MARGIN DISCLOSURE

The following information is to notify you of some basic facts about purchasing securities on margin and to alert you to the risks involved with trading securities in a margin account. Before trading in a margin account, you should carefully review your Customer Agreement. If you have any questions, please call your Registered Representative.

General Information

When you buy stock on margin, you pay part of the cost, subject to a minimum percentage, and ICBCFS loans the balance to you. In most cases, the minimum percentage that you must pay for securities purchased is the rate established by the Board of Governors of the Federal Reserve System; the current rate is 50% of the cost of the transaction. For example, if you purchase stock on margin that costs $10,000, you would be required to pay $5,000. The unpaid balance of $5,000 would appear as a debit in your account and would be subject to a monthly interest charge.

The securities purchased are the firm’s collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, ICBCFS can take action, such as issuing a margin call or selling securities in your account, in order to maintain the required equity in the account.

Risks of Borrowing on Margin

It is important that the risks involved in trading securities on margin are fully understood. Because it involves an extension of credit, it may not be appropriate for all investment objectives.

- **You can lose more funds than you deposit in a margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to avoid the forced sale of those securities or other securities in your account.

- **ICBCFS can force the sale of securities or other assets in your account(s).** ICBCFS can sell the securities in any of your accounts to cover a margin deficiency when the equity in your account falls below the margin maintenance requirements. The Federal Reserve Board establishes initial margin requirements and the FINRA establishes the maintenance requirements; higher house maintenance requirements also may be established by ICBCFS. You will also be responsible for any shortfall in the account after the sale.

- **ICBCFS can sell the securities in your account(s) without notice.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

- **ICBCFS chooses which securities in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, ICBCFS has the right to decide which security to sell in order to protect its interests.

- **ICBCFS can increase its house maintenance margin requirements at any time and is not required to provide you with advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of maintenance margin calls. Your failure to satisfy the call may cause ICBCFS to liquidate or sell securities in your account(s).

- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

- **Proxy Voting Loss.** ICBCFS may lend your shares in a margin account to other customers or broker-dealers. When shares are lent, and remain outstanding over a voting record date period declared by the issuer, you may lose your voting rights on all or a portion of your shares you hold at ICBCFS and will not be eligible to vote those shares.