

Axos Clearing LLC
Heightened Risk Security Policy Questionnaire (cont'd)

19. For certificates not issued in accordance with an effective registration statement, or in accordance with an exemption or exception from registration, please provide all documents and information (including an opinion of counsel) that support removal of the restrictive legend. Please also provide your understanding as to why the certificates do not contain any restrictive legend and/or were issued in accordance with an exemption or exception from the registration requirements; _____

20. Is the issuer a shell issuer or development stage company, or has it been one within the preceding twelve (12) months: _____
21. Is the issuer fully reporting in accordance with the Securities Act of 1933 or the Securities Exchange Act of 1934 (which one): _____
22. Is the issuer current in its reporting obligations: _____
23. Does the client have any relationship with the issuer or its subsidiaries: _____
24. Has the customer made, or will the customer make, any payment to any person or entity in connection with the customer's proposed sale of the securities: _____

Signature of CCO or Supervisory Principal

Date

Printed Name of CCO or Supervisory Principal

Signature of Client (as required per correspondent)

Date

Printed Name of Client

Heightened Risk Security Deposits
Client Acknowledgement

To: My introducing broker dealer (“my broker dealer” or “introducing broker”) and Axos Clearing, LLC, its officers, directors, parents, subsidiaries and affiliates (hereinafter collectively “Axos Clearing”). Axos Clearing and my broker dealer and/or introducing broker are hereinafter collectively referred to as “You” or “Your.”

I, the undersigned, acknowledge and affirm in connection with my desire to deposit and/or sell the below referenced security, or any other security in the same issuer obtained through a follow on conversion of a convertible promissory note or convertible preferred shares, that I am aware of and agree to the following terms and conditions:

1. I understand that delivery by me of these securities in certificate form does not constitute “good delivery” according to the policies of Axos Clearing.
2. I acknowledge that these securities are owned by me and were acquired in a bona fide and legal transaction. Furthermore, I acknowledge there is no reason for concern by Axos Clearing that these security positions will be called back by the issuer or subject to a stop transfer by the transfer agent.
3. I am aware that a sale of these securities may not be permitted by Axos Clearing until such time that Axos Clearing is satisfied that they are eligible for sale and transfer, without fear of impairment or violation of law or industry rule. I am also aware that my broker dealer and Axos Clearing will take reasonable precautions to determine that, at present, there are no pending restrictions or a STOP transfer pertaining to any certificate. Finally, I understand that Axos Clearing may require confirmation that the shares are fully paid and non-assessable.
4. I acknowledge that I may not be able to sell the securities at the time of my choosing and the market price for these securities may change substantially between the time that I initially make the deposit and the time when I am actually able to make a sale. I acknowledge and accept the risk in this regard.
5. I acknowledge that it is the policy of Axos Clearing to not allow Heightened Risk Securities to be transferred between and/or among accounts.
6. I acknowledge that it is the policy of Axos Clearing to not facilitate the “free delivery” of securities deposited in certificate form to other DTC members. Should I desire to receive my securities, I acknowledge that Axos Clearing will request a certificate representing my ownership in the issue to be delivered to me or my broker dealer, whichever is appropriate, through the issuer’s transfer agent and I will be responsible for all costs associated with such request.
7. I acknowledge that it is the policy of Axos Clearing to deny the facilitation of third party wires. Should I desire that funds be wired out of my account I acknowledge that Axos Clearing will only wire those proceeds to a like name account and accept full responsibility for the information provided to Axos Clearing instructing it to send the wire.
8. I acknowledge that Axos Clearing (at the instruction of my broker dealer) may impose reasonable charges for its services in connection with, inter-alia, the receipt, verification, and cost of financing of the referenced securities and agree to be bound by such. I acknowledge that I have been informed of the associated charges included in the attached Heightened Risk Securities Fee Schedule and Exhibit A to this Client Acknowledgement.
9. I acknowledge these securities are not the subject of any unrestricted sales of restricted securities.
10. In consideration of Your acceptance of these securities, I agree to indemnify and hold You harmless against any liability, loss or expense (including any legal fees and expenses reasonably incurred by You) arising out of the sale and/or transfer of these securities including but not limited to failure of these securities to transfer promptly or buy-in resulting from failure to deliver shares to the purchasing broker.

Client Print Name/Title

Date

Client Signature

Corporation Name

Introducing Broker Principal Acknowledgement

Print Name/Title

Signature

Date

Certificate Number

Number of Shares/Issuer

Policy Relating to Heightened Risk Security Deposits

Client Acknowledgement

Exhibit A

Deposit Review Fees:

See attached Heightened Risk Security Fee Schedule

The review fee for the deposit of restricted shares is generally \$1,000 per deposit, unless otherwise specified, and \$400 per “follow on” conversion for multiple conversions of the same promissory note (or preferred shares) within a six month time frame. The review fee for the deposit of Independently Registered Shares of Non-NMS Securities, in which the depositing shareholder is listed by name in a registration statement, is generally \$250 per deposit, unless otherwise specified.

Illiquid Transaction Fees:

When Axos Clearing is assessed an illiquid or market maker domination charge of greater than \$25,000 by NSCC, Axos Clearing passes a charge through to the account(s) which created the charge. The pass-through charge applied to each account is a percentage of the charge for which the account is responsible. **Axos Clearing’s standard charge is the broker call rate plus Axos Clearing’s current margin rate.**

For example, if Axos Clearing received an illiquid charge of \$100,000, then Axos Clearing would multiply \$100,000 by Axos Clearing's margin rate (6% for illustration only) for a result of \$6,000. This \$6,000 would then be divided by 365 to get a daily charge of \$16.44. The resulting \$16.44 daily charge will be passed through to the account holder for each day the trade remained open during the settlement period.

If multiple accounts create an illiquid or market maker domination charge, then the charge passed through is proportional to each account’s share of Axos Clearing’s unsettled share position. Each day NSCC recalculates the capital requirements charged to Axos Clearing. The accounts causing Axos Clearing to post funds with NSCC will continue to be charged until Axos Clearing is no longer being charged or until delivery has been made of the accounts’ shares.

Client accounts will be charged a penalty illiquid charge rate (above the customary illiquid charge rate) if positions are traded without Axos Clearing’s Stock Receipts and Risk Department approvals.

I understand that I can contact my broker for further details relating to these fees.

Client Initials **Date**

Principal Initials **Date**