



July 20, 2011

Pershing to Implement Surcharge for Paper Trade Confirmations

In recent weeks we have issued several emails to those advisors with clients owning Pershing accounts alerting them of a very important change being implemented by Pershing. In addition Pershing has informed the clients by sending them a statement insert in their most recent statement and will be mailing a separate letter directly to them. If action is not taken by the client(s) they will begin to be charged by Pershing for receiving paper confirmations.

Effective September 01, 2011 Pershing Advisor Solutions will implement a paper surcharge of \$1.00 per document for clients who receive paper trade confirmations. Unfortunately, we were not successful in our attempt at having Pershing waive this surcharge.

The good news is that there is a way for your clients to avoid the surcharge by registering for Pershing's NetExchange Investor and choosing e-delivery of trade confirmations. ***(instructions on doing so are located at the bottom of this email).***

Registering for NetExchange Investors and selecting the e-delivery/paperless options are simple processes. Additionally, there are other benefits to your clients such as the ability to view their accounts online and also to go paperless for Account Statements, Prospectuses, etc if they so desire.

We have asked that Pershing take measure to notify clients of this fee in advance of September 1st to allow them time to register for NetExchange Investor and they have agreed. Pershing will notify clients in advance by placing an insert in the upcoming account statement and by sending a letter to each client providing notification and instructions on how to go paperless to avoid the surcharge.

Knowing that many clients may not review the information sent to them, we have identified your clients that will be impacted by the surcharge (those that are not registered for NetExchange Investor and/or have not elected the paperless option for trade confirmations). We are sure that you would want to reach out to them to discuss the above and therefore are providing you with a tool to identify those you'll need to contact. For your convenience we have placed this list in your advisor documents at www.HanlonInvest.com. To access your client list please go to www.HanlonInvest.com then:

- Click Financial Professionals at the top menu bar

- Select Advisor Login on the right menu
- Enter your User Name and Password
- The list is located in the Brokerage/VA/VUL Quarterly Reports Folder and is named “Confirm Surcharge”

Instruction for your clients to self-register for NetExchange Investor and to select paperless options are provided below:

NetExchange Investor Self-registration:

- Access www.netxinvestor.com
- Click “Register Now” next to New User
- Review Welcome Screen and Click “Next”
- Review the terms and conditions regarding identity verification and click “I Agree”
- Provide user information, including a valid e-mail address, Social Security number (SSN) and legal U.S. address
- Verify their identity (which helps to ensure the safety and security of their information)
- Create a user ID and secure password

Selecting e-delivery:

Once logged in, kindly follow the steps below to enroll in e-delivery:

- Click on "Profile"
- Click the Document Delivery Tab
- Click in the box(es) next to the documents you are selecting for e-Delivery
- Click “Save”
- Click “I Agree” to agree to the Terms and Conditions.

If a client has difficulties with the registration process, you or they can contact Pershing directly at 1-877-870-7230, option 3.

Thank you for the opportunity to be of service. If you have any questions regarding the above please contact us 1-888-641-7100.

Hanlon Investment Management