts is fully taxable. Eagle Sweep Accounts earn interest in Pershing LLC's account as agent for Eagle Sweep customers at First Republic Bank, and a money market fund investment earns dividends on fund shares held in your brokerage account. The interest earned on Eagle Sweep Accounts may fluctuate and may be greater or less than the then current yield on a money market fund investment.

The several cash options are treated differently for purposes of the Securities Investor Protection Corporation ("SIPC") coverage and Federal Deposit Insurance Corporation ("FDIC") insurance. You should consider the differences between SIPC coverage and FDIC insurance in evaluating the options. Unlike the money market fund shares or the cash balances held in your brokerage account as a free credit

balance, the Eagle Sweep Account is not covered by SIPC. SIPC is a non-profit member corporation funded primarily by member securities brokerage firms registered with SEC. SIPC provides protection against risks to clients of member brokerage firms, including Pershing LLC, in the event of a member firm's failure. However, SIPC does not afford protection against the failure of the issuer of securities and does not guarantee bank deposits.

The Eagle Sweep is a program under which Pershing LLC, as your agent, places your uninvested cash balances in a deposit account at First Republic Bank in Pershing LLC's name as agent for its customers acting for themselves and others. Funds held in such deposit accounts at First Republic Bank are insured by the FDIC up to the Standard Maximum Deposit Insurance Amount, which has been increased by the U.S. Congress to \$250,000 in principal and accrued interest per depositor for all accounts in the same title and capacity, with the maximum to be adjusted for inflation beginning in 2010. Amounts in a customer's Eagle Sweep Account in excess of the Standard Maximum Deposit Insurance Amount, when aggregated with all other deposits at First Republic Bank that the customer owns in the same right and capacity, are not insured by the FDIC. FDIC insurance protects depositors against losses in the event of a failure of the bank holding the deposit, up to the Standard Maximum Deposit Insurance Amount held at that bank in the same ownership right and capacity, but does not protect against bookkeeping errors, misappropriation or disappearance of the funds. The Eagle Sweep Account is insured by the FDIC, and is neither covered by SIPC nor guaranteed by Pershing LLC.

Under certain circumstances, if you become the owner of deposits at a bank either because of a merger or because another depositor dies, beginning six months after the merger or the death of the depositor, the FDIC will aggregate those deposits that you own in the same legal capacity at the Bank. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

The Eagle Sweep program offers up to the Standard Maximum Deposit Insurance Amount in deposit insurance, subject to any other deposits you may have outside of the Eagle Sweep program at First Republic Bank. While accrued interest and interest paid on your Eagle Sweep Account are generally subject to FDIC insurance coverage, there will be one situation where interest will not be FDIC-insured. Accrued interest on your Eagle Sweep Account at First Republic Bank will not be FDIC-insured if the balance of your Eagle Sweep Account at the bank together with the balances of any other deposits you hold in the same right and capacity at the bank is already at the Standard Maximum Deposit Insurance Amount because

any accrued interest would be in excess of that limit. However, once accrued interest is paid it will be covered by FDIC insurance if the total balance in your Eagle Sweep deposit account, (and any other deposits you own at the Bank) together with the interest paid, does not exceed the Standard Maximum Deposit Insurance Amount.

SIPC coverage protects brokerage customers against misappropriation or disappearance of cash or securities in the customer's account at a broker-dealer firm during the bankruptcy of the broker-dealer, but does not protect against a decline in value of securities or other assets. If a broker-dealer is placed in liquidation, a SIPC designated trustee will ensure that what is owed to the customer is returned, within certain limits. Eligible customers who are owed cash and securities by a broker-dealer are protected up to \$500,000 (including securities issued by money market mutual funds), of which up to \$250,000 may be used to satisfy any portion of a claim that is for cash only. Eagle Sweep Accounts are not covered by SIPC.

You should keep in mind other accounts held in the same title and capacity at the same bank or broker-dealer in calculating FDIC or SIPC coverage limits, because both programs' coverage limits are set per customer across all accounts. For more information on SIPC, please visit the SIPC website at www.sipc.org or call SIPC at 202-371-8300. For more information on FDIC deposit insurance, please visit the FDIC website at www.fdic.gov or call the FDIC at 877-275-3342.

Eagle Sweep Truth in Savings Disclosure

In accordance with applicable laws and regulations, this document, together with the current Interest Rate Schedule, constitute the Truth in Savings Disclosure for your Eagle Sweep Account at First Republic Bank. First Republic Bank is a California State-chartered bank the deposits of which are insured by the FDIC to the extent provided under the Federal Deposit Insurance Act and FDIC rules.

Please read this disclosure, the current Interest Rate Schedule at www.firstrepublic.com/brokerage, the FRSC New Account Application and relevant supplements carefully before accepting them. These documents govern your Eagle Sweep Account.

The Eagle Sweep Account is available only as a cash sweep option linked to a First Republic Securities Company, LLC Brokerage Account.

This Truth in Savings Disclosure and the Interest Rate Schedule found at www.firstrepublic.com/brokerage are intended to assist you in comparing the terms of our Eagle Sweep product with other brokerage sweep options available through First Republic Securities Company, LLC (“FRSC”), and with those of our competitors.

If you have any questions, please call Customer Service at 1-877-348-5576 option #2.

1. ACCOUNT HOLDER AND OTHER TERMS USED

In this Truth in Savings Disclosure, the words “Account Holder”, “you” and “your” refers to the customer and shall mean and refer to the person(s) or entity(ies) whose name(s) appears on the FRSC Brokerage Account and in whose name the Eagle Sweep Account is opened. The words “we” and “us” refer to the Bank and/or its affiliates. This Account Agreement is binding upon you and the Bank, and your and the Bank’s respective heirs, executors, administrators, agents, successors and assigns.

2. INTRODUCTION AND ELIGIBILITY FOR THE EAGLE SWEEP PROGRAM

If the Eagle Sweep program is the designated sweep option for your FRSC Brokerage Account, the excess, uninvested, cash balance in your FRSC Brokerage Account is automatically transferred into your Eagle Sweep Account, which is an interest-bearing deposit account with the Bank that is insured by the Federal Deposit Insurance Corporation (“FDIC”). The ownership title and address of your Eagle Sweep Account will be the same as your FRSC Brokerage Account, and a single statement covering your FRSC Brokerage Account and your Eagle Sweep Account will be sent to you.

The Eagle Sweep option has two sub-accounts, one being an interest-bearing demand deposit sub-account, the other being an interest-bearing money market deposit sub-account. Please ask FRSC for additional detail concerning eligibility. Persons and entities that are eligible to be Eagle Sweep account holders are referred to as “Qualified Participants”.

If you are a Qualified Participant but do not wish to have your excess cash deposited in the Eagle Sweep Account at the Bank, your cash options may be limited or you may be required to close your brokerage account at FRSC.

3. MINIMUM DEPOSIT BALANCE REQUIREMENTS FOR THE EAGLE SWEEP ACCOUNT

The Bank will not require any minimum deposit balance requirement to open your Eagle Sweep Account. We also will not charge any fees to you for low balances in your Eagle Sweep Account. Your Eagle Sweep Account will be funded solely from excess cash balances in your FRSC Brokerage Account.

4. HOW YOUR EAGLE SWEEP ACCOUNT OPERATES

Under the Eagle Sweep program, excess, uninvested, free credit balances in your FRSC Brokerage Account are automatically transferred into interest bearing deposit accounts at the Bank. These deposits are eligible for federal deposit insurance from the FDIC up to the Standard Maximum Deposit Insurance Amount, which is \$250,000 in principal and accrued interest per depositor for all accounts in the same title and capacity, such maximum to be adjusted for inflation beginning in 2010. Funds in your Eagle Sweep Account are not covered by the Securities Investor Protection Corporation (“SIPC”). **You may have previously elected to sweep excess funds from your FRSC Brokerage Account to a money market mutual fund. FRSC continues to offer these money market mutual fund sweep options only to a limited set of accounts and is giving you the opportunity to invest your excess funds in the Eagle Sweep option. If you do not wish to exercise this option, or wish to discuss your options in more detail, please contact FRSC. Not all sweep options are available to all customers of FRSC.**

Each Eagle Sweep Account will consist of two separate sub-accounts: (1) an interest-bearing transaction sub-account which is a demand deposit account, and (2) an interest bearing money market deposit (“MMDA”) sub-account. **You will earn the same rate of interest and receive the same level of FDIC insurance coverage applicable to the Eagle Sweep Account regardless of the allocation of the funds on deposit with the Bank between your transaction sub-account and the MMDA sub-account.** Pershing LLC, as your agent, will establish these sub-accounts on your behalf in the same name and capacity as your FRSC Brokerage Account. An unlimited number of transfers of funds may be made from the transaction sub-account. However, the MMDA sub-account is considered a savings deposit under applicable law, and the number of funds transfers from that sub-account is limited to six (6) per statement cycle.

As your agent, Pershing LLC will on each business day automatically deposit or sweep available cash balances of one penny (\$0.01) or more from the FRSC Brokerage Account into your Eagle Sweep Account. Deposits into your Eagle Sweep Account will be credited to the appropriate sub-ac-

count. The Bank will establish and modify from time to time a target balance for the transaction sub-account that is designed to optimize the amounts held over time in the two sub-accounts to permit an unlimited number of monthly transfers from the transaction sub-account and a high average balance in the MMDA sub-account. However, initially, all of the funds will be transferred to the MMDA sub-account at the beginning of the monthly statement period, and up to six (6) transfers per monthly statement period will be made to the transaction sub-account as needed to fund your FRSC Brokerage Account. On the sixth transfer, the entire balance in the MMDA sub-account will be automatically transferred to the transaction sub-account. The transaction sub-account balance will be transferred back to the MMDA sub-account at the beginning of the next monthly statement cycle.

Cash needed to fund transactions from your FRSC Brokerage Account will be automatically transferred by Pershing LLC from any available balances in the transaction sub-account of your Eagle Sweep Account to the FRSC Brokerage Account. Your FRSC Brokerage Account will fund all your outside transactions, including purchases of securities, checks written against the FRSC Brokerage Account, and fees or other debits charged against the FRSC Brokerage Account. If there are insufficient funds from your Eagle Sweep Account to satisfy transactions or charges from your FRSC Brokerage Account, the charges will be satisfied to the extent possible from your FRSC Brokerage Account available margin, if your account has been approved for margin. Your monthly statement will show any amounts charged against your margin account.

Pershing LLC acts as your agent with regard to your Eagle Sweep Account and will maintain records for, and process transactions to and from your Eagle Sweep Account. Your Eagle Sweep bank deposit will be evidenced by a book entry on Pershing LLC's account records. No evidence of ownership, such as a passbook or certificate, will be issued to you, and no deposits or withdrawals will be accepted directly from you by the Bank. The ownership title and address of your Eagle Sweep Account will be the same as your FRSC Brokerage Account, and a single statement covering your FRSC Brokerage Account and Eagle Sweep Account will be sent to you periodically. This statement will show the amounts on deposit in your Eagle Sweep Account, the transfers between your Eagle Sweep Account and your FRSC Brokerage Account, and any charges funded from your FRSC Brokerage Account or charged against your available margin. Transfers between the sub-accounts will not be reflected in the periodic statement and will not affect the Annual Percentage Yield or APY on your Eagle Sweep Account or the extent to which your Eagle Sweep Account qualifies for FDIC insurance.

Funds transferred to your Eagle Sweep Account, including funds availability and acceptance or rejection of any funds, will be governed by the Eagle Sweep Agreement. As noted, you are not permitted to withdraw funds from your Eagle Sweep Account directly. Rather, all withdrawals will be made, and checks paid, from your linked FRSC Brokerage Account. Pershing LLC, as your agent, effects all transfers between your Eagle Sweep Account and your FRSC Brokerage Account to fund transactions from and fees imposed on your FRSC Brokerage Account.

5. WITHDRAWALS FROM YOUR EAGLE SWEEP ACCOUNT AND AVAILABILITY OF FUNDS

Withdrawals and deposits of funds from and to your Eagle Sweep Account are processed through your linked FRSC Brokerage Account.

Federal banking regulations require the Bank to reserve the right to require seven (7) days' prior notice before permitting a withdrawal of funds from the MMDA sub-account of your Eagle Sweep Account, but not the transaction sub-account portion of your Eagle Sweep Account. The Bank does not currently impose holds or limits on funds availability on transfers from either sub-account of your Eagle Sweep Account back to your linked FRSC Brokerage Account. Although the Bank does not currently exercise this seven days' prior notice provision, the Bank may, in its sole discretion, choose to do so in the future.

The availability of funds for making payments, withdrawals or transfers from your FRSC Brokerage Account is governed by the provisions of your separate FRSC New Account Application. Pershing LLC may impose holds and limits on the availability of funds from your FRSC Brokerage Account or from your Eagle Sweep Account, including for example, to cover the settlement of a pending securities or other transaction from your FRSC Brokerage Account. Please see your FRSC New Account Application for information on availability of funds and hold periods applicable to your FRSC Brokerage Account.

6. NO OVERDRAFT PROTECTION

The overdraft protection that is available on certain Bank deposit accounts is not available with your Eagle Sweep Account.

7. DAY OF DEPOSIT

Interest begins to accrue on the business day a transfer of funds from your linked FRSC Brokerage Account is made to your Eagle Sweep Account. The date of deposit is the date of the Bank's receipt of the funds transferred from your FRSC Brokerage Account.

8. INTEREST RATE AND ANNUAL PERCENTAGE YIELD FOR YOUR EAGLE SWEEP ACCOUNT

Your Eagle Sweep Account consists of two linked sub-accounts: (1) a transaction sub-account, and (2) an interest-bearing savings sub-account. Interest will accrue on the combined balances of the transaction sub-account and the savings sub-account, at an interest rate established for your Eagle Sweep Account. The initial simple interest rate, at which interest is paid on the principal balances of the interest-bearing sub-accounts of your Eagle Sweep Account, and the corresponding annual percentage yield (“APY”), at which the interest-bearing sub-accounts of your Eagle Sweep Account would earn interest each year if all interest paid on your Eagle Sweep Account remains in the account, are as specified in the Interest Rate Schedule, as modified by the Bank from time-to-time, in its sole discretion. The interest rate and APY paid on the interest-bearing sub-accounts of your Eagle Sweep Account are subject to change from time-to-time without prior notice by the Bank, in its sole discretion. The APY on your Eagle Sweep Account is based on no withdrawal of credited interest and no change in the interest rate for a full year and no withdrawals or addition to the funds on deposit.

The interest rate generally is available at 4:00 p.m., Eastern Time, on the business day the rate is set and will apply to balances in your Eagle Sweep Account on that day and on any successive non-business days following such business day. Interest will accrue on Eagle Sweep balances from the business day a transfer of funds from your linked FRSC Brokerage Account is made to your Eagle Sweep Account through the business day preceding the date of withdrawal from the Bank using the daily balance computation method described below. Interest will be compounded daily and credited on to your Eagle Sweep Account on a monthly basis, or if the balance on your Eagle Sweep Account is reduced to zero, on the date of the transfer resulting in the zero balance. Daily interest accrual below \$0.01 is calculated and accrued to your Eagle Sweep Account and paid when total interest accrual equals \$0.01 or greater. Funds in accounts subject to ERISA, the Taft Hartley Act and certain other types of pension, retirement and employee benefit plan accounts (other than IRAs) will be separately maintained from general sweep account funds, and the interest rate tier, interest rate and APY determined based on deposit amounts only of that particular pension, retirement or employee benefit plan. Interest calculated on such amounts will be paid separately from interest calculated and paid on general sweep account funds. You may contact FRSC to determine the current interest rates and APYs applicable to your Eagle Sweep Account or you may obtain this information on the Internet through www.firstrepublic.com/brokerage.

The interest rate and APY paid on your Eagle Sweep Account may be lower than rates paid by other banks or by the Bank on other accounts, including other types of checking or savings accounts.

The Eagle Sweep Account may bear a higher rate of interest and APY, as specified in the Interest Rate Schedule, if you maintain a minimum average balance or meet certain other requirements that are specified in the Interest Rate Schedule. Customers who establish an Eagle Sweep Account but subsequently no longer meet the balance or other requirements that are specified in the Interest Rate Schedule will earn lower rates as specified in the Interest Rate Schedule. The Bank may revise the Interest Rate Schedule to change interest rates and APYs and the qualifying balance or other requirements to qualify for the higher rate from time-to-time, in its sole discretion.

9. FREQUENCY OF INTEREST RATE AND APY CHANGES

Your interest rate and APY may change at any time in Bank's sole discretion. Please see the Interest Rate Schedule and the "Interest Rate and Annual Percentage Yield" provision above for information on current interest rates and corresponding APYs. The Interest Rate Schedule can be found at www.firstrepublic.com/brokerage.

10. COMPOUNDING AND CREDITING FREQUENCY

Interest is compounded daily on the interest-bearing sub-account balances in your Eagle Sweep Account. Interest will compound and accrue from the date of deposit to the last full day before the date of withdrawal using the daily balance method. Accrued interest will be credited to your Eagle Sweep Account on a monthly basis or, if the balance on your Eagle Sweep Account is reduced to zero, on the date of the transfer resulting in the zero balance.

11. METHOD FOR CALCULATING INTEREST

The Bank uses the daily balance computation method to calculate interest on the interest-bearing sub-accounts of your Eagle Sweep Account. This method applies a daily periodic rate to the balance in the interest-bearing sub-accounts of your Eagle Sweep Account each day.

12. HOW INTEREST IS CREDITED IF YOU CLOSE YOUR EAGLE SWEEP ACCOUNT

If you close your Eagle Sweep Account before interest is credited, you will receive the accrued interest on the balance in your Eagle Sweep Account through the last full day prior to date of your Eagle Sweep Account closure.

13. YOUR RELATIONSHIP WITH THE BANK AND PERSHING LLC

Under the Eagle Sweep option, Pershing LLC will act as your agent in establishing your Eagle Sweep Account at the Bank, depositing funds into your Eagle Sweep Account and withdrawing funds from your Eagle Sweep Account. No evidence of ownership, such as a passbook or certificate, will be issued to you. The only evidence of your Eagle Sweep bank deposit will be a book entry on the account records of the Bank and records maintained by Pershing LLC as your agent. As discussed above, you will be provided with a periodic statement from FRSC that will reflect the balances in your Eagle Sweep Account at the Bank. You should retain these account statements for your records.

Upon your request, we will liquidate your Eagle Sweep cash balances by either transferring the balances to your linked brokerage account, or at FRSC's discretion, remitting the remaining balances to you.

Pershing LLC may, in its sole discretion and without notice (unless notice is required by applicable law), terminate your use of the Eagle Sweep option. In addition, the Bank may, at any time, in its discretion, close your Eagle Sweep Account. No deposits will be accepted after your Eagle Sweep Account is closed. Upon closing, the balance in your Eagle Sweep Account will be transferred to your Brokerage Account at FRSC (unless that Brokerage Account was previously closed), or, at the Bank's discretion, a Bank check for the remaining balance, if applicable, may be mailed to you. If you close your FRSC Brokerage account to which the Eagle Sweep account is linked, the Eagle Sweep account will also be closed and the funds in your Eagle Sweep Account distributed out through the FRSC Brokerage Account according to the conditions of the FRSC New Account Application. You also may terminate your participation in the Eagle Sweep option by contacting FRSC.

14. YOUR RIGHTS AND RESPONSIBILITIES REGARDING YOUR EAGLE SWEEP ACCOUNT

You will not be permitted to directly deposit or withdraw funds from your Eagle Sweep Account. Rather, all deposits and withdrawals will be made, and checks paid, from your FRSC Brokerage Account. The terms and conditions that apply to, among other things, ACH transfers, wire transfers, funds availability, and acceptance or rejection of any funds for your FRSC Brokerage Account are governed by your separate FRSC New Account Application. You should consult the FRSC Brokerage Agreement if you have any questions concerning these matters. Please contact Customer Service with any questions, error resolution requests, account inquiries or concerns about transactions in your FRSC Brokerage Account. If you have questions

concerning the Electronic Funds Transfers between your FRSC Brokerage Account and your Eagle Sweep Account, please refer to “How Your Eagle Sweep Operates” on Page 8 of this disclosure.

15. DISCLOSURE OF BENEFITS TO FRSC, THE BANK AND PERSHING LLC

The investment in your Eagle Sweep Account of the cash balances from your linked FRSC Brokerage Account presents the following conflicts of interest. FRSC, which operates your FRSC Brokerage Account, is an affiliate of the Bank. Your Eagle Sweep bank deposit is a deposit obligation of the Bank, and like all deposits, is used by the Bank to fund its general operations. The Bank derives its profits primarily from the spread between its cost of funds (e.g., deposits) and the return on its assets (e.g., loans and other investments it makes), net of expenses. Your Eagle Sweep Account provides a relatively low-cost source of funds to the Bank and thus helps contribute to the Bank’s profitability. Pershing LLC, which is not affiliated with the Bank or FRSC, acts for the Bank in establishing, maintaining, keeping the books and records, and providing other services to the Bank related to your Eagle Sweep Account. Pershing LLC may pay certain fees to other broker-dealers, including FRSC, that introduce FRSC Brokerage Accounts to Pershing LLC. Pershing LLC reserves the right to increase, decrease or waive all or part of any fee from the Bank. You will receive notification in advance of any increase.

16. FEES APPLICABLE TO YOUR EAGLE SWEEP ACCOUNT

Fees generally will be imposed on your linked FRSC Brokerage Account, rather than your Eagle Sweep Account. Any such fees will be charged to your FRSC Brokerage Account. However, the following fees apply to all Eagle Sweep Accounts and are in addition to other fees that may be assessed against your linked FRSC Brokerage Account:

Liens	\$ 75.00
Garnishments	\$75.00

17. Arbitration

Because your Eagle Sweep Account at the Bank is linked to your FRSC Brokerage Account at our affiliate, FRSC, any disputes regarding your Eagle Sweep Account may be subject to binding arbitration under your FRSC New Account Application. Please see your Brokerage Customer Agreement for further details.

18. DEPOSIT INSURANCE COVERAGE

The Eagle Sweep Account is insured by the FDIC to the Standard Maximum Deposit Insurance Amount, which is currently \$250,000 (including principal and interest) when aggregated with all other deposits held by you in the

same title and capacity at the Bank, with the maximum to be adjusted for inflation beginning in 2010. Your funds are eligible for federal deposit insurance immediately upon placement of the funds by Pershing LLC into your Eagle Sweep Account at the Bank. In the unlikely event that the Bank should fail, the funds in your Eagle Sweep Account are insured up to the Standard Maximum Deposit Insurance Limit for principal and interest accrued on all accounts, which are insured up to \$250,000 per participant in the aggregate (other than as described above), adjusted for inflation, to the day the Bank is closed. Under certain circumstances, if you become the owner of deposits at the Bank either because of a merger or because another depositor dies, beginning six months after the merger or the death of the depositor, the FDIC will aggregate those deposits that you own in the same legal capacity at the Bank. The FDIC provides the six-month "grace period" to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

You are responsible for monitoring the total amount of deposits that you have with the Bank in order to determine the extent of deposit insurance coverage available to you on your deposits, including deposits in your Eagle Sweep Account. Pershing LLC and FRSC will not be responsible for any insured or uninsured portion of the Bank's Eagle Sweep Accounts, including your Eagle Sweep Account. In the unlikely event that federal deposit insurance payments should become necessary, payment of principal plus unpaid and accrued interest will be made to you by the FDIC up to the deposit insurance limits. There is no specific time period during which the FDIC must make insurance payment available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

If funds in your Eagle Sweep Account or other deposits at the Bank are assumed by another depository institution in a merger or consolidation, these funds will continue to be separately insured from the deposits that you might have with the acquiror until (i) the maturity date of any certificate of deposit or other time deposit that is assumed; or (ii) with respect to non-time deposits, the expiration of a six-month period from the date of the merger or consolidation. Thereafter, for federal deposit insurance purposes, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same name and legal capacity. Any deposits opened at the acquiror depository institution after the merger or consolidation will be aggregated with deposits established with the acquiror for federal deposit insurance purposes.

The application of the federal deposit insurance limits described above to certain common account types is illustrated below.

Individual Client Accounts — Funds owned by an individual and held in an account in the name of an agent or nominee such as your Eagle Sweep Account held through FRSC are not treated as owned by the agent or nominee, but rather by the individual and aggregated with other deposits of the individual held in the same name and legal capacity (including funds held in a sole proprietorship) and insured up to the Standard Maximum Deposit Insurance Amount in the aggregate.

Custodial Accounts — Funds in accounts held by a custodian (for example under the Uniform Gifts to Minors Act or the Uniform Transfers to Minor Act) are not treated as owned by the custodian, but rather by the minor or other beneficiary, and aggregated with other deposits of the minor or other beneficiary held in the same legal capacity and insured up to the Standard Maximum Deposit Insurance Amount in the aggregate.

Joint Accounts — A client's interest in funds in all accounts held under any form of joint ownership valid under applicable state law are insured up to the Standard Maximum Deposit Insurance Amount in the aggregate, separate from and in addition to the Standard Maximum Deposit Insurance Amount allowed on any deposits held individually by each of the co-owners of such accounts. For example, currently, a joint account owned by two persons would be eligible for insurance coverage of up to twice the Standard Maximum Deposit Insurance Amount (or currently \$500,000 plus any inflation adjustment) subject to aggregation with each owner's interests in other joint accounts at the same depository institution. This insurance would be separate from the insurance coverage applying to individually owned accounts.

Revocable Trust Accounts — Generally, when an individual deposits money into accounts for which the depositor evidences an intention that upon his or her death the funds shall belong to one or more beneficiaries, the deposit balances are separately insured (from other types of accounts the owner has at the same insured depository institution) in an amount equal to the total number of different beneficiaries named in the account(s) multiplied by the standard maximum deposit insurance amount set by the Federal Deposit Insurance Act ("SMDIA") (currently \$250,000 and subject to adjustment for inflation beginning in 2010). This treatment applies to accounts held under informal and formal testamentary revocable trusts, including "payable-on-death accounts," "in-trust-for" accounts or "Totten Trust" accounts, and "living trusts." The intention that upon the owner's death the funds shall belong to one or more beneficiaries must be evident in the account title using commonly accepted terms. For informal revocable trust accounts, the beneficiaries must be specifically named in the deposit account records of the insured depository institution. The

settlor of a revocable trust is presumed to own the funds deposited into the account. To qualify for this FDIC insurance treatment, a beneficiary must be a natural person or a non-profit entity recognized under the Internal Revenue Code. If a beneficiary does not meet this requirement, the funds corresponding to that beneficiary are treated as the individually owned funds of the owner(s) and will be aggregated with any other single ownership account of such owner(s) and insured up to the SMDIA per owner.

For example, if an individual has a living trust account with four beneficiaries named in the trust and the account owner has no other revocable trust accounts at the same FDIC-insured institution, the maximum insurance coverage would be \$1,000,000, determined by multiplying 4 (the number of beneficiaries) times \$250,000 (the current SMDIA, subject to adjustment for inflation beginning in 2010).

For funds owned by an individual in one or more revocable trust accounts naming more than five different beneficiaries and whose aggregate balance is more than five times the SMDIA (revocable trust accounts aggregating above \$1.25 million), the maximum revocable trust account coverage for the account owner shall be the greater of five times the SMDIA (currently \$1.25 million) or the aggregate amount of the ownership interests of each different beneficiary named in the trusts, to a limit of the SMDIA for each beneficiary. Where a revocable trust account is established by more than one owner, the respective interest of each account owner (which are deemed equal) is insured separately, for each beneficiary, up to the SMDIA, subject to the limit described above on revocable trust accounts aggregating in excess of \$1.25 million.

For example, customer "A" has a living trust account with a balance of \$1,500,000. Under the terms of the trust, upon A's death, A's three children are each entitled to \$125,000, A's friend is entitled to \$15,000, and a designated charity is entitled to \$175,000. The trust also provides that the remainder of the trust assets shall belong to A's spouse. In this case, because the balance of the account exceeds \$1,250,000 (5 times the SMDIA) and there are more than five different beneficiaries named in the trust, the maximum coverage available to A would be the greater of: \$1,250,000 or the aggregate of each different beneficiary's interest to a limit of \$250,000 per beneficiary. The beneficial interests in the trust for purposes of determining coverage are: \$125,000 for each of the children (totaling \$375,000), \$15,000 for the friend, \$175,000 for the charity, and \$250,000 for the spouse (because the spouse's \$935,000 is subject to the \$250,000 per-beneficiary limitation). The aggregate beneficial interests total \$815,000. Thus, the maximum coverage afforded to the account owner would be \$1,250,000, the greater of \$1,250,000 or \$815,000.

For an example of how deposit insurance works with formal or informal revocable trust accounts established by two individuals, assume customers A and B establish a payable-on death account naming their two children, two cousins, and a charity as beneficiaries. The balance in the account is \$2,500,000. Neither A nor B has any other revocable trust accounts at the same bank. The maximum FDIC insurance coverage is determined by multiplying the number of account owners (2) times the number of different beneficiaries (5) times \$250,000, totaling \$2,500,000. Assume instead that in this example, customers A and B, two individuals, establish a living trust account with a balance of \$3.75 million. Under the terms of the trust, upon the death of both A and B, each of their three children is entitled to \$600,000, B's cousin is entitled to \$380,000, A's friend is entitled to \$70,000, and the remaining amount (\$1,500,000) goes to a charity. The maximum deposit insurance coverage as to each of A and B would be the greater of \$1,250,000 or the aggregate amount (as to each co-owner) of the interest of each different beneficiary named in the trust, to a limit of \$250,000 per account owner per beneficiary. The beneficial interests in the trust considered for purposes of determining coverage for account owner A are: \$750,000 for the children (each child's interest attributable to A, \$300,000, is subject to the \$250,000-per beneficiary limitation), \$190,000 for the cousin, \$35,000 for the friend, and \$250,000 for the charity (the charity's interest attributable to A, \$750,000, is subject to the \$250,000 per-beneficiary limitation). As to A, the aggregate amount of the beneficial interests eligible for deposit insurance coverage totals \$1,225,000. Thus, the maximum coverage afforded to account co-owner A would be \$1,250,000, which is the greater of \$1,250,000 or the aggregate of all the beneficial interests attributable to A (limited to \$250,000 per beneficiary), which totaled slightly less at \$1,225,000. Because B has equal ownership interest in the trust, the same analysis and coverage determination also would apply to B. Thus, in this example, of the total account balance of \$3.75 million, \$2.5 million would be insured and \$1.25 million would be uninsured.

If the owners of a joint revocable trust account are themselves the sole beneficiaries of the corresponding trust, the account is insured as a joint account and not under the provisions applicable to revocable trust accounts. For deposit accounts held in connection with a living trust that provides for a life-estate interest for designated beneficiaries, the FDIC values each life estate interest as the SMDIA for purposes of determining the insurance coverage available to the account owner. A revocable trust account continues to be insured under these provisions if the corresponding revocable trust, upon the death of one or more of the owners, converts to an irrevocable trust.

Irrevocable Trust Accounts — Funds held in an account established pursuant to one or more irrevocable trust agreements created by the same grantor will be insured for up to the Standard Maximum Deposit Insurance Amount per beneficiary, provided that that beneficiary's interest in the account is capable of determination without any contingencies. The deposit insurance coverage of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. However, a beneficiary's interest in funds held in irrevocable trust accounts created by the same grantor will be aggregated and insured up to the Standard Maximum Deposit Insurance Amount.

Individual Retirement Accounts — Funds held in an individual retirement account, including traditional, Roth, SEP and Simple IRAs, are currently insured up to

\$250,000 per participant in the aggregate. Such \$250,000 maximum will be adjusted for inflation beginning in 2010. In addition, under FDIC regulations, funds held in an IRA are aggregated with funds held in certain other employee benefit plans in which the owner of the IRA has an interest. For example, an individual's interest in deposits at the Bank held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local government or tax exempt organizations (i.e., Section 457 Plans), (iii) self directed "Keogh Plans" of owner employees described in Section 401(d) of the Internal Revenue Code, and (iv) self directed defined contribution plans, are insured for up to \$250,000 per participant in the aggregate whether or not maintained by the same employer or employee organization. These amounts will be adjusted for inflation beginning in 2010.

If you have any questions about FDIC insurance coverage, please contact FRSC. You may also wish to seek advice for your own attorney or other advisor concerning FDIC insurance coverage of deposits held in more than one recognized legal capacity. You also may obtain information by contacting the FDIC, Office of Compliance and Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342, 800-925-4618 (TDD) or (202) 942-3100), by email (dcainternet@fdic.gov), or by accessing the FDIC's Internet site at www.fdic.gov.

Pass-Through Deposit Insurance Coverage Disclosure Statement

This separate disclosure regarding pass-through deposit insurance is being provided pursuant to Federal Deposit Insurance Corporation (“FDIC”) regulations to vested participants of certain employee benefit plans where the employee benefit plan maintains an Eagle Sweep Account at First Republic Bank (the “Bank”) that is linked to an First Republic Securities Company, LLC (“FRSC”) Brokerage Account. First Republic Bank is a California State-chartered bank the deposits of which are insured by the FDIC to the extent provided under the Federal Deposit Insurance Act and FDIC rules. This disclosure describes the pass-through insurance rules and how they apply to insure the deposits of vested participants of certain employee benefit plans.

1. “PASS-THROUGH” INSURANCE

For certain types of employee benefit plans, having more than one participant, that maintain a Eagle Sweep Account at the Bank, the FDIC insurance limit is determined under FDIC rules on a “pass-through” basis for each vested participant, allowing more deposit insurance coverage than would be available if the deposit insurance limit were set for the plan as a single owner.

Deposits of an employee benefit plan under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including any plan described in Section 401(d) of the Internal Revenue Code, as amended (“IRC”), held at the Bank are insured on a “pass-through” basis, in the amount of up to the standard maximum deposit insurance amount (“SMDIA”) for the vested interest of each plan participant, provided the FDIC rules governing the recognition of deposit ownership and fiduciary relationships are satisfied. The current SMDIA is \$250,000. The SMDIA will be adjusted for inflation beginning in 2010.

Deposits at the Bank made in connection with certain types of retirement plans that are also deposits of an employee benefit plan or deposits of a deferred compensation plan described in Section 457 of the IRC held at the Bank are insured on a “pass-through” basis in the amount of \$250,000 for the vested interest of each plan participant, provided the FDIC rules governing the recognition of deposit ownership and fiduciary relationships are satisfied. The \$250,000 FDIC insurance limit for these types of accounts will be adjusted for inflation beginning in 2010.

2. AGGREGATION OF MULTIPLE PLANS

Funds representing the vested interests of a beneficiary in an employee benefit plan, or eligible deferred compensation plan described in Section 457 of the IRC, which are deposited in one or more deposit accounts at the Bank shall be aggregated with any other deposited funds at the Bank representing such interests of the same beneficiary in other employee benefit plans, or eligible deferred compensation plans described in Section 457 of the IRC, established by the same employer or employee organization.

3. AGGREGATION OF CERTAIN RETIREMENT ACCOUNTS

Deposits at the Bank made in connection with the following types of retirement plans shall be aggregated and insured in the amount of up to \$250,000 per participant:

- (i) Any individual retirement account described in Section 408(a) of the IRC;
- (ii) Any eligible deferred compensation plan described in Section 457 of the IRC; and
- (iii) Any individual account plan defined in section 3(34) of ERISA and any plan described in Section 401(d) of the IRC, to the extent that participants and beneficiaries under such plans have the right to direct the investment of assets held in individual accounts maintained on their behalf by the plans.

Only the present vested and ascertainable interests of each participant in an employee benefit plan or “Section 457 Plan,” excluding any remainder interest created by, or as a result of, the plan, shall be taken into account in determining the amount of deposit insurance accorded to the deposits of the plan.

4. DETERMINATION OF INTERESTS OF DEFINED CONTRIBUTION PLANS

In the unlikely event of default of the Bank, the value of an employee’s vested interest in a defined contribution plan shall be deemed to be the employee’s account balance as of the date of default of the Bank, regardless of whether said amount was derived, in whole or in part, from contributions of the employee and/or the employer to the account.

5. DETERMINATION OF INTERESTS OF DEFINED BENEFIT PLANS

In the unlikely event of default of the Bank, the value of an employee’s vested interest in a defined benefit plan shall be deemed to be the present value of the employee’s interest in the plan, evaluated in accordance with the method of

calculation ordinarily used under such plan, as of the date of default of the Bank.

6. TREATMENT OF CONTINGENT INTERESTS

In the event that employees' interests in an employee benefit plan are not capable of evaluation in accordance with the rules of the FDIC, or an account established for any such plan includes amounts for future participants in the plan, payment by the FDIC with respect to all such interests shall not exceed the SMDIA in the aggregate.

7. OVERFUNDED PENSION PLAN DEPOSITS

Any portion of an employee benefit plan's deposits which is not attributable to the interests of the beneficiaries under the plan shall be deemed attributable to the over-funded portion of the plan's assets and shall be aggregated and insured up to the SMDIA, separately from any other deposits.

8. WHERE TO OBTAIN MORE INFORMATION

You can learn more about FDIC deposit insurance coverage and limits by reading the FDIC's deposit insurance coverage rules at 12 C.F.R. Part 330 and viewing additional information that is available on the FDIC's website at www.fdic.gov.

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