

# Institutional Account Application

This Institutional Account Application form (the "Application") will be used as part of establishing an Institutional DVP/RVP account (the "Account") with Axos Clearing LLC ("Axos Clearing"). Please provide all the information requested below and submit the completed Application to the New Accounts Department. Submitting a completed Application does not guarantee that Axos Clearing will open an Account as all Foreign Institutional Accounts will be subject to AML review and Axos Clearing reserves all rights to refuse to open an Account for any reason.

## STEP 1. SELECT APPROPRIATE ACCOUNT TYPE

- DVP INSTITUTIONAL ACCOUNT** (APPLICATION AND DELIVERY INSTRUCTIONS REQUIRED)
- PRIME AGENT** (APPLICATION, DELIVERY INSTRUCTIONS AND PRIME BROKERAGE CLEARANCE SERVICES AGREEMENT (SIA FORM 151) REQUIRED, THE TERMS OF WHICH WILL CONTROL ACCOUNT USE)

## STEP 2. ACCOUNT HOLDER DETAILS

Agent Bank/Institution Name		Account Number	
Client/Company Name			
Open Date (mm/dd/yyyy)		Broker Rep Code	
Mailing Address			
City	State	Zip code	Country
Taxpayer Identification Number (TIN)	Business Phone	E-mail Address	

## STEP 3. SETTLEMENT INSTRUCTIONS (PLEASE ATTACH SEPARATE DELIVERY INSTRUCTIONS)

Participant DTC Number	Customer Internal Account Number	Institutional ID Number
Agent Bank Number	Interested Party ID	Interested Party ID
Required Contact Name and Phone Number at the Settlement Bank/Broker:		

## STEP 4. INTERESTED PARTY (DUPLICATE STATEMENTS)

Name	Interested Party ID	Phone Number
Address	City	State/Zip code

## STEP 5. AGREEMENT TO BE BOUND

By signing this Application, by making use of Axos Clearing's services and/or in consideration of Axos Clearing carrying an Account pursuant to the Application, the Account Holder and its Introducing Broker (the "Broker") each agree to the terms and provisions of the Institutional Customer Agreement (the "Agreement") attached hereto for purposes of any such Account.

### Account Holder/Trustee/Corporate Officer Signature

Account Holder Signature ✕	Print Name	Date
Registered Representative Signature ✕	Print Name	Date
General Principal Signature ✕	Print Name	Date

## INSTITUTIONAL CUSTOMER AGREEMENT (the "AGREEMENT")

### 1. Acknowledgements and Representations.

- a. **Accuracy of Information.** All information provided to Axos Clearing is true and correct and Axos Clearing may rely upon all such information. Broker or Account Holder, as the case may be, will promptly notify Axos Clearing in writing within 10 Business Days after any change in such information.
- b. **Non-NMS Securities.** Neither Broker nor Account Holder will sell or seek to sell Non-NMS securities under any circumstances.

### 2. Account and Relationship with Axos Clearing.

- a. **Deposit Order Refusal, and Restrictions on Trading.** Axos Clearing reserves the right not to accept any orders placed in or for the Account. Axos Clearing shall look solely to Broker with respect to any such orders or instructions unless otherwise directed. Axos Clearing may also, in its sole discretion, prohibit or restrict the trading of securities in the Account.
- b. **Fees and Commissions.** The Account Holder will pay such commissions, charges, taxes, and other fees applicable to the Account as may be disclosed by Axos Clearing or Broker.
- c. **Statements and Confirmations.** Axos Clearing will deliver trade confirmations, statements, and all written or other notices with respect to the Account in accordance with any applicable laws, regulations, or other rules. It is the Account Holder's obligation to review trade confirmations and periodic statements of the Account promptly upon receipt. These documents shall be binding and conclusive of the facts stated therein.
- d. **Compliance with Laws and Market Rules.** Broker and Account Holder shall comply with all laws, regulations, or other rules applicable to the Account.

### 3. Short Sales and Compliance with REG SHO

Broker and Account Holder shall at all times comply with SEC Rule 204.10a-1 and FINRA Rule 11860, and Broker shall be responsible for ensuring an appropriate locate of the securities subject to any short sale order is completed and in an amount sufficient to cover the short sale order prior to the entry of any such short sale order.

### 4. Foreign Institutions

Broker and Account Holder understand that all foreign Institutional DVP/RVP accounts will be reviewed by Axos Clearing's AML department prior to opening any account and that submission of an Application by a foreign institution does not guarantee approval. Axos Clearing reserves all rights to refuse to open or carry any such accounts for any reason. Foreign custodial relationships may be subjected to heightened vetting and validation of delivery instructions.

### 5. Prime Agent Terms

Axos Clearing agrees to provide Account Holder with prime brokerage clearance services provided that (1) Axos Clearing has entered into a Prime Brokerage Agreement with Account Holder's prime broker and (2) Account Holder and Axos Clearing have entered into a Customer Agreement for Primer Brokerage Clearance Service (SIA Form 151).

### 6. Miscellaneous.

- a. **Indemnification.** Broker and Account Holder each agree to hold harmless and indemnify Axos Clearing from and against any loss, damage, liability, costs, or expenses relating to or arising out of or related in any way to the Application or the Agreement, absent any willful misconduct or gross negligence by Axos Clearing.
- b. **Payment of Indebtedness.** In the event Account Holder becomes indebted to Axos Clearing in the course of operation of the Account, Account Holder will repay such indebtedness upon demand. If after demand Account Holder fails to pay the indebtedness, Axos Clearing may close the Account and liquidate any assets in the Account at its discretion in an amount sufficient to pay the indebtedness. As security for any and all liabilities arising in favor of Axos Clearing, Account Holder pledges to Axos Clearing a security interest in all property held by Axos Clearing in any account maintained by Axos Clearing for Account Holder individually, jointly or in the name of another person or entity. Axos Clearing is hereby authorized to make whatever disposition of pledged property it may deem appropriate to realize the security afforded by this provision, and Account Holder will remain liable for any deficiency. Axos Clearing shall be entitled to exercise the rights and remedies, with respect to the pledged property, generally afforded a secured party under the Uniform Commercial Code. The reasonable costs of collection of any debit balance and any unpaid deficiency in the Account, including attorney's fees, incurred by Axos Clearing shall be reimbursed by Account Holder to Axos Clearing.
- c. **Extraordinary Events.** Axos Clearing shall not be liable for loss caused directly or indirectly by war, acts of terrorism, natural disasters, government restrictions, exchange or market rulings or other conditions beyond its control, including but not limited to extreme market volatility or trading volumes, and delays in the transmission of orders due to breakdown or failure of transmission or communication facilities.
- d. **Termination.** Axos Clearing may terminate this Agreement at any time and in its sole discretion and may further close any Accounts opened pursuant to the Application and this Agreement at any time and in its sole discretion. In the event of termination or account closure, Broker and Account Holder shall remain liable for any fees, commissions, other charges, liabilities, or debts due under this Agreement, whether arising before or after termination, as the case may be.
- e. **Applicable Law.** The laws of the State of New York shall govern this Agreement including all transactions in the Account and all services provided by Axos Clearing.
- f. **Binding Agreement.** This Agreement shall inure to the benefit of Axos Clearing's, Broker's, and Account Holder's successors and assigns, whether by merger, consolidation, assignment, or otherwise.
- g. **Entire Agreement.** This Agreement supersedes all prior and/or contemporaneous negotiations, understandings, discussions and agreements (written or oral) between Axos Clearing, Broker, and Account Holder with respect to the specific subject matter hereof (all of which are merged herein and therein), and contains the entire agreement by Axos Clearing, Broker, and Account Holder with respect to the specific subject matter hereof. To the extent there are other agreements among the parties, including but not limited to customer agreements between Axos Clearing and the Account Holder and clearing agreements between Axos Clearing and Broker, those agreements shall remain in full force and effect, and nothing in the Application or this Agreement shall release, modify, change, or affect any obligations or liabilities that are owed by the parties under such agreements. For the avoidance of doubt, in the event of any conflict between this Agreement and the Customer Agreement for Prime Brokerage Clearing Services (SIA Form 151), the terms of the Customer Agreement for Prime Brokerage Clearance Services (SIA Form 151) shall control.

- h. **Amendments.** No term, condition, or other provision of this Agreement may be altered, changed or revised except by a written instrument signed by each of Axos Clearing, Broker, and Account Holder.
- i. **No Waiver; Cumulative Nature of Rights and Remedies.** Axos Clearing's failure to insist at any time upon strict compliance with any term contained in this Agreement, or any delay or failure on its part to exercise any power or right under this Agreement, or a continued course of such conduct on its part, shall at no time operate as a waiver of such power or right, nor shall any single or partial exercise preclude any other further exercise. All rights and remedies under this Agreement are cumulative and not exclusive of any other rights or remedies to which Axos Clearing is entitled.
- j. **Severability.** Any term, condition, or provision of this Agreement, which is or becomes inconsistent with any present or future law, rule or regulation of any applicable government, regulatory or self-regulatory agency or body, or is deemed invalid or unenforceable by any court or authority of competent jurisdiction, shall be deemed rescinded; but, in all other respects, this Agreement shall continue in full force or affect.
7. **Dispute Resolution.** Any controversy or claim between the Parties relating to or arising out of or related in any way to the Application or this Agreement shall in all respects be governed by, and construed in accordance with, the following terms:
- **THE PARTIES IRREVOCABLY CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ANY DISPUTE OR CONTROVERSY RELATING TO OR ARISING OUT OF OR RELATED IN ANY WAY TO THE APPLICATION OR THIS AGREEMENT, AND WAIVE ANY OBJECTION TO VENUE IN SUCH DISTRICT. IN THE EVENT THAT THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK LACKS JURISDICTION WITH RESPECT TO SUCH DISPUTE, THE PARTIES IRREVOCABLY CONSENT TO THE JURISDICTION OF ANY UNITED STATES DISTRICT COURT HAVING JURISDICTION IN CONNECTION WITH SUCH DISPUTE, AND WAIVE ANY OBJECTION TO VENUE IN SUCH DISTRICT.**
  - **IN THE EVENT THAT NO FEDERAL COURT HAS JURISDICTION WITH RESPECT TO SUCH DISPUTE, THE PARTIES IRREVOCABLY CONSENT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK LOCATED IN NEW YORK COUNTY IN CONNECTION WITH SUCH DISPUTE AND WAIVE ANY OBJECTION TO VENUE IN THE COUNTY OF NEW YORK.**
  - **THE PARTIES AGREE TO WAIVE ANY RIGHT TO SEEK ARBITRATION UNDER THE FINRA RULES FOR ANY DISPUTE OR CONTROVERSY BETWEEN THEM RELATING TO OR ARISING OUT OF OR RELATED IN ANY WAY TO THE APPLICATION OR THIS AGREEMENT.**
  - **THE PARTIES AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION OR PROCEEDING RELATING TO THE APPLICATION OR THIS AGREEMENT.**
  - **EACH PARTY FURTHER AGREES THAT IT WILL NOT BRING ANY CLASS OR COLLECTIVE ACTION AGAINST THE OTHER PARTY IN ANY FORUM, NOR JOIN ANY CLASS OR COLLECTIVE ACTION BROUGHT AGAINST THE OTHER PARTY IN ANY FORUM.**
  - **THE PARTIES AGREE THAT IN THE EVENT A PARTY MUST MOVE A COURT OR OTHER AUTHORITY TO COMPEL THE OTHER PARTY'S COMPLIANCE WITH THE FOREGOING DISPUTE RESOLUTION PROVISIONS OF THIS AGREEMENT, THE NON-MOVING PARTY SHALL BE RESPONSIBLE FOR ALL ATTORNEYS' FEES AND COSTS INCURRED BY THE MOVING PARTY IN SEEKING SUCH RELIEF.**
  - **TO THE GREATEST EXTENT POSSIBLE, AND WITHOUT REGARD TO CHOICE OF LAW RULES, THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN ANY DISPUTE OR CONTROVERSY RELATING TO OR ARISING OUT OF OR RELATED IN ANY WAY TO THE APPLICATION OR THIS AGREEMENT.**

BROKER AND ACCOUNT HOLDER EACH ACKNOWLEDGE THAT IT HAS RECEIVED, READ, UNDERSTAND, AND AGREES TO THE TERMS AND PROVISIONS SET FORTH IN THE FOREGOING AGREEMENT.

J.H. Darbie & Co., Inc. (“Darbie”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. This Client Relationship Summary (“CRS”) provides details about our brokerage services, fees, and other important information.

Free and simple tools are available for investors to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs). Here, you can also find educational materials about broker-dealers, investment advisers, and investing.

## ***What investment services and advice can you provide me?***

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Darbie offers brokerage services to retail investors. Darbie’s brokerage services include buying and selling securities, offering investment recommendations, and corporate finance/investment banking. Darbie offers a wide selection of investment vehicles, which include equities, corporate, municipal bonds, US Treasuries, mutual funds, and exchange-traded funds.

**Monitoring:** The Firm does not monitor accounts from a performance standpoint. Customers of the Firm should read and understand their statements and confirmations. Maintaining an active role in your account holdings and activity while keeping an open line of communication with your broker are key to monitoring your account.

**Investment Authority:** The Firm provides discretionary and non-discretionary services. Discretionary authority allows your broker to buy and sell securities on your behalf without your consent. This discretion is limited in that your broker cannot withdraw funds from your account. In non-discretionary accounts, the client makes the ultimate decision regarding the purchase or sale of investments.

**Limited Investment Offerings:** Darbie will have access from time-to-time to unique investment offerings. These offerings may be derived from exclusive relationships; we have other entities and include IPO, secondary, and private transactions.

**Account Minimums and Other Requirements:** Darbie generally does not require a minimum dollar investment amount to open an account. Certain products and account privileges are made available to accounts and customers who meet specific financial and investment sophistication criteria.

**For additional information** on our brokerage services, please contact your broker directly or go to [www.jhdarbie.com](https://www.jhdarbie.com).

## ***What fees will I pay?***

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You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**Brokerage Account Commission Fees:** These are transaction-based commissions that are negotiated with your broker. Transaction-based commissions can add up if there are many transactions in your account or if the commissions charged are higher. The potential for conflict arises when an investor is paying more by virtue of more trades, therefore creating an incentive for the Firm to encourage frequent trading.

**Other Fees & Charges.** In addition to, and separate from, commission fees, you typically will pay other costs and charges in connection with your account and transactions. These include maintenance fees, charges for executing trades, exchange fees, clearing firm fees, and other fees. Some investment products (such as mutual funds, exchange-traded funds, and variable annuities) may charge additional fees that will reduce the value of your investment over time.

**For additional information** and a list of all and fees charges, please refer to the Firm’s website, [www.jhdarbie.com](https://www.jhdarbie.com)

**Conversation Starters.** Ask your financial professional these questions to learn more:

- **Given my financial situation, should I choose a brokerage service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

**Conversation Starter –**

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

## ***What are your legal obligations to me when providing recommendations? How else does your Firm make money and what conflicts of interest do you have?***

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When we provide you with a recommendation as your broker-dealer, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations, we provide you.

**Potential Conflicts.** Brokers are compensated through the commissions they earn. The commissions you pay are collected by the Firm, and a portion is paid to your broker. Brokers may receive a higher payout if the commissions they earn in a given period achieve a certain threshold. This conflict is important as the broker may attempt to generate more commissions to obtain higher payout thresholds.

The Firm engages in revenue sharing agreements with other unaffiliated registered entities for services we cannot provide our clients. The Firm receives a portion of revenue from these unaffiliated firms when referring our clients to them. Potential conflicts may arise if the Firm refers services for the purpose of generating revenue.

### ***How do financial professionals make money?***

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Brokers at J.H. Darbie are compensated by a portion of client revenue; they earn and do not receive a salary. In addition, Brokers may also be compensated for referring business to the Firm.

### ***Do you or your financial professionals have legal or disciplinary history?***

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Yes, our Firm and financial professionals have legal and disciplinary history. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our Firm and financial professionals for further information regarding our disciplinary history.

#### **Conversation Starter –**

- **How might your conflicts of interest affect me, and how will you address them?**

#### **Conversation Starter –**

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

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**For additional information** about J.H. Darbie & Co., Inc., or to request a copy of this relationship summary, please visit [www.jhdarbie.com](http://www.jhdarbie.com). You may also call 212-269-7271 to request up to date information or a copy of this relationship summary.

#### **Conversation Starter –**

- **Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**

Fee Description	Total Fee	Fee Basis
Overnight Delivery (UPS)	\$50.00	Per Item
International Delivery (UPS)	\$110.00	Per Item
DWAC Charge	\$125.00	Per Item
DWAC Reject Charges	As Incurred	Per Item
Document Production	\$250.00	Per Item
Client Foreign Financial Intermediary (Omnibus) Due Diligence Review Fee	\$1,000.00	\$200 / Hr Over 5 Hrs; Per Account
Safekeeping / Reconciliation / Vault Fee	\$85.00	Per Year (Charged Quarterly)
Re-registration of Stock or Alternative Investment	\$50.00	Costs
Clearance or Transfer of Restricted Stock	\$150.00	Costs
Certificate Request DTC	As Incurred	Per Certificate
Rush Withdrawal DTC	\$175.00	Additional
Penny Stock Re-registration w/Agent (Domestic)	\$300.00	Per Certificate
Penny stock re-registration w/Agent (Canadian)	\$800.00	Per Certificate
Rejected Deposits DTC or Agent	\$215.00	Per Certificate
Transfer Agent Charges	As Incurred	Per Item
Long Positions (Sub Penny Book Entry)	\$0.0000006	Per Share, Monthly Basis
COR Assisted Dividend Posting (Asset Not Held at COR)	\$15.00	Per Item
IRA Annual Custodial Fee	\$100.00	Per Plan
Transfers (Including Transfer of Roth To/From Traditional IRA)	\$95.00	Per Transfer
Limited Partnerships/AIP	\$100.00	Per Position Annually Charge Quarterly
Termination Fee	\$75.00	Per Plan
Certificate Deposit	\$25.00	Per Position/Per Customer
Cashless Stock Options	\$35 min	1% Of Proceeds Plus Costs ; Per Item
Reg.-T Extension	\$35.00	Per Extension
TOD Setup fee	\$50.00	
TOD Distributions	\$225.00	Per Distribution
Prepayment of Unsettled Funds	\$30.00	Interest
ACAT - Non-ACAT (Full or Partial) Transfer (Transfer Out) Plus Free Delivery Charge for Each Position	\$90.00	Per Account
Annual Account Fee	\$60.00	Per Account
Fee Description	Total Fee	Fee Basis
Voluntary Tender/Exchange Offer/Bond Puts	\$50.00	Per Election
Bond Redemption/Conversion (Physical Only)	\$50.00	Plus Costs
Worthless Securities Processing Charges	\$20.00	Per Security Processed
Mandatory Reorg Corporate Actions	\$25.00	Per Account
Dividend Reinvest	\$1.00	Per Dividend Reinvestment Entry
Cash Dividend Outgoing Check	\$10.00	Per Check
Cash Dividend Outgoing ACH	\$0.25	Per ACH
Manual Options Exercise Request	\$25.00	Per Request
Handling (Charge to Customer)	\$35.00	Per Trade
Physical Settlements	\$150.00	Plus Costs
Free Deliveries DTC	\$35.00	Per Security
NY Window / Physical Delivery	\$70.00	Per Security
Trades Settled Same-Day (Cash Trades)	\$30.00	Per Trade
Transfer In and Out/Physical Certificate (Foreign)	\$175.00	Costs
Foreign Custody Fee	2.5 bps Annually **Subject to Market Change	Per Security; Charged Monthly
Stop Payments	\$25.00	Per Check
Returned Checks	\$40.00	Per Check
Photocopies of Checks	\$5.00	Per Check
Returned ACH Items	\$25.00	Per Return
Wire, Domestic (Outgoing)	\$40.00	Per Wire
Wire, International (Outgoing)	\$90.00	Per Wire
Wire Research Requests / Service Messages	\$50.00	Per Request
Foreign Currency Conversions	\$50.00	Per Conversion
Foreign Currency Transaction Postings	\$25.00	Per Posting
Check Writing Stop Pays	\$25.00	Per Stop
CCPA Check writing and Platinum Card	\$60.00	Per Year
Fee Description	Total Fee	Fee Basis
Monthly Statement Charge-Paper	\$3.95	Per Statement
Monthly Non-Statement Charge-Paper	\$3.95	Per Delivery
Monthly Confirm Charge-Paper	\$2.99	Per Confirm
Monthly Statement Charge-Electronic	\$0.50	Per Statement
Monthly Confirm Charge-Electronic	\$0.50	Per Confirm
Monthly Confirm Charge-Householding	\$1.49	Per Confirm
Medallion Guarantee	\$250.00	
Statement Reproduction	\$25.00	or \$150.00 for Year
Heightened Supervision	\$100.00	per Month
Review & Processing Fee (Limited Partnerships/Private Assets)	\$75.00	
Rush Processing Fee (72-hour) (LP/Private Assets)	\$50.00	
Additional Outside Attorney Review		Fee to be discussed on a case-by-case basis.
Detailed Legal Review	\$200.00	Regular Legal Review Fee
Restricted Securities Clearance	\$250.00	
Updated Legal Review	\$100.00	
Regular Legal Review Fee	\$125.00	
Cancelled Trades	\$15.00	
Foreign security trades executed	\$125.00	
DTC Out of Network Delivery	\$250.00	
Legal Transfer	\$150.00	
Establishment Fee	\$50.00	
Change of Beneficiary	\$25.00	

\*\*AXOS Clearing is now charging for printed statements and confirms. If you wish to opt into electronic delivery of statements and confirmations instead of paper copies to reduce your fee, please visit [www.jhdarbie.com/estatements](http://www.jhdarbie.com/estatements) for details.