



## FLOW OF FUNDS AND SECURITIES

Under the terms of the Redbridge Securities LLC Customer Agreement (“Agreement”), You:

- Securities Buy Orders:
  - Authorize and instruct Redbridge to communicate, on Your behalf, Your instruction to Redbridge Finance LLC (“Redbridge Finance”) to transfer funds in the amount of the securities purchased from Your account held with Redbridge Finance (“Redbridge Finance Account”) to Your Redbridge brokerage account (“Brokerage Account”) held by Redbridge’s clearing firm(s) (“Clearing Firm”); and
  - Authorize and instruct Redbridge to effect the securities buy transaction detailed in the order.
- Securities Sell Orders:
  - Authorize and instruct Redbridge to effect the securities sell transaction detailed in the order; and
  - Authorize and instruct Redbridge to communicate, on Your behalf, Your instruction to the Clearing Firm to transfer the sale proceeds from Your Brokerage Account to Your Redbridge Finance Account.

### Note on FDIC and SIPC Coverage

Cash deposits made to Your Redbridge Finance Account are managed through an Integrated Cash Sweep FDIC program. This program places deposits in multiple FDIC-insured deposit banks, with a maximum amount of \$250,000 per bank, in an omnibus/FBO account in the name of Redbridge Finance, which is a money services business registered with the Financial Crimes Enforcement Network (“FinCEN”). By utilizing multiple FDIC-insured banks, the program is intended to provide pass-through Federal Deposit Insurance Corporation (“FDIC”) insurance coverage on the **full amount** that You have deposited, against the failure of the FDIC member bank. FDIC insurance does not protect against the failure of Redbridge Finance or malfeasance by any Redbridge Finance employee.

Your cash not deposited into a Redbridge Finance Account and all securities in your Redbridge Securities Account are carried by Redbridge’s Clearing Firm(s), which are Financial Industry Regulatory Authority, Inc. (“FINRA”) members and Securities Investor Protection Corporation (“SIPC”) members. This protects customers of its members up to \$500,000 (including up to \$250,000 for claims for cash). Whereas Your securities are held with the Clearing Firm(s), the cash that is transmitted by Redbridge Finance to the Clearing Firm(s) is limited to the amount needed to settle the day’s transactions. Redbridge Finance and the bank that holds the omnibus/FBO account in the name of Redbridge Finance are not members of FINRA or SIPC, and therefore Your funds held in accounts with Redbridge Finance are not SIPC protected.

### Redbridge and Redbridge Finance Act Upon Your Instructions

Under the Agreement (as well as the agreement between You and Redbridge Finance), both Redbridge and Redbridge Finance are directed, respectively, to carry out Your directions and instructions with respect to the purchase and sale of securities as well as the transfer of funds to and from Your Redbridge Finance Account and Your Brokerage Account(s).

As such, Redbridge and Redbridge Finance will take such steps as are reasonable to carry out Your directions with respect to Your orders to buy or sell securities. This includes verifying the sufficiency of the balance in Your Redbridge Finance Account to effect Your securities buy



transactions, transmitting funds to Clearing Firm(s) for settling Your securities buy transactions, and transmitting sale proceeds to Your Redbridge Finance Account in connection with securities sell transactions.

Under the Agreement, You understand that Redbridge may, at any time, in its sole discretion and without prior notice to You, prohibit or restrict Your ability to trade securities. Redbridge reserves the right to require full payment in cleared funds prior to the acceptance of any order. In the event that You fail to provide sufficient funds, Redbridge may, at its option and without notice, liquidate the position by selling the securities in Your Brokerage Account. Redbridge may also charge any consequential loss to Your account.