

SA Stone Wealth Management Inc. (“SA Stone”) is a securities broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and is a member FINRA/SIPC. Our customers’ accounts are protected through our Securities Investor Protection Corporation (SIPC) membership, through excess SIPC coverage and through adherence to the SEC’s “Customer Protection Rule”. Additionally, we offer our customers the ability to sweep their uninvested cash into FDIC-insured bank accounts through a network of banks participating in our Cash Sweep Program.

SA Stone and INTL FCStone

SA Stone utilizes INTL FCStone Financial Inc. (IFCF) as our clearing firm to custody client accounts. IFCF is a clearing broker-dealer registered with the SEC and member FINRA/SIPC. Both SA Stone Wealth Management Inc. and INTL FCStone Financial Inc. are wholly owned subsidiaries of INTL FCStone Inc. Through its various companies, INTL FCStone is a leading provider of execution, risk management, market intelligence, and post-trade services across asset classes and markets around the world.

INTL FCStone Inc. is a publicly traded, Fortune 500 company listed on the Nasdaq under the ticker symbol “INTL”. For the fiscal year ending September 30, 2018, INTL reported operating revenues of \$975.8 million, total assets of \$7.8 billion and shareholders’ equity of \$505.3 million.

SIPC Protection

Because SA Stone and IFCF are SIPC members, SA Stone’s customers are protected up to applicable limits. Current SIPC limits are \$500,000 per customer, which will cover up to \$250,000 in cash balances (free credit balances). Money market mutual fund balances are considered securities and do not count against the \$250,000 cash limitation, nor do deposits held in FDIC insured bank accounts through our Cash Sweep Program¹.

A customer as defined by SIPC refers to like styled accounts. For example:

- John Smith IRA, John and Mary Smith JTWR0S, and John Smith are 3 separate customers.
- John Smith has two individual accounts. In this scenario, these two accounts represent one customer.

Some investments are not eligible for SIPC protection, including, among others, commodity futures contracts and currency, as well as investment contracts (such as limited partnerships) and fixed annuity contracts that are not registered under the Securities Act of 1933. Neither SIPC protection nor excess SIPC coverage provides protection against market losses. For additional information about SIPC coverage, visit www.sipc.org.

Excess SIPC Protection

SA Stone customer accounts carried at IFCF are protected by excess SIPC coverage through Lloyd's of London that, if applicable, is designed to pick up where SIPC protection ends by covering customers up to an additional \$24.5 million per customer, which covers up to an additional \$900,000 in cash balances. This policy has an aggregate policy limit of \$100 million in total protection. As with SIPC protection, money market mutual fund balances and cash deposits held in FDIC insured bank accounts do not count against the \$900,000 cash limitation.

Understanding the "Customer Protection Rule"

As your clearing firm, INTL FCStone Financial Inc., must strictly adhere to all aspects of SEC Rule 15c3-3, known as the Customer Protection Rule. The primary tenants of the Customer Protection Rule require the segregation of customer funds, fully-paid for customer securities and excess margin securities from IFCF's proprietary funds and securities while maintaining possession or control of these funds and securities. By regulation, IFCF may only use assets posted as collateral (rehypothecation) for customer margin securities valued up to 140 percent of the customer's margin debit balance.

In accordance with Rule 15c3-3, IFCF performs a weekly computation to determine whether it has a net payable to, or receivable from customers. In the event the computation indicates a net payable, IFCF must place required funds or qualified securities (treasury securities) on deposit in a special reserve bank account for the exclusive benefit of its customers. IFCF keeps standard control letters current with each bank where a special reserve bank account is held. The control letters indicate that the funds on deposit are for the exclusive benefit of its customers and shall at no time secure, directly or indirectly, any loan made to IFCF. The control letters also provide that assets in the special reserve bank account shall not be subject to any right, charge, security interest, lien or claim of any kind in favor of the bank or any person claiming through the bank.

As a FINRA member and SEC registered securities broker-dealer, IFCF is subject to various examinations that include extensive reviews of the Firm's 15c3-3 computation procedures and calculations. Both FINRA and IFCF's independent audit firm perform reviews annually while the SEC performs a review on an approximate three-year cycle.

FDIC Insured Deposit Program

Funds invested in the FDIC-bank Insured Deposit Program (IDP) through our Cash Sweep Program are protected by the Federal Deposit Insurance Corporation (FDIC) up to applicable limits and are not protected by the SIPC. FDIC coverage limits are \$250,000 for deposits (checking, money market, savings, CDs, etc.) held in the same capacity and at the same institution. The Cash Sweep Program maximizes the available limits by automatically sweeping uninvested cash balances into accounts at multiple participating banks². It is imperative that clients track their various types of deposits at insured institutions to ensure they are afforded maximum coverage. Clients should notify their investment professional if they have funds deposited, outside of their accounts carried at IFCF, at any other participant banks. For additional information about FDIC coverage, visit www.fdic.gov.

¹Bank accounts through our Cash Sweep Program are covered by FDIC and are not covered by SIPC.

²As of August 15, 2017. The number of banks participating banks and, accordingly, FDIC coverage available, may decrease upon 30 days prior written notice to program participants.

Please note that the Insured Deposit Program sweep option is not available to accounts subject to the Employee Retirement Income Security Act of 1974 or section 4975 of the Internal Revenue Code with respect to which an IFCF company acts as fiduciary.

Securities offered through SA Stone Wealth Management Inc. Member FINRA/SIPC.

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