OUTSIDE BUSINESS ACTIVITY AND PRIVATE SECURITIES TRANSACTION DISCLOSURE FORM

KCD FINANCIAL, INC.

☐ New Application ☐ Update

In the event that you have any new outside business activity or your outside business activities changed including discontinuation of previously disclosed OBA, you must complete and send this form to KCD's Compliance Department for consideration and final review.

SECTION I. General Information

Registered Person's Name:_____ Rep Code:_____

Registered Person's Branch Location Address: _____

_____

Supervisor's Name: _____ _____

Supervisor's email: _____ Supervisor's Phone #: _____

SECTION II. Reporting Types

A. Are you, or do you intend to engage in any outside business activities? ☐ Yes ☐ No

(i) If yes, answer Section III of this document, and complete the applicable OBA Section(s) and Section X which is the signature page

(ii) If no, complete the signature page which is Section X of this document.

B. Do you intend to make changes to a previously disclosed OBA? ☐ Yes ☐ No

If yes, answer Section III of this document, and complete the applicable OBA Section(s) and Section X which is the signature page.

C. Do you intend to discontinue a previously disclosed OBA? ☐ Yes ☐ No

If yes, complete the applicable Section(s) of the OBA(s) that you intend to discontinue and Section X which is the signature page.

SECTION III. Types of Outside Business Activities

If yes to Section II(A), Section II(B), and/or Section II(C), check all boxes that apply and complete all applicable sections.

- ☐ Insurance related activities including fixed annuity products (Complete Section IV, page 2)
- ☐ Real estate related business (Complete Section V, page 3)
- ☐ Mortgage Broker or any other mortgage related activities (Complete Section VI, page 4)
- ☐ Tax or legal advice as an attorney or CPA (Complete Section VII, page 5)
- ☐ Securities (including Private Placement) transactions related activities other than those reported under Section VI of this document (Complete Section VIII, Private Securities Transaction Form, page 6)
- ☐ Outside business activity(ies) which is/are not investment related or not listed below (Complete Section IX, page 7)

SECTION IV. INSURANCE RELATED OUTSIDE BUSINESS ACTIVITIES

☐ **Disclose New Outside Business Activity** ☐ **Update to a Previously Disclosed Outside Business Activity**

☐ **Discontinue Previously Disclosed Insurance Related Outside Business Activities: By checking this box, I certify that I will no longer engage in any insurance related activities as an Outside Business Activity. (No need to complete the rest of Section IV. Complete Section X of this document.)**

A. Are you disclosing a new outside business activity for approval? ☐ Yes ☐ No

If yes, when are you planning to start? _____ OBA Ending Date (if any): _____

B. Business Legal Name: _____

C. DBA Name(s) (if any): _____

D. Business Address: _____

E. Website Address: _____

F. Check all types of insurance products you are planning to offer:

Check	Product Types	Sponsors (list all you are planning to sell)
☐	Fixed Annuity	
☐	Life Insurance	
☐	Health Insurance	
☐	Long-Term Care	
☐	Disability	
☐	Liability	
☐	Other	

G. How many hours during the regular market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

H. How may hours during the non-market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

I. What percentage of your annual earnings is or will be generated from this activity? _____ %

J. Describe how you will be directly or indirectly compensated for this activity (i.e., salary, commissions, and etc):

K. Do or will any clients or prospective clients doing business with KCD Financial have any ownership interest or involvement or be involved in this business activity? If yes, describe clients' participation or involvement in this activity: ☐ Yes ☐ No

Please note that some or all of the products and services you listed in this section may not be covered by KCD's E&O insurance. E&O insurance is your responsibility for those products and services not covered by KCD's E&O insurance.

Initial: _____

SECTION V. REAL ESTATE RELATED OUTSIDE BUSINESS ACTIVITIES

☐ **Disclose New Outside Business Activity** ☐ **Update to a Previously Disclosed Outside Business Activity**

☐ **Discontinue Previously Disclosed Real Estate Related Outside Business Activities: By checking this box, I certify that I will no longer engage in any real estate related activities as an Outside Business Activity. (No need to complete the rest of Section V. Complete Section X of this document.)**

A. Are you disclosing a new outside business activity for approval? ☐ Yes ☐ No

If yes, when are you planning to start? _____ OBA Ending Date (if any): _____

B. Business Legal Name: _____

C. DBA Name(s) (if any): _____

D. Business Address: _____

E. Website Address: _____

F. Check all types of real estate related services you are planning to offer:

☐ Property Transactions Agent ☐ Time-Share Properties ☐ Rental Property Management

☐ Other: _____

G. How many hours during the regular market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

H. How may hours during the non-market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

I. What percentage of your annual earnings is or will be generated from this activity? _____ %

J. Describe how you will be directly or indirectly compensated for this activity (i.e., salary, commissions, time share, and etc):

K. Do or will any clients or prospective clients doing business with KCD Financial have any ownership interest or involvement or be involved in this business activity? If yes, describe clients' participation or involvement in this activity: ☐ Yes ☐ No

_____

_____

Please note that activities disclosed in this section are not covered by KCD's E&O insurance. E&O insurance is your responsibility for the products and services not covered by KCD's E&O insurance.

SECTION VI. MORTGAGE RELATED OUTSIDE BUSINESS ACTIVITIES

☐ **Disclose New Outside Business Activity** ☐ **Update to a Previously Disclosed Outside Business Activity**

☐ **Discontinue Previously Disclosed Mortgage Related Outside Business Activities: By checking this box, I certify that I will no longer engage in any mortgage related activities as an Outside Business Activity. (No need to complete the rest of Section VI. Complete Section X of this document.)**

A. Are you disclosing a new outside business activity for approval? ☐ Yes ☐ No

If yes, when are you planning to start? _____ OBA Ending Date (if any): _____

B. Business Legal Name: _____

C. DBA Name(s) (if any): _____

D. Business Address: _____

E. Website Address: _____

F. List all types of products or services you are planning to offer: _____

_____

G. How many hours during the regular market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

H. How may hours during the non-market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

I. What percentage of your annual earnings is or will be generated from this activity? _____ %

J. Describe how you will be directly or indirectly compensated for this activity (i.e., salary, commissions, time share, and etc):

K. Do or will any clients or prospective clients doing business with KCD Financial have any ownership interest or involvement or be involved in this business activity? If yes, describe clients' participation or involvement in this activity: ☐ Yes ☐ No

K. Have you recommended any mortgage customers to use the proceeds from any mortgage or refinancing for investing in any securities? If yes, provide the following information. ☐ Yes ☐ No

Client Name	KCD Financial Acct#	Product Type	Amount

You have an ongoing responsibility to notify KCD's Compliance Department when your mortgage customer opens an account with KCD Financial and uses or deposits the mortgage proceeds to invest in securities. **Also note that activities disclosed in this section are not covered by KCD's E&O insurance. E&O insurance is your responsibility for the products and services not covered by KCD's E&O insurance.**

SECTION VII. TAX OR LEGAL ADVICE RELATED OUTSIDE BUSINESS ACTIVITIES

☐ **Disclose New Outside Business Activity** ☐ **Update to a Previously Disclosed Outside Business Activity**

☐ **Discontinue Previously Disclosed Tax or Legal Advice Related Outside Business Activities: By checking this box, I certify that I will no longer engage in any tax or legal advice related activities as an Outside Business Activity. (No need to complete the rest of Section VII. Complete Section X of this document.)**

A. Are you disclosing a new outside business activity for approval? ☐ Yes ☐ No

If yes, when are you planning to start? _____ OBA Ending Date (if any): _____

B. Business Legal Name: _____

C. DBA Name(s) (if any): _____

D. Business Address: _____

E. Website Address: _____

F. Briefly describe the services you are planning to offer: _____

_____

G. How many hours during the regular market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

H. How may hours during the non-market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

I. What percentage of your annual earnings is or will be generated from this activity? _____ %

J. Describe how you will be directly or indirectly compensated for this activity (i.e., salary, commissions, time share, and etc): _____

_____

K. Do or will any clients or prospective clients doing business with KCD Financial have any ownership interest or involvement or be involved in this business activity? If yes, describe clients' participation or involvement in this activity: ☐ Yes ☐ No

L. Are you planning to or currently act in the capacity of a trustee, trust protector, guardian, Power of Attorney, or any similar capacity? If yes, please provide the following information. ☐ Yes ☐ No

Persons' Name with KCD Financial Account	KCD Financial Acct#	Explain Your Capacity

M. Do you provide bill-paying services and/or have customer's direct custodians to deliver account related documents directly to you? If yes, provide the following information: ☐ Yes ☐ No

Persons' Name with KCD Financial Account	KCD Financial Acct #	Explain your Role

You have an ongoing responsibility to receive an approval from KCD's Compliance Department prior to acting or opening an account with capacities subject to L & K of this Section VII. **Please note that activities disclosed in this section are not covered by KCD's E&O insurance. E&O insurance is your responsibility for the products and services not covered by KCD's E&O insurance.**

SECTION VIII. PRIVATE SECURITIES TRANSACTION FORM

☐ **Disclose New Outside Business Activity** ☐ **Update to a Previously Disclosed Outside Business Activity**

☐ **Discontinue Previously Disclosed Private Securities Transactions: By checking this box, I certify that I will no longer engage in any Private Securities Transaction as an Outside Business Activity. (No need to complete the rest of Section VIII. Complete Section X of this document.)**

For new Private Securities Transaction disclosure or updating to a previously disclosed Private Securities Transaction as defined by FINRA Rule 3280. You must complete this form for <u>each customer's account</u> when/if your compensation is anything other than transaction based. When/if your compensation is transaction based commissions, you must complete this form for <u>each transaction</u>. Please note that accuracy of the information is important. Inaccuracy of the information provided in this document may jeopardize your E&O insurance coverage. In addition, it is your responsibility to update this document in a timely manner when/if the information provided in this document is no longer accurate or has been changed.

Proposed Securities Transaction ☐ **Selling Away** ☐ **Buying Away**

A. If selling away:

Custodian or Broker-Dealer (where assets held _____

List types of products or describe products that will be traded or offered in the account: _____

_____

Anticipated Investment Amount or Account Value: _____ Anticipated Initial Transaction Date: _____

Compensation Arrangement (check all that apply)

☐ Asset-Based Fee ☐ Performance Based Fee ☐ Transaction-Based Commission
☐ Referral Fee ☐ Other: _____

Are you planning to exercise any discretion or have POA? If yes, explain the limit of your capacity. ☐ Yes ☐ No

_____

B. Client Information (use a separate form for each account registration)

Account Name: _____ Account Type _____

Legal Address: _____

Mailing Address: _____

C. Investment Objective and Suitability Information

Attach all documents which provide the client's suitability and investment objective information including custodian's account forms and subscription document. (list documents attached): _____

_____

With my signature below, I certify that the information provided in this document is true and accurate and I have not omitted any facts that would be material in determining the firm's approval. If there are any changes to the information above, I will immediately notify KCD's Compliance Department, in writing of the changes. I also understand that I cannot and will not execute any transaction until I receive this form back from KCD's Compliance Department with their acknowledgement.

Registered Person's Name (Please Print)	Registered Person's Signature	Date

I attest that; (i) I have read and understood the firm's policy for Private Securities Transactions; (ii) I will review the statements, confirmations, and all relevant documents regarding the aforementioned account and activities; and (iii) I will maintain books and records as they are securities business under KCD Financial. Furthermore, I will ensure that duplicate statements and confirmations are delivered to KCD's Compliance Department.

Supervisor's Name (Please Print)	Supervisor's Signature	Date

KCD Financial hereby acknowledges only the account and the account activities disclosed in this form.

KCD Principal's Name (Please Print)	KCD Principal's Signature	Date

Initial: _____

SECTION VIII. PRIVATE SECURITIES TRANSACTION FORM

If buying away:

A. Proposed Securities Transaction_____

Custodian or Broker-Dealer (where assets held at)_____

Type of Product to be Purchased_____

Anticipated Purchase Amount_____ Anticipated Purchase Date_____

B. Investment Objective_____

C. Are any FINRA Member Firms associated with this offering? ☐ Yes ☐ No

If yes, list:_____

D. Copy of Offering Document Submitted ☐ Yes ☐ No

E. Are you involved with the Sponsor of this offering in any manner other than as an investor?

☒Yes ☐ No

F. Are any other KCD Clients Participating in this Offering? ☐ Yes ☐ No

G. How did you learn of this investment opportunity? _____

With my signature below, I certify that the information provided in this document is true and accurate and I have not omitted any facts that would be material in determining the firm's approval. If there are any changes to the information above, I will immediately notify KCD's Compliance Department, in writing of the changes. I also understand that I cannot and will not execute any transaction until I receive this form back from KCD's Compliance Department with their acknowledgement.

Registered Person's Name (Please Print)	Registered Person's Signature	Date

I attest that; (i) I have read and understood the firm's policy for Private Securities Transactions; (ii) I will review the statements, confirmations, and all relevant documents regarding the aforementioned account and activities; and (iii) I will maintain books and records as they are securities business under KCD Financial. Furthermore, I will ensure that duplicate statements and confirmations are delivered to KCD's Compliance Department.

Supervisor's Name (Please Print)	Supervisor's Signature	Date

KCD Financial hereby acknowledges only the account and the account activities disclosed in this form.

KCD Principal's Name (Please Print)	KCD Principal's Signature	Date

SECTION IX. NOT INVESTMENT RELATED OUTSIDE BUSINESS ACTIVITIES OR OTHERS NOT LISTED ABOVE

☐ **Disclose New Outside Business Activity** ☐ **Update to a Previously Disclosed Outside Business Activity**

☐ **Discontinue Previously Disclosed Outside Business Activity: By checking this box, I certify that I will no longer engage in any OBA subject to disclose by completing this section. (No need to complete the rest of Section IX. Complete Section X of this document.)**

A. Are you disclosing a new outside business activity for approval? ☐ Yes ☐ No

If yes, when are you planning to start? _____ OBA Ending Date (if any): _____

B. Business Legal Name: _____

C. DBA Name(s) (if any): _____

D. Business Address _____

E. Website Address _____

F. Business Description: _____

G. Describe your position and responsibilities: _____

_____

_____

H. How many hours during the regular market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

I. How may hours during the non-market hours are you planning to engage in this activity?

_____ Hours: ☐ Per Day ☐ Per Week ☐ Per Month

J. What percentage of your annual earnings is or will be generated from this activity? _____ %

K. Describe how you will be directly or indirectly compensated for this activity (i.e., salary, commissions, rent, and etc): _____

_____

L. Do or will any clients or prospective clients doing business with KCD Financial have any ownership interest or involvement or be involved in this business activity? If yes, describe clients' participation or involvement in this activity: ☐ Yes ☐ No

Please note that activities disclosed in this section are not covered by KCD's E&O insurance. E&O insurance is your responsibility for the products and services not covered by KCD's E&O insurance.

SECTION X. SIGNATURES

Initial: _____

☐ With my signature below, I certify that: i) I do not engage in any outside business activities; ii) all of my business activities are through KCD Financial, and iii) 100% of my earned income is from the activities through KCD Financial.

☐ New OBA Disclose or Updating a Previously Disclosed OBA Activity: With my signature below, I certify that I, personally, have completed the document and answered all questions truthfully in my best knowledge. I also acknowledge that KCD Financial, Inc. may revoke the approval at any time with or without any reason. **Please note that until you receive the approved OBA form back with signatures of both your Supervisor and the Designated Home Office Principal, you may not engage in the any activities subject to this submitting. I authorize KCD Financial, Inc. to update my Form U4 with FINRA to reflect the information listed above.**

Registered Person's Name (Please Print)	Registered Person's Signature	Date

Supervisor's acknowledgment and certification: With my signature below, I certify that I have reviewed this document and I approve the activities submitted with this document. I also agree to oversee all investment related outside business activities as required by the rules, regulations, and the firm's policies and procedures.

____ Approved
____ Not Approved

Comments: _____
_____
_____

Supervisor's Name (Please Print)	Supervisor's Signature	Date

Home Office Use Only

- Date received from the Supervisor: _____
- OBA Acknowledged by Principal:_____ Date: _____
- U-4 Updated by: _____ Date: _____
- Copy sent to the Rep or OSJ Supervisor by: _____ Date: _____