

**BROKERAGE ACCOUNT DISCLOSURE** (Clearing Firm Accounts)



**CUSTOMER NAME / ACCOUNT REGISTRATION** (print clearly): \_\_\_\_\_

**The following information is provided to help you understand KCD policies and your brokerage account:**

You understand that KCD accepts stock and/or option trades and that the value of the positions held may fluctuate. You are also aware that KCD does not encourage the trading of Designated Securities (i.e. "Penny Stocks" valued at < \$5/share) but will accept orders with the client's full understanding of their volatility. Option trading is allowed for clients that meet regulatory and KCD criteria; however, naked option positions are not allowed under any circumstances. The value of your shares or units may go up or down and when you redeem your shares or units, you may receive more or less than you paid for them. Dividends or interest may also fluctuate and the amount is not guaranteed.

**TRANSFER FEES – THERE MAY BE TRANSFER FEES FROM THE EXITING CLEARING FIRM CHARGED AGAINST YOUR ACCOUNT BALANCE.**

**COMMISSIONS & FEES**

You have agreed to the following commission rate guidelines for transactions in your account until further notice:

**EQUITIES:**

- ☐ \$ \_\_\_\_\_ per transaction;  
☐ \_\_\_\_\_ % of dollars traded; or  
☐ Other \_\_\_\_\_

**MUTUAL FUNDS:**

- ☐ Ticket charges for load mutual funds range from \$3.00-\$17.00 depending on the dollars invested  
☐ \$ \_\_\_\_\_ per transaction for no load funds  
☐ \_\_\_\_\_ % of dollars traded for no load funds

**FIXED INCOME SECURITIES:** Corporate bonds, Municipal bonds, and Certificates of Deposit may include a markup ranging from 0.5 – 3.0% and will be negotiated prior to each transaction.

**FEES:** A \$5.00/trade mail and handling fee is added to each transaction. OPTIONS trades include a \$1.00/contract fee. Certain situations may dictate different charges to be agreed upon before the transaction takes place. (ie: Wrap Account and/or Fee based agreements.)

**MUTUAL FUNDS**

You have been provided a current prospectus for your mutual fund investment and understand the following share classes. Your anticipated holding period for this investment is: \_\_\_\_\_ short-term \_\_\_\_\_ long-term and has been considered when determining the appropriate share class for your investment.

**Class A shares** have a front-end sales charge which may be reduced if you make a large initial purchase, your household already holds other mutual funds offered by the same fund family (Rights of Accumulation or **ROA**) or commit to regularly purchasing the mutual funds' shares to accumulate to a larger dollar amount (Letter of Intent or **LOI**). This is referred to as a breakpoint. They also have internal operating expenses that are typically less than other share classes.

\_\_\_\_\_ You understand **ROA** and (do / do not) already own funds within the same fund family that will allow you to reach a breakpoint at the \$ \_\_\_\_\_ level. Account number(s) to be considered are: \_\_\_\_\_.

\_\_\_\_\_ You understand **LOI** and (do / do not) agree to making additional purchases within the required time frame as outlined in the prospectus. This will allow you to reach a breakpoint at the \$ \_\_\_\_\_ level.

**Class B shares** usually have no front-end sales charge, but generally have a contingent deferred sales charge (CDSC) and an asset-based sales charge, which may be higher than Class A shares. After the time period for the CDSC has been eliminated, Class B shares typically convert to Class A shares and the internal operating expenses also change to that of Class A share.

**Class C shares** usually have no front-end sales charge, but may charge a CDSC (typically in the first year). Class C shares usually have higher internal operating expenses than Class A or Class B shares.

**NAV Transfer:** Does this investment qualify for NAV transfer as defined in the fund prospectus? YES \_\_\_\_\_ NO \_\_\_\_\_

**Alternate Share Class Chosen & Explanation:** \_\_\_\_\_

**SIGNATURES**

**By signing below, you acknowledge you and your Registered Representative have reviewed all related information and you have an understanding of the investment(s) made. You will notify KCD of any corrections or future changes to the information in your account record.**

\_\_\_\_\_  
 Client Signature Date Joint Signature (if applicable) Date

**REPRESENTATIVE STATEMENT:** I am appropriately licensed in the client's state of residence. I have received the Client's NEW ACCOUNT FORM to ensure the information is current and the stated investment objectives apply to this investment.

\_\_\_\_\_  
 Representative Signature Date Manager / Principal Approval Date

Copies of all written agreements delivered or mailed to client: \_\_\_\_/\_\_\_\_/\_\_\_\_