Market Volatility Disclaimer

www.siebert.com

Trading in Fast Changing Markets

As today's investors know, the U.S. securities markets may experience periods of extraordinary trading volumes and price volatility. While these conditions can affect most segments of the markets, in recent years they have been especially acute in certain securities, such as Internet-related stocks and initial public offerings ("IPOs").

In addition, investors in rapidly increasing numbers are taking advantage of technological developments that enable them to obtain market information and personal account information and to initiate securities transactions through electronic channels such as the Internet, telephone, personal computer and two-way paging devices.

Potential Delays in Order Execution and Reporting

Your broker-dealer or its clearing firm transmits your orders for execution to various exchanges or market centers, based on a number of factors. These factors include, among other things: size of order, trading characteristics of the security, favorable execution prices (including opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing and reduced execution costs through price concessions from the market centers. Market makers generally have their own procedures for handling orders (consistent with industry rules). In periods of heavy trading and price volatility, market makers may alter their procedures on individual stocks or groups of stocks. For example, they may execute orders manually rather than electronically, or reduce the order size for which they guarantee execution. Changes in trading procedures and other circumstances may result in queues and backlogs of orders, both intra-day and at the market opening and corresponding delays in executions in the OTC and listed markets. In such cases, the execution price of a market order may be significantly higher or lower than the market price quoted or displayed at the time you entered your order. During such heavy trading periods, the quotes displayed on your computer screen as "real time" may not reflect the current trading price of the security. These conditions may also delay the transmission of order execution and other reports. To help you manage some of the risks of trading in a volatile market, below is a reminder of the types of orders you may place and how they are handled in the market.

Types of Orders

Market Orders

When you place a market order, your broker-dealer and/or its clearing firm will transmit the order to a market center for full and prompt execution without regard to price. Therefore, in a volatile market, a market order may receive an execution price significantly higher or lower than the price of that security quoted when the order was entered. Additionally, if you place a market order when the markets are closed (e.g., nights or weekends), and you did not submit your order for potential execution during an extended-hours trading session, your order will be executed at the prevailing price when the market next opens. There can be substantial changes between the most recent closing price of a security and the next opening or available price. *If you have limited assets to allocate to a transaction, you should consider placing a limit order, whether during the trading day or extended hours. For example, your ability to make additional contributions to your retirement account is subject to certain requirements. Therefore, transactions in retirement accounts are generally limited to the assets available in the account. If your transaction price exceeds your available account balance and you cannot otherwise pay for the transaction, your broker/dealer and/or its clearing firm will be required to liquidate all or a portion of the transaction or other account assets to the extent necessary to satisfy your financial obligation. Any losses or costs of such liquidation will be your responsibility.*

Since market orders are executed as promptly as possible, it is generally not feasible to cancel a market order even if you have not received an execution report. Your request to attempt to cancel a market order will be handled on a best-efforts basis. Although you may receive notification that we have received your request for the attempted cancellation, do not assume that it means that the trade was cancelled. Your broker-dealer and/or its clearing firm are not responsible in cases where a replacement order is placed and executed prior to your receiving confirmation of the cancellation of a prior order. In addition, due to the queuing of orders, if a market order is entered near the close of trading it may not be eligible to receive an execution.

Limit Orders[1]

A limit order will only be executed at a specific price or better. With a limit order to buy, the stock is eligible to be purchased at or below your limit price, but never above it. Similarly, with a limit order to sell, the stock is eligible to be sold at or above your limit price, but never below it. By placing a limit order instead of a market order you protect yourself from buying the stock at a price higher or selling at a price lower than you had expected. However, in volatile markets, although your limit order receives price protection, due to priority of other orders your order may not be executed even if the security is trading at your limit or better after your order is entered. Similarly, the security price may move away from your limit after your order is entered, in which case your order will not be executed.

Stop Orders[1]

Stop orders are available on certain securities to buy or sell after a stock has reached a certain specified price. A buy-stop order is placed above the current market price and automatically becomes a market order to buy when the "stop" price is reached. A sell-stop order is placed below the current market price and automatically becomes a market order to sell when the "stop" price is reached. As with any market order in volatile markets, the market order triggered at the stop price may receive an execution price significantly different from the quoted price of that security when the order is triggered. Market makers' procedures vary with respect to the handling of stop orders that have already hit the stop price. In addition, some market makers may not be willing to accept stop orders under certain market conditions, and this practice varies among market makers. When this occurs, your broker-dealer and/or its clearing firm may not accept certain stop orders.

IPO Securities Trading in the Secondary Market

Due to the extreme volatility that is sometimes associated with trading an IPO in the secondary market (particularly one that is trading at a price much higher than the initial offering price), a customer who places a market order for such a security is at risk of receiving an execution price that is substantially different from the market price at the time the order was placed. As discussed above, this risk can be reduced by appropriate use of limit orders. The placement of a limit order in such situations would address the risk of receiving an execution that is substantially away from the market price that was quoted at the time the order was placed. However, as with any limit order in a volatile market, due to order imbalances and fast markets, a limit order may not receive an execution even if the security is trading at your limit or better after your order was entered.

Margin

Please note that house margin requirements may be raised at our discretion. Factors considered in raising the margin requirement for a particular stock include, among other things: price fluctuations, market capitalization, liquidity and volatility. The increase of the amount of equity that must be maintained in margin accounts protects you, your broker/dealer and its clearing firm in the event of a large change in the value of the stock by decreasing the chance that account positions will be liquidated to meet a margin call. Some volatile securities may also be designated "not marginable" (100% initial margin with payment within three days of settlement) or "cash on hand" (100% of the purchase price must be in the account prior to execution of the trade).

Customer Access

Your broker-dealer and/or its clearing firm have an ongoing commitment to provide the highest level of service and technology to enable you to access your account, obtain market information and to enter your orders quickly, easily and efficiently. However, during periods of extraordinary volatility and volume, customers using online or automated trading services may experience delays in accessing their account or entering orders due to high Internet traffic or systems capacity limitations. Similarly, customers may experience delays in reaching telephone representatives. Please be aware that market conditions, including stock and bond prices, may change during these periods. Multiple channels are available through which you may place orders or access information, including the Web, touch-tone phone and telephone representatives, so you have alternative ways to do business. For more information on trading in fast changing markets, contact your Investment Professional.

National Financial Services LLC, Member NYSE, SIPC

---

1. There may be additional fees for limit and stop orders.