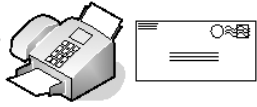






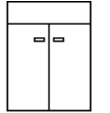
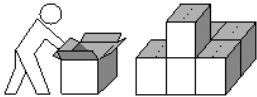




Reg. T Letter of Free Funds (LOFF) Workflow: Custodial Role

Loffa Automated Process

Outdated Manual Process

<p>LOFF responses are received into the application and automatically centralized and sorted by Executing Broker.</p>	<p>1</p>	<p>Custodian receives LOFF from various Executing Broker via Fax or Mail.</p> 
<p>The Client is able to quickly review all inbound LOFFs from their computer and process the LOFF accordingly at their desk.</p>	<p>2</p>	<p>Custodian separates faxes received into separate piles by Executing Broker for processing.</p> 
<p>Once the Client has processed the LOFF, the system automatically indexes, images, stores, and faxes the document.</p>	<p>3</p>	<p>Custodian representative delivers inbound LOFF to other representatives for processing.</p> 
	<p>4</p>	<p>Custodian representative performs check on LOFF. The LOFF should be stamped, signed, and dated.</p> 
	<p>5</p>	<p>Custodian representatives must fax back processed work to corresponding Executing Broker.</p> 
	<p>6</p>	<p>Custodian representatives fax LOFF to various Executing Brokers and wait for transmittal confirmation.</p> 
	<p>7</p>	<p>Custodian representatives must now walk to file cabinet and file information on-site for 2 years.</p> 
	<p>8</p>	<p>Manual Document Retention LOFFs are filed in a cabinet until full. The cabinet is cleared monthly to make room for new LOFFs.</p> 
	<p>9</p>	<p>LOFFs are boxed and kept in an on-site storage facility.</p> 
	<p>10</p>	<p>When the boxes become too many, the numerous boxes are sent to the firm's off-site storage facility.</p> 
	<p>11</p>	<p>The LOFFs are stored off-site for 6 years and then destroyed after this period. Should the need arise to recall the boxes for an audit, trade error resolution, or some other type of conflict, the box must be found and pulled.</p> 

Note: All LOFF images are processed from your desktop removing the time wasting steps of walking to and from the fax machine to check for incoming faxes and faxing back completed LOFF.

Electronic storage allows for easy search, recall, and retrieval of required items, per SEC 17a-14.