



Margin Disclosure Statement

Important Information About Using Margin

This document is being furnished to you to provide some basic information about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading securities in a margin account, you should carefully review the margin terms in your account application and agreement. Not all securities are marginable and your custodian reserves the right in its sole discretion to determine whether to extend margin on any securities. Contact G. A. Repple & Company regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow all or part of the purchase price from your custodian. If you choose to borrow funds from your custodian, you will open a margin account with the custodian National Financial Services LLC ("NFS"). The securities in your accounts are NFS's collateral for the loan to you. The actual amount you can borrow and NFS's margin maintenance requirements may vary depending on NFS's internal margin policies, which exceed the margin requirements of FINRA and NYSE. NFS's margin policies are subject to review and revision at any time in NFS's sole discretion. NFS reserves the right to alter the terms on your margin loan at any time to comply with changes in NFS's policies. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, NFS and your broker/ dealer can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with NFS through your broker/ dealer, in order to maintain the required equity in the account. NFS may also take action to sell securities or other assets in your accounts held with NFS and with certain NFS affiliates.

Risks of Borrowing on Margin

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. NFS uses internal methodologies to determine whether there is insufficient equity in your account. This valuation may differ from your valuation and may differ from the valuation that NFS is able to obtain if it sells these assets to meet a margin deficiency in your account. A decline in the value of securities you purchased on margin may require you to provide additional funds or margin-eligible securities to NFS to avoid the forced sale of any securities or assets in your account(s).
- NFS and your broker/dealer can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements or NFS's higher "house" requirements, NFS or your broker/dealer can sell the securities or other assets in any of your accounts held at NFS through your broker/ dealer to cover the margin deficiency. NFS may also take action to sell securities or other assets in your accounts held with NFS and certain NFS

affiliates. You also will be responsible for any short fall in the account after such a sale, possibly including NFS's and/or your broker/ dealer's costs related to collecting the short fall. If you are a director, officer or 10% shareholder of an issuer whose securities NFS sells to cover a margin deficiency in your account, you could be liable to this issuer for profits from the forced sale, as compared with any purchases you may have made of securities of the same issuer within six months of the sale (note that you could receive such a profit even if a shortfall remains in the account after the sale).

- NFS and your broker/dealer can sell your securities or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. In addition, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests prior to that date, including immediately selling the securities without notice to the customer.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities and any other assets in your account(s) are collateral for the margin loan, NFS or your broker/dealer has the right to decide which assets to sell in order to protect its interests.
- NFS can increase its "house" maintenance margin requirements at any time and is not required to provide you advance notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause NFS or your broker/dealer to liquidate or sell securities or any other assets in your account(s). NFS may set account or security specific margin requirements on an individual basis and takes into consideration the following factors in determining margin maintenance requirements: (i) market volatility, which may include general market, issuer, industry and country conditions; (ii) the quality and composition of the securities in your account, including issuer capitalization and issuer, industry, liquidity and ownership concentrations; (iii) the quality and composition of your portfolio, including domestic and foreign exchange exposure, fixed income exposure, frequency of activity in your account and liquidity of your account; (iv) NFS's ability generally to obtain financing for its margin loans; and (v) regulatory requirements and applicable law. NFS may place different weight on each of these factors, which may result in NFS's determining, in its sole discretion, to immediately increase your margin maintenance requirement, which will require you to provide additional funds or securities to avoid the forced sale of assets in your account. NFS's review of any of the factors described above may require you to provide additional funds or securities, in an amount determined by NFS in its sole discretion, to avoid the forced sale of those securities or other securities in your account.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

- Short selling is a margin account transaction and entails the same risks as described above. NFS or your broker/dealer can buy in your account securities to cover a short position without contacting you, and may use all or any portion of the assets in your account to make such a purchase. If the assets in your account are not sufficient to cover the cost of such a purchase, you will be responsible for any shortfall, possibly including NFS's and/or your broker/dealer's costs in collecting the shortfall.
- NFS can loan securities held in your margin account which collateralize your margin borrowing. In connection with the extension or maintenance of margin credit, NFS may loan securities in your margin account to itself or to others. As a result of these loans, you may not be entitled to receive certain benefits of a securities owner, such as the ability to exercise voting rights and/or receive interest, dividends, and/or other distributions with respect to the securities lent. While a security in your account is lent, you may only be allocated and receive substitute payments in lieu of such interest, dividends, and/or other distributions. Substitute payments may not be afforded the same tax treatment as actual interest, dividends, and/or other distributions, and you may incur additional tax liability for substitute payments that you receive. NFS may allocate substitute payments in any manner permitted by law, rule, or regulation, including, but not limited to, by means of a lottery allocation method. You are not entitled to any compensation in connection with securities lent from your account or for additional taxes you may be required to pay as a result of any tax treatment differential between substitute payments and actual interest, dividends, and/or other distributions.
- In addition to market volatility, the use of bank card, checkwriting and similar features with your margin account may increase the risk of a margin call.
- NFS may use certain securities in your account in connection with short sales and may receive compensation in connection therewith. Contact your broker/dealer to request additional information concerning NFS's margin policies or concerning questions you may have with your margin account.