

## GUIDE TO YOUR STATEMENT

### Your account may contain the following sections:

**Financial Summary** reflects the net value of your account at the close of the statement period.

**Total Value of Securities this Period** reflects the value of all securities in your portfolio. Unpriced securities will not be reflected in this value.

**Net Cash Balance** reflects the value of all cash balances shown in the **Cash Balance Summary**.

**Net Equity this Period** reflects the value of all securities and cash in your portfolio.

**Cash Balance Summary** reflects opening and closing cash balances by account type.

**Opening Balance** is the credit or debit carried over from the previous period's closing balance.

**Closing Balance** combines the total credits and debits for the statement period with your opening cash balance.

**Income Summary** reflects the total of dividend, interest, and other income for the statement period and current year. Any margin interest, miscellaneous charges, accrued interest, at the time of sale, and tax withheld are included here if applicable.

**IRA or Keogh Summary (Retirement Account Only)** reflects the contributions received and distributions paid during this statement period as well as for the current year.

**Transactions Settling This Period** reflects all transactions settling this statement period. Dates shown on purchase and sale transactions are settlement dates. You may have received confirmations for transactions which do not appear on your statement. If the settlement dates for the transactions shown on the confirmations are later than the date that appears at the top of the statement, the transactions will appear in this section on your next monthly statement.

**Portfolio Positions** reflects all securities in your account. Estimated annual income is based on the dividend or income **expected** to be received annually.

### Market Prices/Bond Ratings

Prices for determining market values represent estimates. These estimates are obtained from multiple sources, including Bear Stearns, its affiliates and outside services. Pricing estimates may be based on bids, prices within the bid/offer spread, closing prices or matrix methodology that uses data relating to other securities whose prices are more ascertainable to produce a hypothetical price based on the estimated yield spread relationship between the securities. Pricing estimates do not constitute a bid for any security. Actual prices realized at sale may be more or less than shown on your statement. Bond ratings are received from outside sources. While we believe our sources for market values and bond ratings to be reliable, we cannot guarantee their accuracy.

## IMPORTANT NOTES

### Dividends

Dividends credited to your account may include capital gains, non-taxable dividends and/or dividends on foreign stock. You may wish to consult your tax advisor with regard to your tax liability on these dividend credits.

### Methods of Computing Interest on Debit Balances

Interest is charged on a day by day basis for any day that there is a net debit balance in your overall account. The calculation is made on a 360 days basis at the rate or rates shown on the statement. Interest rates may be changed from time to time with fluctuating money market rates or for other reasons.

Customer free credit balances may be used in this firm's business subject to the limitations of 17CFR Section 240.15c3-3 under the Securities Exchange Act of 1934. You have the right to receive from us in the course of normal business operations, upon demand, the delivery of:

- a) any free credit balances to which you are entitled
- b) any fully-paid securities to which you are entitled
- c) any securities purchased on margin upon full payment of any indebtedness to us.

If this is a margin account, and we maintain a special memorandum account for you, this is a combined statement of your general account and special memorandum account maintained for you under Section 220.6 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of this separate account, as required by Regulation T, is available for your inspection.

### For Option Accounts Only

Further information with respect to commissions and other charges related to the execution of listed options transactions has been included on confirmations of such transactions previously furnished to you and such information will be made available to you promptly upon request.

### Bearer Bonds

If any Securities held by us for your account are bearer obligations which have been issued since December 31, 1982 with original maturities of more than one year, we agree that we will satisfy the conditions set forth in subdivisions (i), (ii) and (iii) of Treasury Regulation Section 1.165-12 (c) (3) and covenant that we will comply with the requirements of Treasury Regulation Section 1.165-12 (c) (1) (iii) concerning the delivery of such bearer obligations.

### Financial Statement

A financial statement of our firm is available for your personal inspection at our office, or a copy will be mailed to you upon written request.

### Custody

Whether we are your broker, or act as a clearing agent for your broker, we carry your account and act as your custodian for funds and securities, once received by us, which have been deposited directly with us through your broker or otherwise or as a result of transactions we process for your account. Inquiries concerning the positions and balances in your account may be directed to our Client Services Department at 212-272-0575. If your account is introduced by another broker, all other inquiries regarding your account and the activity therein should be directed to such broker.

### Reportable to the Internal Revenue Service

As required by law, at year end we will report to you and to the Internal Revenue Service and to certain states, certain information on sales (including short sales), dividends, and various types of interest that have been credited to your account.

### Statement Frequency

Statements will be mailed to customers who have transactions during the statement period affecting money balances and/or security positions. All other accounts will be sent statements at least four times during a calendar year provided that the account contains a money or security balance.

**Please notify us promptly in writing of any change of address.**

**PLEASE ADVISE YOUR ACCOUNT EXECUTIVE PROMPTLY, IN WRITING, OF ANY MATERIAL CHANGES IN YOUR FINANCIAL CIRCUMSTANCES OR INVESTMENT OBJECTIVES.**