

**First Asset Financial Inc.  
Form CRS-Customer Relationship Summary**

CUSTOMER'S INITIALS EVIDENCING REVIEW  
as of the date indicated on the last page of this "D" packet:

**Acct. Holder**

Acct Holder Name: \_\_\_\_\_ **Initials:** \_\_\_\_\_

**Introduction:** First Asset Financial Inc. ("FAF") is a full service broker-dealer registered with the Securities and Exchange Commission and is a member FINRA/SIPC/MSRB. FAF is NOT a Registered Investment Advisor ("RIA"). The Corporate Offices are located in Salina, Kansas. The cost of brokerage services and investment advisory fees differ and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS) or [finra.org](http://finra.org), which also provides educational materials about broker-dealers, investment advisers, and investing. Further detail regarding Reg. Best Interest can be found in this "packet" on pages 3-8 and can also be obtained free of charge by calling (785) 825-5050. All of the information in this Form CRS applies to retail customers.

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

FAF offers a variety of brokerage services to retail investors based on a commission basis. There are different ways you can get help with your investments. You should carefully consider which types of services might be more appropriate for you. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information.

We do not require a minimum account size or investment amount. If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy and sell an investment. We **do not** offer proprietary products, nor offer common stock IPOs, do not participate in sales contests or offer a limited menu of products. Relying on the results of a personal contact, we will assist you in determining your investment goals and investment vehicles that conform to your investment "style."

**The principal types of retail brokerage services<sup>4</sup> which First Asset Financial offers include:**

✓Corporate equity securities (stocks)\* ✓Mutual funds ✓Exchange-traded funds (ETFs)\* ✓Retirement Plans-IRA--SIMPLE IRA--SEP ✓529 Plans ✓Municipal securities\* ✓Checking accounts\* ✓Put and call options or option writer\* ✓Corporate debt securities (Bonds)\* ✓Variable annuities (VAs) or variable life insurance (VUL) ✓U.S. government securities\* ✓Certificate of Deposits (Brokered)\* ✓Health Savings Plans (HSA)\*

**Do you make recommendations and monitor accounts?**

We are able to provide retail advice regarding the value and characteristics of securities or advisability of a transaction in securities only in connection with our primary business of buying and selling securities. 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 services we provide you. You make the ultimate decision regarding the purchase or sale of investments. We do not monitor your portfolio or investment account on a continuous basis. Any voluntary review is not considered to be "account monitoring."

Although there are no material limitations on securities, services offered by licensed Associated Persons (APs) of FAF vary by type of securities licenses held.<sup>4</sup> APs of FAF, individually, may be licensed differently and may hold one or more of the following main securities licenses: Series 6 or Series 7. You might ask:

***What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*** Less than 1/3 of FAF APs hold a Series 66 or 65 and have the ability to do business with an associated advisory firm. The option of those APs to guide you to either entity should encourage you to **discuss which type of account may be best for you;** (1) strictly a commission account with FAF or (2) a fee-based investment advisory account with the AP's affiliated RIA firm. This situation can present a "conflict of interest" which **should be discussed**. If an AP is registered with both FAF and an affiliated RIA you might discuss the following questions:

***Given my financial situation, should I choose a brokerage service?***

***Why or why not?***

For all FAF Associated Persons, you might ask:

***How will you choose investments to recommend to me?***

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.

<sup>4</sup>All services may not be available from all APs & is license dependent

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

We charge transaction-based fees, known as commissions, concessions or mark ups/mark downs, for brokerage services at the time any security is purchased or sold in your account. We make more when there are more trades in your account. Such transactions are executed on a non-discretionary basis which means you will be consulted for each recommended transaction unless such transactions are associated with a discretionary investment advisory account. Most transactions occur through our clearing firm,\* whom FAF retains to conduct securities transactions and activities related to the purchase or sale of securities. Transaction charges cover order tickets, execution and clearing costs that we pay the clearing firm. Our commissions, concessions or mark ups/mark downs range from 1% to 5% with an overriding minimum on brokered trades of \$35 (with an exception for advisory trades). Some are negotiable and costs reduce the value of your account over time. The higher percentage amount would be select mutual funds or VAs where the concessions, individual fund management fees and other fees would all be disclosed by the fund's applicable prospectus. We request that you review the prospectus prior to investing in a mutual fund or VA. In addition, you may incur additional fees and costs related to the investments in your account, such as postage/handling fees, wire/electronic fund transfer fees, surrender charges, custodian fees, transfer fees, and potential early redemption fees on variable annuities. To help you better understand the impact of fees and costs, we would like to discuss the following question with you:

***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?**

*When we provide you with a recommendation, 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. Here is an example to help you understand what this means:*

***Recommendation of an investment product with a higher commission than the same or similar investment product that would cost less in a fee-based account.***

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

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

Our financial professionals are licensed to provide brokerage services and receive different levels of compensation (often based on the specific investment) when providing different investments to you.

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

*As a financial professional, do you have any disciplinary history? For what type of conduct? Yes. The firm has only one; in 2013 FAF was sanctioned by FINRA for an email retention violation that was an administrative regulation issue, not an investor related issue. Yes, APs have disclosure history which can be determined by visiting [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and your financial professional. To help you better understand our disciplinary history, we welcome discussing any issues with you.*

## **Additional Information**

**You can find additional up-to-date information about our brokerage services and request a copy of our Relationship Summary by contacting us at 785-825-5050 or by email at [FAF@FirstAssetFinancial.com](mailto:FAF@FirstAssetFinancial.com)** to help you better understand who to contact with any questions or complaints, we would like to discuss the following question with you:

***Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?***

***Who can I talk to if I have concerns about how this person is treating me?***

**Feel free to call the First Asset Financial Inc. Compliance Department, 785-825-5050 to address any questions or request more information.**

\*Available through FAF's clearing firm, Hilltop Securities Inc.

# Regulation Best Interest Disclosure Brochure

## Standards of Care

Regulation Best Interest (Reg BI) is an SEC regulation that applies to First Asset Financial Inc. (FAF) and our Associated Persons (APs) when we act and provide investment services to our Customers. Reg BI requires us to act in your best interest, and not place our financial or other interests ahead of yours, when recommending any securities transaction, an investment strategy involving securities, account types, and individual retirement and retirement plan account rollovers. To comply with the standard of conduct established under Reg BI, we must meet four separate obligations:

- 1. *The Disclosure Obligation requires us to disclose fully and fairly in writing, at or before the time of the recommendation, all material facts about conflicts of interest relating to the recommendation (including how we and our APs are compensated) and about the scope and terms of the relationship with you.*** FAF, and by extension each AP, must have a “reasonable belief” that all recommendations made are in your best interest based on an evaluation of your current and recommended securities/portfolio with your objectives. Factors to be considered in determining whether a security is in your best interest include, but are not limited to: the cost (including internal and external fees and compensation), liquidity, risks, potential benefits, volatility, likely performance in a variety of market and economic conditions, time horizon, and/or cost to exit. By comparing and contrasting the existing with the recommended account the result should be in your best interest.
- 2. *The Care Obligation requires us to exercise reasonable diligence, care and skill when making a recommendation to you. The Care Obligation extends to recommendations of individual securities and investment strategies as well as to recommendations regarding specific account types, including individual retirement account rollovers.***  
FAF & its APs must exercise reasonable “diligence, care & skill” in making recommendations to you. The recommendations must be in your best interest based on corresponding risks, rewards & costs, taking your investment profile into account. Reg BI imposes **no duty to monitor** your account following a recommendation. We may voluntarily, and without any agreement with you, review the holdings in your account for the purposes of determining whether to provide a recommendation to you. This voluntary review is not considered to be “account monitoring,” and does not create an implied agreement to monitor your account.
- 3. *The Conflict of Interest Obligation requires us to establish, maintain, and enforce written policies and procedures reasonably designed to identify and at a minimum disclose (pursuant to the Disclosure Obligation) or eliminate all conflicts of interest associated with recommendations to you.*** This Obligation prohibits FAF, and by extension the AP, from subordinating your interests to its own and applies to recommendations regarding potential investments. To meet the Obligation, you must be provided with full and fair disclosure of all material facts regarding such conflicts between FAF, the AP and you to enable you to make an informed decision with regard to the recommendation. General conflicts of interest are disclosed in attached documents, **Customer Relationship Summary** and more detailed in the Regulation Best Interest Disclosure Brochure and specific conflicts of interest should be provided to you by your AP.
- 4. *The fourth Compliance Obligation requires us to establish, maintain and enforce written policies and procedures reasonably designed to achieve compliance with Regulation BI.*** FAF has in place compliance policies and procedures that are intended to be reasonably designed to the size and complexity of our firm and in keeping with reasonably designed compliance programs. The designed compliance program is established and designed to enforce processes and procedures to ensure our compliance with Reg BI.

First Asset Financial Inc. (referred to as “FAF” or “we” or “our” or “us”) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). As a broker-dealer, we are authorized to transact business in various types of securities. The product offerings to you may be limited based on the licenses held by your Associated Person (AP) and/or firm policy. This Disclosure is intended to satisfy certain requirements that apply to us under the SEC’s Reg BI.

The purpose of this disclosure document is to provide you with information about our investment services and to expand upon the important disclosures in the firm’s Customer Relationship Summary (CRS) which is included or has been delivered to you and also can be found on our website at [www.firstassetfinancial.com](http://www.firstassetfinancial.com). While not comprehensive, this brochure summarizes important information concerning the scope and terms of the investment services we offer and details the material conflicts of interest that arise through our delivery of investment services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and any disclosure documentation you may receive from us. Please be sure to review this disclosure in its entirety and consult with your Associated Person before opening an account or investing through our firm.

FAF employs individuals, referred to as “Associated Persons,” (AP or APs) who offer various investment services dependent on their licenses. Although all of our Associated Persons offer some type of investment services, some also offer investment advisory services. Any investment advisory services offered will be with an affiliated firm (but not a commonly owned firm with FAF). When you are discussing services with our APs, you should ask in what capacity

the AP is acting or will be acting – as a broker dealer registered representative or as an investment advisor representative when providing services to you. You should understand and carefully consider these differences when deciding which services and accounts are right for you. FAF offers services in an investment capacity only and not as an investment adviser when servicing your account. This disclosure brochure discusses important information regarding Associated Persons who act as registered representatives of our broker dealer (FAF) only.

## **Investment Services**

When we open an account for you, we act as the “Introducing Broker Dealer,” meaning we do not hold custody of your funds and securities. We execute purchases and sales on your behalf, and as directed by you, in which we earn revenue. In general, accounts are “non-discretionary.” Our services are provided based on your needs at the time of the service.

We offer a variety of different investment account types including:

*Individual, JTWROS, Joint TIC, TOD accounts, UTMA, IRA/Roth IRA/SEP IRA/Simple IRA/Bene IRA, 529 Plans, Health Savings Accounts (HSA), Specialized Retirement Plans, Accounts for Trust Accounts*

## **Subscription Way**

An account whereby the check is used to purchase securities and is made payable to the issuer (or other third party) and is forwarded directly to the issuer or the issuer’s agent. Normally, an account application for FAF and for the issuer/third party (e.g., a mutual fund, variable annuity) is completed by you. FAF and our APs receive compensation from investment product sponsors/third parties for the investments you make in securities such as direct mutual funds, annuities, etc. A portion of this compensation is commonly known as “trail compensation” or “12b-1 fees” in which FAF and our APs receive ongoing compensation from certain investment products under a distribution or servicing agreement with the product sponsor. The more assets you invest in the product/investment, the more we will be paid in these fees, therefore we have an incentive to encourage you to increase your account size or investment in the security. Furthermore, the volume of trails received varies by product type and sponsor or third party, therefore creating an incentive to recommend a product that pays a higher trail over a lower trail.

For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering paperwork. Below is a general disclosure of the trail compensation ranges charged to you and received by FAF and your Associated Person:

- **Mutual Funds & 529 Plans:** The ongoing payment depends on the class of shares, but the general range is between 0.25% for “A” class shares and 1% for “C” shares of assets on an annual basis.
- **Annuities:** The ongoing payment depends upon the agreement between FAF and the Issuer. The maximum trail payment for annuities is generally 3.5%

## **Account Minimums, Activity Requirements & Limitations**

There is no minimum initial account balance required to open an investment account with us. However, most mutual funds and variable annuities have minimum account entry requirements that your AP must adhere to. You should also understand that our Associated Person may establish their own minimum account balance requirements for the investment accounts they service. Minimum asset requirements are disclosed to you verbally by your Associated Person. We limit the mutual funds and share classes available through FAF and brokerage accounts. We only provide mutual funds that are available through FAF or our clearing firm. Agreements do not always include access to all share classes.

## **Incidental Investment Services, Recommendations and Monitoring**

When we make a securities recommendation, investment strategy recommendation or a recommendation to rollover assets from you Qualified Retirement Plan to an Individual Retirement Plan (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Moreover, when we act in a brokerage capacity, we do not agree to enter a fiduciary relationship with you, however regarding a recommendation to rollover an IRA to or from an ERISA Plan, we may be considered a “fiduciary.” It is important for you to understand when our Associated Persons make an investment recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, customer’s age, investment experience, investment time horizons, needs and other financial information you provide us. You may accept or reject any recommendation. It is also your

responsibility to monitor the investments in your account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your investment account. If you prefer ongoing monitoring of your account or investments, you should consider an advisory account which is different from a brokerage account in that this style of account charges a fee based on assets rather than commissions on transactions.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance and/or periodic investment account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your account. Upon your request we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

### **Risks Associated with Investments and Recommendations**

While we will take reasonable care in developing and making recommendations to you, securities involve risk and you **may lose money**. There is no guarantee that you will meet your investment goals or that our recommended investment strategy will perform as anticipated. Please consult any available offering documents for any security that is recommended to you for a discussion of risks associated with the investment. Generally, all investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value of your account will fluctuate due to market conditions and other factors. Investments that we recommend and actions that we take to execute transactions for your account are subject to various market, liquidity, currency, interest rate, credit risk, economic/global economic, geographic, and political risks and may not necessarily be profitable. You assume the risks of investing in securities and other investments and you could lose all or a portion of their value. Our firm does not provide tax, legal or accounting advice. Accordingly, we encourage each customer to consult their own personal tax, legal and/or accounting advisers in order to understand the potential consequences associated with a particular investment strategy.

WHILE WE WILL TAKE REASONABLE CARE IN DEVELOPING AND MAKING RECOMMENDATIONS TO YOU, SECURITIES INVOLVE RISK, AND YOU MAY LOSE MONEY. THERE IS NO GUARANTEE THAT YOU WILL MEET YOUR INVESTMENT GOALS, OR THAT OUR RECOMMENDED INVESTMENT STRATEGY WILL PERFORM AS ANTICIPATED. PLEASE CONSULT ANY AVAILABLE OFFERING DOCUMENTS FOR ANY SECURITY WE RECOMMEND FOR A DISCUSSION OF RISKS ASSOCIATED WITH AN INVESTMENT PRODUCT. WE CAN PROVIDE THOSE DOCUMENTS TO YOU OR HELP FIND THEM.

Regulations do not require us to find the one “best” product, evaluate all possible alternatives, or even focus on the lowest cost alone but should pertain to a customer’s entire situation and applies only at the time of the recommendation itself.

### **CONFLICTS OF INTEREST**

Like all financial service providers, we and our APs have conflicts of interest. A conflict of interest arises when an incentive, benefit or possible personal financial gain might incline FAF or an AP, consciously or subconsciously, to make a recommendation that is not strictly for the betterment or in the best interest of the investor given the perimeters of investments available to the AP. We want you to make an informed decision regarding any recommendation one of our APs provides you. While not a comprehensive description, many common conflicts are disclosed herein. To that end, below we disclose material facts addressing these conflicts:

#### **Conflicts of interest & Other Compensation**

Like all financial services providers, we and our Associated Persons have conflicts of interest. The mere presence of a conflict of interest does not imply that harm to your interest will occur, but it is important that we acknowledge the presence of conflicts. Since FAF is compensated directly by customers and/or indirectly by the investments made by customers, this creates some conflicts. If we are paid an upfront commission, it means the more transactions that are made, the more compensation we earn. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a “trail” payment from a third party, for as long as customers hold an investment. The amount we receive varies depending on the particular type of investment a customer’s makes. The compensation described in this disclosure represents the revenue we receive on an investment before subtraction of our expenses. The types and amounts of compensation we receive change over time and may vary. Please also note that not all the conflicts described in this disclosure apply to a particular Associated Person, his/her services or all the products we sell. You should

ask your Associated Person if you have any questions about compensation, costs, fees, or conflicts of interest. Please carefully review and consider the information in each section below.

Conflicts of interest exist when we provide investment services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you. We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing investment recommendations to you. Below you will find additional information related to our conflicts of interest:

### **Commissions, Fees, and Other Types of Sales Compensation**

FAF receives upfront transaction-based fees, also known as commissions. A commission, which also may be called a sales load, sales charge, or markup is typically paid at the time of purchase, and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. We receive the sales charge or commission and share it with your Associated Person. In some cases, a portion of the sales charge or commission is retained by the investment's sponsor company. For example, mutual fund company generally withhold a portion of the A share sales charge, reallowing less to FAF. Commissions vary from product to product, which creates an incentive for our Associated Persons to want to sell a higher commission security rather than a lower commission security. The approximate commissions for common investment products are listed below for your reference. For a more detailed description of specific product commissions and fees, you should refer to the product's prospectus or ask your AP.

- **Mutual Funds, UITs, and 529s:** The maximum commission or sales charge permitted under applicable rules is 8.5%, but generally range from 3% to 6% and this amount is established by the mutual fund company/UIT/529 plan via their prospectus, not FAF or HTS. Money market mutual funds or other funds that lack a sales charge are generally charged a "flat fee" of a maximum of \$80 (money market funds a maximum of \$15). UITs will range between 1.85% to 2.5%. The applicable prospectus should be read and it will reveal the sales charges and expenses attributable to that investment/fund.
- There are two alternatives used to invest in mutual funds (1) a "direct" account whereby the shares are held by the mutual fund itself and (2) a brokerage account which holds the funds in a brokerage account. A brokerage account can also hold individual stocks or bonds. Fund trades in a brokerage account after the initial purchase are subject to a fee no greater than \$50. A prospectus will be sent by Hilltop Securities Inc (HTS), provided by your AP, sent by the fund or you can read it online
- **Annuities:** The maximum upfront commission paid for new sales of variable annuities is typically range from 5% to 7%, but may vary depending on the length of the surrender charge, provisions, and type of annuity. Fixed and fixed index annuities are generally offered through the AP's outside business activity as they require no securities license and show 0% commission as insurance companies are not required to disclose compensation (commission) amounts paid.

### **Understanding Share Classes**

Some product sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. The amount of upfront selling compensation versus trailing compensation charged on certain products, such as mutual funds, variable annuities, or 529 investments will vary, depending on the share class selected. For mutual funds, typically, Class A shares will result in a higher upfront sales charge and lower trailing compensation, while the opposite is true for a Class C share. In order to see a complete list of the share classes available for a particular investment and their respective costs, you should review the investment prospectus, offering document, and/or other transaction statement. For investment accounts, we have an incentive to make available or recommend A share classes or other product structures that will generate compensation to us for the initial purchase and/or ongoing recurring compensation. FINRA maintains a mutual fund cost analyzer for you at: [https://tools.finra.org/fund\\_analyzer/](https://tools.finra.org/fund_analyzer/)

### **Trail Compensation**

Ongoing compensation from product sponsors or third parties may be received by us and shared with our APs. This compensation (commonly known as service fees, trails, or Rule 12b-1 fees in the case of mutual funds) is typically

paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product, but usually ranges from .2% to 1%. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

### **Limitations on Recommendations and Investment Professional Limitations**

FAF and our Associated Persons offer and recommend investment products only from investment sponsors with which we have entered into selling and distribution agreements with. We do not offer every available investment in the U.S. or global marketplace. Other firms may offer products and services not available through FAF and/or they may offer the same or similar investment products and services at lower cost than us (other than investment sold by prospectus). In addition, FAF may only offer certain products in an investment account, even though there is a version of the product that may be offered at a lower cost through an advisory account, and vice versa. The scope of products and services offered by certain Associated Persons may also be more limited than what is available through other Associated Persons. An Associated Person's ability to offer individual products and services depends on his/her licensing, training, or firm policy restrictions. For example, not all of our Associated Persons can offer the full range of investments or services we offer. Services offered are determined by the licenses of the AP. You should also review the licenses held by your Associated Person by visiting the FINRA Broker Check website: <http://brokercheck.finra.org>.

### **Compensation for Associated Persons**

Associated Persons are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to customers. This compensation varies by the product or service associated with a brokerage transaction. In addition to up-front-transaction based compensation, some products feature on-going residual or "trail" payments. Thus, Associated Persons are incentivized to recommend products that have higher fees or commissions as well as those with on-going payments. Described below are the compensation and other benefits our Associated Persons receive through their employment agreement with FAF:

### **Cash Compensation**

FAF typically pays an Associated Person a percentage of the revenue he/she generates from the sale of products and services. The percentage received can vary depending on his or her agreements with us and the investment products or services recommended. It may also be more or less than what he/she would receive at another brokerage firm. The payments may vary based on the amount of assets managed or revenue generated by the Associated Person, such that the greater the production the greater the payout. When compensation is based on the level of production or assets, the Associated Person has a financial incentive to meet those production or asset levels. In some cases, Associated Persons may pay a portion of their compensation to another Associated Person for administrative or sales support. Furthermore, the amount of revenue an Associated Person generates creates a conflict of interest when considering whether to employ and/or when to terminate an Associated Person.

### **Compensation for Other Services**

FAF and our Associated Persons can offer various types of investments but different types and amounts of compensation depending on the type firm in which you participate. This variation in compensation can incentivize an Associated Person, if eligible, to recommend investments or programs that generate more compensation. For example, if you expect to trade securities frequently in your account, an account in which you pay a commission for each transaction may generate more compensation for your Associated Person than an alternative advisory account that generates compensation in the form of investment advisory fees.

### **Rollovers**

In the event you choose to roll assets out of a retirement plan, such as a 401(k) plan, and into an IRA, we have a financial incentive to recommend that a customer invests those assets with us, because we will be compensated on those assets. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. You may be able to leave money in your current Plan or account if one is available and/or if rollovers are permitted. You should consider all your options available to you. Customers should be aware that fees and commissions in a rollover with our APs will likely be higher than those paid through a current 401(k). Although your current plan will provide lower costs, the plans often limit the type of investments available to you. Any securities held in an ERISA retirement plan are generally not transferred to an IRA "in kind," so there may be charges and/or fees when liquidating such securities in the plan prior to the transfer to an IRA through FAF, in addition to commissions and sales charges previously paid on transactions in the plan. Compare differences in

investment options, services, fees and expenses, withdrawal options, required minimum distributions, other Plan features and tax treatment. Also, consider whether you are rolling over or transferring assets into accounts that have surrender charges or do not give you access to lower-cost share classes that may be available in your current account or Plan. Your AP and FAF will make more money if you transfer your 401(k) than if you do not do so.

### **Associated Person's Outside Business Activities**

When approved, Associated Persons are permitted to engage in certain outside business activities (“OBA”) other than providing investment services through FAF. This may include, but is not limited to: real estate, accounting, insurance (most common), legal, other professions as well as investment advisory services. For example, sales of insurance products require no securities license (with the exception of variable annuities & variable life). Available “sales contests” for any insurance products will not be monitored by FAF. As a result, an Associated Person may be incentivized to recommend certain products or services outside the scope of their relationship with FAF and they may benefit financially from the recommendations. This may create a possible conflict of interest and you may wish to discuss with your AP and ask any questions you have about the OBA and the associated compensation. Additional information about your Associated Person's outside business activities is available on FINRA's website (<http://brokercheck.finra.org>). FAF is not co-owned by or co-owner in any outside business of any AP and, therefore, assumes no liability for any product, service or policy provided to you by an AP registered with FAF as FAF is responsible ONLY for any product recognized by federal or state regulators as a security.

### **Mitigation of Conflict of Interest**

First Assets attempts to mitigate conflicts of interest with the following practices. First Asset Financial Inc.:

- 1. Does Not:** Pay referral fees to individuals or unaffiliated third-parties.
- 2. Does Not:** Offer proprietary (company originated or sponsored) products
- 3. Does Not:** Conduct sales contests
- 4. Does Not:** Offer bonuses for sales in specific product areas or types
- 5. Does Not:** Offer “alternative” investments (at the time of this writing)
- 6. Does Not:** Share revenue with third party sponsors (e.g. mutual funds) over and above commissions, concessions, or 12b-1's disclosed in the prospectus
- 7. Does Not:** Receive funds from mutual fund companies for conferences, trips, or reimburse meeting expenses
- 8. Does Not:** Make investment decisions for you or manage your account on a discretionary basis (unless it is an investment advisory account). This means your AP cannot buy or sell investments in your account without first obtaining your consent.
- 9. Does Not:** Provide ERISA plans
- 10. Does Not:** Offer any direct crypto currency or asset investments unless offered via a mutual fund

On any investment recommendation, our APs should have a reasonable basis, considering the potential risks, rewards, and costs associated with a recommendation, to believe that each recommendation made is in your best interest, and does not place the interest of your AP or FAF ahead of your interest.

### **Training and Education**

Associated Persons may attend meetings, events, webinars or engage in education activity generated through the computer that are held to educate APs on product characteristics, business building ideas, suitability as well as other activities that may include meals, entertainment, or other non-cash compensation (not to exceed \$100) from product providers. An AP should avail themselves of product training on any product they are selling or plan to sell prior to engaging with a customer regarding the product.

-End of the Regulation Best Interest Disclosure Brochure-

The **Business Continuation Plan** (BCP) Disclosure for First Asset Financial Inc. can be found on the firm web site at: [www.FirstAssetFinancial.com](http://www.FirstAssetFinancial.com) under *Important Information*.



# First Asset Financial Inc. Privacy Policy

## **To Our Customers:**

At First Asset Financial Inc. (FAF), we are committed to protecting your privacy and the confidentiality of your personal and financial information.

## **How We Protect Confidentiality:**

FAF provides investment services by means of its own internal operation and other unaffiliated third party providers such as mutual funds and variable product sponsors. All of the above-named parties receive and maintain information about you that is related to and necessary for processing investment in your account. Access is permitted only to those individuals within or outside of our organization who need the information to perform their job responsibilities. These companies may receive information about you, but they may only use it for the intended purpose, which is to benefit you. We employ security measures including policies and procedures, computer safeguards, secured files and buildings.

## **Persons Covered by the Privacy Policy:**

The FAF's Privacy Policy applies to anyone who is a current or former FAF's client. We provide you with a copy of this policy when you open an account and we send you a notification if we change our policy regarding the sharing of information.

## **How We Obtain Information About You:**

In the normal course of business, we collect, retain and use information about you to serve your financial needs, administer your account(s) and inform you of products and services that may be of interest. This data, known as non-public personal information, may be collected from several sources, including FAF, the clearing firm and/or third party Customer Account Applications and other forms you file with us or product vendors as a result of your transactions with us, our affiliates, and non-affiliated third parties such as consumer reporting agencies. FA does not sell your personal information. We provide information about current and former customers from the sources described above to parties outside of our firm only as described below: -To other companies as necessary to process your business: For example, we process your "direct" mutual fund and variable business through product providers with whom we have dealer-selling agreement.

These parties must limit their use of the information to the purpose for which it was provided.

-Where required by law or regulation: Examples include responses to a subpoena, court order or regulatory demand.

-As authorized by you: You may direct us, for example, to send account statements or other account information to a third party.

-As otherwise authorized or permitted by law: For example, the law permits us to respond for a request for information about you from a consumer reporting agency. We ask that you review your information regularly to ensure that it is correct. Please contact your representative Associated Person (AP) or FAF directly if you need to correct or update your personal information.

## **Sharing Information - With Whom and Why:**

FAF does not sell your personal information to anyone not affiliated with FAF, directly or indirectly. We restrict the types of information we share and the types of entities with whom we share it. The primary reason for sharing information about you is to increase your convenience in transacting business with us and to give you more financial services choices. Should your AP change within our firm, your information will be shared with the new AP as well as the new broker dealer. Also, if your registered AP leaves our firm, your personal information may be retained by him/her for the purpose of continuing to service your account(s). If you wish to opt-out of having your AP take your personal information upon leaving FAF, please send written request to:

First Asset Financial Inc.

Attn: Compliance Department, 110 E Iron Ave, Salina, KS  
67401

We do disclose your personal information to affiliated parties that are "sister companies" that are owned by the same holding company as FAF. FAF and those companies utilize some common "shared" employees. We also disclose or report personal information in limited circumstances when we believe in good faith that disclosure is required or permitted under law. For example, we would provide information in cooperation with securities regulators or law enforcement authorities, to resolve consumer disputes, or to perform credit evaluations and authenticated checks.

## **Option to Opt Out and Change Notices:**

Your provision of information to us will be considered a grant of permission for us to contact you through any means provided (including, but not limited to mail, phone, text message, fax, etc.). If for any reason at any time in the future we find it necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change and the opportunity to opt out of such disclosure.

We may update or amend this Privacy Policy at any time. No prior notice of any update or amendment is required, and all updates or amendments are effective upon being posted on our website [www.FirstAssetFinancial.com](http://www.FirstAssetFinancial.com). We encourage you to periodically review the Privacy Policy to stay informed.

## **I/We affirm agreement with the preceding and following statements as evidenced by signature(s) at the end of this Customer Agreement Addendum:**

In consideration of First Asset Financial Inc. ("FAF") opening one or more accounts on my/our behalf as an "introducing broker-dealer," I/we warrant and agree to be bound by all of the following representations herein. I/we understand that FAF is an "introducing broker dealer" and will not hold customer's funds or securities, but as agent, will promptly transmit them to a product sponsor. **I/we understand that securities products are not federally insured nor are they a deposit or obligation of, or guaranteed by, any depository institution. Furthermore, I/we understand that the products are subject to investment risks, including the possible loss of the principal amount invested. I/we agree to be bound by the following terms and conditions:**

- 1) Appointment of broker dealer as agent.** I/we appoint FAF as my/our agent for the purpose of carrying out my/our directions with respect to the purchase, sale, or liquidation of securities in accordance with terms and conditions of this agreement; I/we assume all risks with respect to the purchase, sale, or liquidation of securities. All transactions will be executed only on my/our order or on the order of my/our authorized delegate.
- 2) Investment Services.** We may recommend investments for your Account, but you make the final decision to buy, sell or hold them. Customer understands that you, the Customer, must authorize every transaction prior to its execution unless you have delegated discretion to another party and signed required written authorization approved by FAF unless the account is under an agreement with a registered investment advisor. From time to time, FAF may voluntarily review the holdings in your Account; however, for purposes of Regulation Best Interest, **we do not provide an ongoing monitoring service or monitor your Account** and Regulation Best Interest does not require us to do so. Note also, your relationship with FAF is solely as a broker dealer and is NOT as an investment advisor.
- 3) Risk Disclosure.** I/we understand securities involve risk and that many variables, including but not limited to market fluctuation and economic conditions, and may have a substantial negative effect on the value of my/our security positions. Furthermore, I/we represent to FAF that I/we am willing to assume these risks and I/we am financially able to bear these risks. I/we also understand I/we have an affirmative obligation to notify FAF in writing should my/our financial condition change or my/our investment objectives become more conservative than, what is shown on my/our account application.
- 4) Mutual Fund Purchases.** For purchases of mutual fund, the following structure for a sales charge you will pay is generally applicable: **Upfront Sales Charges:** For 529 plan or mutual fund Class A shares, you pay an upfront "front-end" Sales Charge. At FAF we permit purchases of Class A shares, which can range up to 6.75% on the purchase amount. This charge is deducted from your investment at the time of your purchase and is included in your purchase price. The amount of the Class A share Sales Charge depends on factors such as the size of the purchase, the nature of the investment (i.e. bond fund, equity fund, etc.) and the fund's particular Sales Charge breakpoint schedule (which lowers the charge based on larger purchases or holdings). There are no upfront Sales Charges for mutual fund Class C shares, but they are subject to a CDSC explained below.
- 5) Contingent Deferred Sales Charge (CDSC):** Although there may not be a front-end sales charge for Class C shares, if you redeem your Class C Share within 12 to 18 months of the purchase date, you will typically pay a CDSC fee of usually 1.00%, which is deducted from the redemption proceeds. As explained next, the 12b-1 fee on Class C shares are higher than Class A shares. See prospectus for details.
- 6) Annual or Trailing Sales Charges:** Mutual funds have an annual asset-based fee or "12b-1 fee" paid out of the fund's assets that differ based on the share class. For mutual fund Class A shares, a 12b-1 fee is paid to us in addition to the upfront Class A share Sales Charge and is typically in the range of 0.20%-0.30% but in certain funds can be up to 0.50%. For mutual fund Class C shares where no upfront Sales Charge is paid, a 12b-1 fee is paid to us upon your initial purchase and annually thereafter. The mutual fund Class C share 12b-1 fees range from 0.50%-1.00%. Associated Persons (APs) of FAF receive as compensation a portion of any upfront Sales Charge, as well as of the 12b-1 fees paid. You will not pay a front-end sales charge for money market funds. Generally, there will be no charge to switch between funds within the same "fund family," however, there may be tax consequences for doing so. You are encouraged to read the prospectus for the investment for additional details.
- 7) State 529 Plans:** The pricing model for State 529 plans vary by plan. For Class A units, you pay an upfront Sales Charge of up to 6.25% (the actual amount being based on the plan selected, the size of your investment, the plan's Sales Charge breakpoint schedule, and your eligibility for any other discounts or waivers) and an annual trailing commission of up to 0.25% of the average account assets invested in Class A units. There are no upfront Sales Charges for Class C units but your Advisor is paid an annual trailing commission of up to 1.00% of the average account assets invested in Class C units, which decreases to a maximum of 0.25% upon conversion to Class A units. In many State 529 plans, Class C units convert to Class A units after a predetermined number of years set by the plan. If you redeem Class C units within 18 months of the purchase date, you will typically pay a CDSC fee of 1.00%.
- 8) 529 Taxation:** Contributions to a 529 are after-tax and not federally tax deductible. However, if you invest in your own state's 529 plan or if your state is a "tax parity state," you may benefit from state income tax deductions on contributions or state tax exemptions on withdrawals. If your AP advises you NOT to use your home state 529 plan, realize that you will not receive any available state tax benefits that may be available for contributions or

withdrawals. Ask your AP why he/she is suggesting an alternative state plan for you if they do so and realize that if you do not elect to use your home state 529 plan, you may lose tax benefits associated with your in-state 529 plan.

**529 Features:** While it is widely recognized that a 529 plan can be used for college, vocational and technical education expenses (as defined by each state), the definition of a 529 plan "qualified education expense" has been expanded to include K-12 expenses. Annual withdrawals of up to \$10,000 per student can be made from a 529 college savings plan account for tuition expenses in connection with enrollment at an elementary or secondary public, private, or religious school (excluding home schooling). If you intend to use a 529 savings plan for K-12 tuition, keep in mind that your time frame will be shorter than those who are saving only for college. Such withdrawals are now tax-free at the federal level but check regarding your state's tax treatment of such withdrawals.

529 plans contributions are, in general, limited to your annual gift tax exclusion with a lifetime contribution limit of approximately \$350,000. If there are unused funds in a 529 savings plan, it's possible to roll over up to \$35,000 into a Roth IRA without penalty or tax liability. Restrictions are present regarding this option, so consultation with a tax professional is suggested.

- 9) **Customer Obligations.** I/we hereby agree to adhere to the following requirement to monitor my/our account and prevent unauthorized access and/or activities: a) I/we agree to only pay for a security by utilizing a traceable instrument (e.g. check, bank draft, etc.) and I/we will never pay cash for a security; b) I/we will demand and obtain from my/our Representative, or review from the product sponsor's website, the current Offering Document which fully describes the investment, including potential risks and costs, prior to purchasing an interest in a partnership, mutual fund, variable product or unit investment trust; c) I/we will carefully review each applicable Offering Document and I/we agree to be bound by the information contained therein; d) When purchasing or selling securities, I/we will not rely upon any information, including but not limited to statements, forecasts, predictions and projections whether verbal or written, which are not contained in the applicable Offering Document; e) When purchasing or selling securities, I/we will not rely upon comparisons between securities or with market indexes of any kind, nor shall I/we rely upon guarantees of future value or price of any security; f) When purchasing or selling securities, I/we will not be induced by a pending dividend; g) I/we will never make payment for purchase of any investment payable to an AP or to an entity through which an AP may gain access to my/our funds; h) I/we will not loan to an AP or borrow from an AP monies or securities and I/we specifically will not authorize or permit an AP to act as personal custodian of my/our securities, stock powers, monies or any other personal or real property of which I/we may have any interest without first obtaining written approval from FAF; and i) ***I/we will promptly review each trade confirmation and account statement and report any errors or discrepancies to FAF within 5 days of the receipt of the confirmation or statement.*** It is agreed that, if the confirmation and/or statement is mailed to customer's address of record, the customer will have received the confirmation and/or statement no later than 10 business days after the mailing date or transaction date. In the case of exclusive online access, the confirmation and/or statement will be considered to be received 10 days after electronically posted and available.
- 10) **Fees.** Agreed upon research or administrative fees may be billed and I/we agree to have such fees deducted from our account. These fees are in addition to any commission charged. FAF generally, will not receive a portion of any fee(s) collected. These fees include an annual IRA fee charged by a mutual fund, wiring charges, research or other charges. However, a portion of the fees billed on a brokerage confirmation will be received by FAF.
- 11) **IRA Accounts.** If I/we am establishing an account through FAF in connection with an individual retirement account ("IRA"), I/we understand that it is my/our responsibility, and not the responsibility of FAF, to determine my/our eligibility for establishing an IRA, the deductibility of IRA contributions, compliance with all other rules relating to the tax deferred status of the IRA or the rollover from another retirement account, and the availability of all other tax benefits of the IRA. While there is no IRS limitation to the number of direct transfers of one IRA to another, only one rollover per year is allowed by the IRS. FAF nor its APs do not provide tax or legal advice. Tax advisors should provide tax advice.
- 12) **Notices.** All written notices and communications pursuant to this Agreement and my/our account(s) shall be sent to the undersigned at the mailing address set forth on your FAF Account Application and Agreement, your HTS' broker account agreement (if any) or my/our last known address contained in FAF's files. All written notices and communications so sent, whether by mail, telegraph, electronic mail, messenger or otherwise, shall be deemed given to the undersigned when sent by FAF to said address or electronic mail address. Written notices and communications from you pursuant to this Agreement, including complaints, shall be sent to FAF by certified mail, return receipt requested, to the main office of *First Asset Financial Inc.*, located at 110 E Iron Ave, Salina, Kansas 67401. All written notices and communications shall be deemed given to FAF on the date indicated as received by FAF on the return receipt. FAF's Clearing Firm, on behalf of FAF, will send to the address of record or through the chosen electronic communication a statement of account at a minimum every calendar quarter or for any month when stock trading or cash management activity occur if a brokerage account is employed. HTS, on behalf of FAF, will send, or make available an online, a confirmation for every securities transaction in your account.
- 13) **Indemnification:** You agree to indemnify FAF, from and hold harmless for any losses resulting from your actions or failure to act whether intentional or not, including losses resulting from actions taken by third parties at your direction.
- 14) **Applicable Laws and Regulations.** This agreement is governed by Georgia law, without regard to its choice of law provisions. All transactions shall be subject to rules, regulations, customs and usages of the exchange, market or clearing house where executed, and to all applicable federal and state laws and regulations. Any judicial proceedings relating to an arbitration (See Section 22) or to this Agreement shall be conducted in a state or federal court in Henry County, Georgia, and I/we agree (a) to submit to the jurisdiction of any such court, (b) that any such court constitutes a convenient forum.

- 15) **Force Majeure.** FAF shall not be liable for loss or delay caused directly or indirectly by war, natural disasters, terrorist attacks, government restrictions, loss of utilities at the home office, fire at the home office, tornado in the area of the home office, insurrections, exchange or market rulings or other conditions beyond the control of FAF.
- 16) **Customer Financial Information.** Customer represents and warrants that the financial information disclosed to FAF in this document is an accurate representation of the Customer's current financial condition.
- 17) **No Guarantees.** Customer acknowledges that Customer neither has any separate agreement nor shall enter into any separate agreement with Customer's AP or any FAF employee or agent regarding the trading in Customer's Account, including any agreement to guarantee profits or limit losses in a Customer's Account. Customer understands they have an obligation to notify FAF's home office Compliance Officer immediately in writing as to any potential agreement of this type. Customer agrees to indemnify and hold FAF harmless from all damages or liabilities resulting from Customer's failure to immediately notify FAF's Compliance Officer of any of the occurrences referred to herein. All notices required under this section, including complaints, shall be sent to FAF at: Attention Chief Compliance Officer, First Asset Financial Inc., 110 E Iron Ave, Salina, Kansas 67401.
- 18) **Do Not Call Policy:** We do not solicit via telephone numbers listed on the state or federal Do Not Call list, unless the law allows. Consumers who ask not to receive telephone solicitations will be placed on our internal Do Not Call list and will not be called. However, even though my/our name(s) may appear on a state or federal "Do Not Call" list, my/our signature(s) on the account application indicate permission for any associated person of FAF to call me/us on any numbers listed on this form without regard to such list due to the nature of our relationship.
- 19) **Telephone Recording Consent:** To ensure quality customer service, verify securities transactions and other information related to your account, FAF may tape-record telephone conversations at any time with you and its APs, employees or agents. You hereby agree and consent to the recording of said conversations with you and understand that such recordings may take place without an audible electronic beep tone or vocal announcement to indicate that the line may be recorded. The parties to this application agree that such recordings may be used to assist in the resolution of any complaint, dispute, or arbitration arising under this agreement.
- 20) **Email:** I/We have access to a computer and are willing to accept a prospectus or other disclosure information via electronic mail or notice as well as all other correspondence from FAF or the associated person (AP) assigned to my/our account instead of paper if an email address is provided at the conclusion of this Form, at FAF's or the AP's option. FAF or the AP shall have completed all delivery requirements upon the forwarding of such documents, disclosure, notice and/or correspondence to the Preferred Email Address on the Account Application & Agreement. It is the customer's responsibility to notify FAF or the AP of any change to the email address. By signing this Agreement, the customer represents that they either have, or have access to, equipment that meets the hardware and software necessary to receive documents electronically and have the ability to receive and read email and software to view and/or print PDF files. Failure to complete email information on the FAF Account Application and Agreement indicates that you do not have an email address.
- 21) **Mutual Fund Prospectus:** If purchasing mutual funds, now or in the future, I/we expect to receive the prospectus for new purchases from the product sponsor or will view the prospectus online at the sponsors web site. If we do not have access to the web site, I/we will notify FAF or the AP within one week if the prospectus does not arrive and request my/our AP provide a copy of the prospectus. I/We also understand that I/we have the opportunity to compare share classes by using the Fund Analyzer tool provided by FINRA at <https://www.finra.org/investors/tools-and-calculators>
- 22) **Sales Outside of FAF:** *The AP originating this account may offer products, services, or insurance policies that are NOT offered by FAF.* Any product that is sold to you by this AP that is **not** registered as a security with the State or Federal Regulators should be construed as **not** being managed by or offered through FAF. Such products may be offered for sale by the AP's own sole proprietorship or other business entity that is not co-owned by or related to FAF. I/we understand these products do not relate to the business of FAF. I/We will not hold FAF responsible for such products, services, or insurance policies.
- 23) **Suitability:** FAF reserves the right to reject any customer investment that may not be suitable based on the customer's financial situation, objectives, or risks tolerance disclosed on any related documents.
- 24) **Risk:** Some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal.
- 25) **Survival:** Sections 9, 11, 12, 13, 16, 17, 19, 22, 25, & 27 shall survive the termination of this agreement.
- 26) Please be advised that First Asset Financial Inc. is registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB's website can be accessed at [www.msrb.org](http://www.msrb.org). Please visit the MSRB website for its investor brochure that describes protections afforded to you by the MSRB, as well as for information on how to file a complaint with an appropriate regulatory authority. **FAF's Privacy Notice, Business Continuation Plan (BCP), a copy of the Form CRS that you received** and other important information can be found on our website at: [www.FirstAssetFinancial.com](http://www.FirstAssetFinancial.com) +

27) **Pre-Dispute Arbitration Agreement.** THIS CUSTOMER AGREEMENT CONTAINS A PREDISPUTE/DISPUTE RESOLUTION PROVISION AS SPECIFIED BELOW.

**BY SIGNING THE ACCOUNT APPLICATION & AGREEMENT, ANY ARBITRATION AGREEMENT INCLUDING ANY REFERENCED IN THIS CUSTOMER AGREEMENT, THE PARTIES TO THAT AGREEMENT AGREE THAT:**

1. All parties to the Arbitration Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
2. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
3. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
4. The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the arbitration panel at least 20 days prior to the first scheduled hearing date.
5. The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
6. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
7. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.

ANY/ALL CONTROVERSIES AND/OR DISPUTES THAT ARISE BETWEEN YOU (CUSTOMER) AND FIRST ASSET FINANCIAL INC. (FAF) CONCERNING ANY SUBJECT MATTER WHATSOEVER RELATING TO YOUR SECURITIES BUSINESS AND/OR YOUR COMMERCIAL RELATIONSHIP WITH AN ASSOCIATED PERSON OR FAF, INCLUDING, FOR EXAMPLE, BUT WITHOUT LIMITATION, PERTAINING TO ANY SECURITIES AND/OR OTHER PROPERTY CUSTODIED WITH FAF'S THIRD PARTY SECURITIES CLEARING FIRM AND/OR ANY OTHER CUSTODIAN, SHALL BE DETERMINED AND RESOLVED EXCLUSIVELY AND SOLELY BY ARBITRATION IN ACCORDANCE WITH THIS PROVISION.

ANY/ALL SUCH CONTROVERSIES AND/OR DISPUTES, WHETHER ARISING BEFORE, DURING, AND/OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED AND RESOLVED EXCLUSIVELY AND SOLELY BY ARBITRATION CONDUCTED BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA), THE NEW YORK STOCK EXCHANGE (NYSE), THE MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) OR, AT THE CUSTOMER'S SOLE DISCRETION AND ELECTION, THE AMERICAN ARBITRATION ASSOCIATION (AAA) OR JUDICIAL ARBITRATION AND MEDIATION SERVICES (JAMS), IN ACCORDANCE WITH THE RULES THEN IN EFFECT OF THE APPLICABLE SAID ORGANIZATION.

IN THE FIRST INSTANCE, THE CUSTOMER MAY ELECT IN WRITING AT CUSTOMER'S SOLE DISCRETION TO FAF WHETHER SUCH ARBITRATION SHALL BE CONDUCTED BY FINRA, THE NYSE, THE MSRB, AAA OR JAMS. IF THE CUSTOMER FAILS TO MAKE SUCH ELECTION BEFORE THE EXPIRATION OF TEN (10) BUSINESS DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM FAF FOR THE CUSTOMER TO MAKE SUCH ELECTION, THEN FAF MAY MAKE SUCH ELECTION AND FAF'S SAID ELECTION SHALL BE LEGALLY BINDING ON CUSTOMER.

IN ADDITION, MEDIATION ADMINISTERED BY ONE OF THESE ORGANIZATIONS MAY BE CONDUCTED BY MUTUAL WRITTEN AGREEMENT OF THE CUSTOMER AND FAF.

**IMPORTANT NOTICE TO CUSTOMER:** THIS AGREEMENT/PROVISION DOES NOT PROHIBIT OR RESTRICT THE CUSTOMER IN ANY WAY, DIRECTLY OR INDIRECTLY, FROM REQUESTING, AT ANY TIME, THE ARBITRATION OF ANY CONTROVERSY AND/OR DISPUTE SUBJECT TO/WITHIN THE SCOPE OF THIS AGREEMENT IN THE FINRA ARBITRATION FORUM AS SPECIFIED IN FINRA RULES.

FURTHER, NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION, OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (i) THE CLASS CERTIFICATION IS DENIED (ii) THE CLASS IS DECERTIFIED, OR (iii) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THE CUSTOMER AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

**The contents of this document are subject to change. You can obtain the most recent revision by call (785) 825-5050.**



# Account Application & Agreement

Rep's Printed Last Name: \_\_\_\_\_

Supervisory Office:  
110 E. Iron Ave., Salina, KS 67401  
www.FirstAssetFinancial.com

Account Registration Type: (check only one--separate app. required for each registration)

<input type="checkbox"/> Individual	<input type="checkbox"/> IRA*(Roth/Traditional)	<input type="checkbox"/> Simple IRA*	<input type="checkbox"/> Trust*
<input type="checkbox"/> Custodian for Minor	<input type="checkbox"/> Tenants in Common	<input type="checkbox"/> SEP*	<input type="checkbox"/> Partnership*
<input type="checkbox"/> Joint Tenants with Rights of Survivorship	<input type="checkbox"/> Corporation*	<input type="checkbox"/> Other	

If a Trust or Other Legal Entity, List Title: \_\_\_\_\_

\*Additional documents are required

### ③ Account Owner: Complete All Information Below for the Primary Account Owner (or Custodian of Majority Age)

Name (First, Middle Initial, Last) <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. Suffix <input type="checkbox"/> Sr. <input type="checkbox"/> Jr.		Social Security Number:		Date of Birth:	
Home Street Address (no PO Boxes):		City:		State:	
Mailing Address (complete if different from above):		City:		State:	
Are you: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Domestic Partner <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed		Number of Dependents (excluding spouse):		# of dependents	
Home Phone Number:		Cell Phone Number:		Business Phone Number:	
Driver's License Number (Please include a photocopy):		Expiration:		Issued by:	
Please specify if you are: <input type="checkbox"/> Employed <input type="checkbox"/> Self-Employed <input type="checkbox"/> Unemployed* <input type="checkbox"/> Retired* <input type="checkbox"/> Homemaker <input type="checkbox"/> Student					
*Source of income (If retired or Unemployed):					
Employer Name (If self-employed, please provide the name of your business and industry):				Occupation and/or Title:	
Employer Street Address:				City:	
				State:	
				Zip Code:	
<input type="checkbox"/> U.S. CITIZEN <input type="checkbox"/> Resident Alien (originally signed W-8 required) <input type="checkbox"/> Non U.S. Resident Alien (originally signed W-8 required)					

### ④ Joint Account Owner: Complete All Information Below for the Joint Account Owner (or Minor)

Name (First, Middle Initial, Last)		Social Security Number:		Date of Birth:	
<input type="checkbox"/> Use the same contact information listed for the primary account holder.					
Home Street Address (no PO Boxes):		City:		State:	
Home Phone Number:		Cell Phone Number:		Business Phone Number:	
Driver's License Number (Please include a photocopy):		Expiration:		Issued by:	
Please specify if you are: <input type="checkbox"/> Employed <input type="checkbox"/> Self-Employed <input type="checkbox"/> Unemployed* <input type="checkbox"/> Retired* <input type="checkbox"/> Homemaker <input type="checkbox"/> Student					
*Source of income (If retired or unemployed):					
Employer Name (If self-employed, please provide the name of your business and industry):				Occupation and/or Title:	
Employer Street Address:				City:	
				State:	
				Zip Code:	
<input type="checkbox"/> U.S. CITIZEN <input type="checkbox"/> Resident Alien (originally signed W-8 required) <input type="checkbox"/> Non U.S. Resident Alien (originally signed W-8 required)					
<input type="checkbox"/> Check here if you, your co-account holder, spouse, parents, children, or in-laws are licensed or employed by a registered broker/dealer. (Specify the company name and include a compliance letter)					
<input type="checkbox"/> Check here if you, your co-account holder, spouse, parents, children, siblings or in-laws are a director, 10% shareholder or policy-making officer of a publicly traded company.					
<input type="checkbox"/> Check here if you, your co-account holder, spouse, parents, children, or in-laws, siblings or any business associate is a senior political figure (SPF).					

### ⑤ Household Financial Background – Please tell us your best estimate as to:

Your Household Annual Income <sup>1</sup>	Your Total Net Worth <sup>2</sup> (excluding home(s) & autos)	Your Liquid Net Worth <sup>3</sup> (can turn to cash in 10 days)	Expected Time You Plan to Invest to Achieve Your Financial Goals	Your Estimated Tax Rate
<input type="checkbox"/> \$25,000 and under <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> Over \$500,000	<input type="checkbox"/> \$50,000 and under <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<input type="checkbox"/> \$50,000 and under <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<input type="checkbox"/> Short Term (0-2 years) <input type="checkbox"/> Intermediate (3-5 years) <input type="checkbox"/> Long Term (6-10 years) <input type="checkbox"/> Longer Term (11-20 years) <input type="checkbox"/> Estate Accumulation (20+) <input type="checkbox"/> Unknown	<input type="checkbox"/> Lowest (10%-12%) <input type="checkbox"/> Low (22%) <input type="checkbox"/> Medium (24%) <input type="checkbox"/> High (32%) <input type="checkbox"/> Outrageous (35%) <input type="checkbox"/> Ridiculous (37%)
<b>Your Combined Annual Expenses<sup>4</sup></b> <input type="checkbox"/> \$50,000 and under <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> Over \$500,000	<b>Upcoming Special Expenses<sup>5</sup> (future, non-recurring)</b> <input type="checkbox"/> None that I/we know of <input type="checkbox"/> \$50,000 or less <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$250,000 <input type="checkbox"/> Over \$250,001	<sup>1</sup> Annual Income includes income from sources such as employment, alimony, social security, investment income, receipt of interest, etc. <sup>2</sup> Net Worth is the value of your assets minus your liabilities. Do not include your primary residence among your assets or the mortgage as a liability or vehicles. <sup>3</sup> Liquid Net Worth includes those assets which can be converted quickly & easily into cash, such as stocks, bonds, mutual funds, bank accounts, etc. Do not count retirement accounts unless you have access to them. <sup>4</sup> Annual Expenses might include mortgage payments, rent, long-term debts, utilities, alimony or child support payments, etc. <sup>5</sup> Upcoming Special (Anticipated) Expenses might include a home purchase, remodeling a home, a car purchase, education, medical expenses, etc.		
Timeframe for special expenses: (If any): <input type="checkbox"/> N/A <input type="checkbox"/> Within 2 yrs <input type="checkbox"/> 3-5 yrs <input type="checkbox"/> 6+ yrs				

