Fully Paid Securities Lending Program Summary

What is the Securities Lending Program?

The Securities Lending Program ("the Program") provides you with the opportunity to earn income on fully paid stocks held in your account. You will maintain full ownership of the securities lent from your account and may sell the securities or leave the Program at any time. Your securities will be protected by collateral when lent from your account.

What are the risks of the Securities Lending Program?

The Program has the following risks and characteristics:

- Securities loaned out may not be protected by SIPC. Securities will be secured by collateral.
- You will not have voting rights while the securities are lent from your account.
- Since you retain ownership of the securities, you still bear market risk on the securities lent from your account.
- Securities lent from your account may be 'hard-to-borrow' because of short selling or may be used to satisfy delivery requirements from short sales, which could lower the value of your securities.
- Dividends paid when your securities are lent from your account may be received by you as a payment in lieu of the dividend, which may be taxed at a higher rate.

More information can be found in the disclosures section of Apex's Master Securities Lending Agreement.

What is the purpose of the Securities Lending Program?

The Program provides customers with an additional form of income from the securities in their account. SogoTrade also uses the additional revenue from the Securities Lending Program to support the $0 commission and Get Paid to Trade programs. The Get Paid to Trade program pays customers $1 per 1,000 shares for qualified limit orders.[1] Please read the footnote for more information about the qualifications for Get Paid to Trade.

How does the Securities Lending Program work?

The Program loans securities in eligible customer's accounts that have been fully paid for by the customer. The Program is run by SogoTrade's clearing firm, Apex Clearing Corporation. Apex will deposit collateral in a custody account to secure the value of the loan. The collateral will be equal to at least 100% of the market value of the borrowed shares and is adjusted daily. There is no guarantee that Apex will lend your securities and the loan may be terminated by Apex at any time.

The loaned securities are generally “hard to borrow” securities that are used for short selling.

How are the Securities Lending payments calculated?

You will be paid 10% of the total interest on the securities lent from your account. The interest will be calculated daily and will be deposited in your account the following month. The interest is calculated by this formula:

Your Daily Interest Earned = (Number of Loan Shared) x (Stock Price) x (Annualized Interest Rate/360) x (10%)

For example, if you hold 1,000 shares of ABC in your account, the price of ABC is $100, and the annualized interest rate is 10%, your daily interest will be calculated as (1000) x ($100) x (10%/360) x (10%) = $2.77.

How do I opt out of the Securities Lending Program?

You may opt out of the Program by contacting SogoTrade Customer Support through email at services@sogotrade.com or by telephone at 1-646-885-6594. You may opt out electronically by logging into your account at www.sogotrade.com and going to the Subscription Center of the Account Profile.

Do I qualify for the Securities Lending Program?

Your participation in the Securities Lending Program is based on the financial information you provided to SogoTrade. You may update this information in the Account Profile section of your post-login portal. Please ensure your information remains accurate at all times.

How do SogoTrade and Apex benefit from the Securities Lending Program?

The Program’s total interest is divided into three portions. Apex receives 40% of the total interest, SogoTrade receives 50% of the total interest, and you receive 10% of the total interest. Apex and SogoTrade use the revenue to fund the Securities Lending Program and other initiatives to support our customers.

[1] To qualify for a Get Paid to Trade payment, the order must be executed during regular market hours for 100 shares or more and must be filled at least one penny below the ask for buy orders or one penny above the bid for sell orders.