

**FULLY PAID
LENDING
PROGRAM**



Siebert



Earn incremental income on your portfolio through the securities lending market.

Fully Paid Lending Program

Through Siebert's Fully Paid Lending Program, you can loan to Siebert certain fully paid or excess-margin securities that Siebert desires to borrow. In return, you gain the opportunity to earn incremental income on your portfolio through the securities lending market.

Program Overview

The Fully Paid Lending Program is a voluntary program that provides eligible customers the opportunity to lend Muriel Siebert & Co., LLC. ("Siebert") certain fully paid securities ("Loaned Securities"). All Loaned Securities are secured by collateral held on your behalf pursuant to the Master Securities Lending Agreement and you have a secured contractual right to the return of these Loaned Securities. The Loaned/Collateralized Securities are not held or custodied by Siebert and are included on your brokerage statement solely as a courtesy to you (the customer). Information on Loaned/Collateralized Securities, including valuation, is derived from external sources for which Siebert is not responsible. You receive an interest rate-based lending fee ("Loan Fee") that is calculated by multiplying the loan rate by the market value of the securities on loan. The Loan Fee accrues daily and is credited monthly to your account. The Lending Interest Rate is based on the relative value of the Loaned Security, which is determined by several factors, including borrowing demand, the overall lendable supply of the security, short selling and hedging interest and general market conditions. The duration of the loan is typically indefinite, and the loan may remain open until either you or Siebert elect to close it. The existence of the loan does not restrict you from selling the securities at any time. However, a sale of the securities on loan will be treated as a notification of termination for that particular loan. Loaned securities may be, or may become, "hard to borrow" because of short-selling, scarcity of available lending supply, or corporate events that may affect liquidity in a security.

Securities in the program

- Fully paid securities are securities in your account that have been completely paid for
- Excess margin securities are securities that are not completely paid for, but whose market value exceeds 140% of your margin debit balance with Siebert.
- Siebert selects the securities to borrow.
- You can sell securities on loan at any time or request to have shares on loan returned or recalled.
- The Fully Paid Lending Program activity is facilitated by the Siebert Securities Lending Department.



FOR MORE INFORMATION ON THE FULLY PAID LENDING PROGRAM

Contact Siebert Customer Service **(800) 872.0444**

Program requirements

You should have a minimum of \$25,000 in assets with Siebert. Other eligibility requirements may apply; please contact Siebert Customer Service for more information.

You should execute a Master Securities Lending Agreement (MSLA) with Siebert. The MSLA discusses the rights of all counter parties and governs the transaction. The MSLA is a separate agreement from any previously executed margin agreement and the borrowing of securities under the MSLA is a separate process from rehypothecation. Siebert retains this MSLA as part of its Books and Records.

Review the Collateral Account Control Agreement which appoints third-party custodial bank(s) as the collateral agent(s) to hold the collateral as custody whenever Siebert is borrowing securities through the program.

The Securities Must Be

- Fully paid for or in excess of any margin debit.
- Freely tradable (for example, no restrictions).



Lend your securities. Earn income.

Lend Securities, Get Paid.

With the Siebert's Fully Paid Lending Program, you may be able to earn extra income by lending certain securities you already own.



Program features

You maintain economic ownership of the securities on loan and can sell the securities at any time. You can sell the securities on loan in the same manner as any other position in your portfolio. Proceeds from sales of securities on loan may not be immediately available for new purchases.



If you want the securities to be returned to your brokerage account, please contact Siebert Customer Service. (800) 872.0444

You can receive incremental income on the borrowed security in the form of cash distributions paid on securities borrowed ("Miscellaneous Income"). The income accrues each day and is credited to your account on a monthly basis.

During the life of the loan, you retain market and portfolio exposure and receive the cash value of all distributions (for more details, see Income and dividends paid on securities borrowed).

The duration of the loan is typically indefinite, and the loan remains open until either you or Siebert elects to end the loan.

You have the right to end participation in the Fully Paid Lending Program at any time in accordance with section 20.3 of the Master Securities Lending Agreement

Key risks

Important

The provisions of the Securities Investor Protection Act of 1970 ("SIPA") may not protect you with respect to Loaned Securities and, therefore, the collateral provided to you may constitute the only source of satisfaction of Siebert's obligations in the event Siebert fails to return the Loaned Securities.

The Fully Paid Lending Program is only a means for increased income on certain securities and does not provide any downside protection or hedge against your lending position(s) or portfolio.

Siebert does not provide legal or tax advice. You should consult with an attorney or tax professional regarding any specific legal or tax situation.

The principal risk in any securities lending transaction is counter party default.

In this transaction, Siebert is the loan counter party to you. If Siebert were to default on its obligations as defined in the Master Securities Lending Agreement (MSLA), you have the right to withdraw the collateral directly from the custodial bank (also known as the collateral agent) by contacting the bank in the manner described in the agreements.

If you make a valid demand to the bank, the issuing bank can make payments directly to you in an amount equal to the current collateral amount (or any lesser amount that you demand).

If you choose to use the collateral proceeds to repurchase the same type of securities on loan and do not return them, this would be considered a new purchase and a potentially taxable event.

If you want to act on an upcoming voluntary corporate action on a position on loan, please contact the Siebert REORG Department.

Under the MSLA, you relinquish the ability to exercise voting rights on Loaned Securities. If you would like to participate in a proxy vote for shares on loan you must recall the shares in advance of the proxy record date by calling Siebert Customer Service. Returns for proxy votes are on a best-efforts basis.

A recall is considered a formal instruction to terminate the loan. An order to sell the security on loan is deemed a recall for the quantity sold.

Because you still maintain economic ownership of the securities on loan, you are subject to the price movement of the securities.

Still have questions? We're here to help.

If you want to know more about our Securities Lending Fully Paid Program, you can reach us by calling **(800) 872.0444**

Overview of the lending process

- ✓ **SIEBERT BORROWS THE SECURITY**
Siebert may choose to borrow any eligible security within an account enrolled in the program without additional consent from the customer.
- ✓ **ON SETTLEMENT DATE OF THE FULLY PAID LOAN (ALSO TRADE DATE, AS LOANS SETTLE THE SAME DAY), THE LOANED SECURITIES ARE DESIGNATED AS FULLY PAID LOANED SECURITIES IN THE ACCOUNT.**
- ✓ **LOANED SECURITIES WILL BE IDENTIFIED SEPARATELY AS FULLY PAID ONLINE AND ON STATEMENTS AS LOANED / COLLATERALIZED SECURITIES.**
- ✓ **A FULLY PAID LENDING CONFIRMATION / NOTIFICATION IS AUTOMATICALLY GENERATED TO YOU. THE INITIAL LOAN CONFIRMATION SHOWS THE LOAN DETAILS (FOR EXAMPLE, SECURITY, SHARE QUANTITY, AND LENDING INTEREST RATE, COLLATERAL HELD AT CUSTODIAN BANK). YOU WILL ALSO RECEIVE FULLY PAID LENDING CONFIRMATIONS FOR ANY CHANGES OF SECURITIES ON LOAN (FOR EXAMPLE, NEW LOANS, RETURNED LOANS, RATE CHANGES, COLLATERAL ADJUSTMENTS).**
- ✓ **SIEBERT CREDITS YOUR ACCOUNT WITH THE MONTHLY LOAN FEE DURING THE FOLLOWING MONTH.**
- ✓ **FULLY PAID LENDING COLLATERALIZED/LOANED SECURITIES AND ACTIVITY ARE INCLUDED IN A SEPARATE SECTION BELOW YOUR REGULAR MONTHLY BROKERAGE STATEMENT.**



Collateral

When Siebert borrows shares of a subject security, the loaned security is collateralized with cash and/or securities delivered to a custodial bank (collateral agent) independent of Siebert. Siebert will provide the collateral to a third-party custodial bank, and the bank will hold the collateral as a deposit in cash or cash-equivalent form.

Under the terms of the MSLA and applicable law, other securities that qualify under Rule 15c3-3 of the Securities Exchange Act of 1934 are also permissible forms of collateral. These include U.S. Treasury bills and notes, negotiable bank certificates of deposit, and other securities approved by the U.S. Securities and Exchange Commission that have similar characteristics in terms of liquidity, volatility, market depth and location, and the issuer's creditworthiness.

The collateral is marked to the daily closing market price and is equal to at least 100% of the market value of the securities on loan based on the previous day's closing price.

On settlement date of the fully paid loan, the collateral appears as a cash deposit in a separate collateral account section of your account. The collateral is booked to the customer's account based on the previous day's closing price.

The total account equity on your statement does not contain securities out on loan. The value is listed separately because those securities are held externally and are listed on the statement as a courtesy. Information including valuation, for such externally held assets is derived from other external sources for which Siebert is not responsible.

Fully paid securities on loan to Siebert are treated like cash positions for the purposes of regulatory margin calculations (Fed and Exchange requirements). Options positions written against a position on loan will be considered uncovered from a margin standpoint. However, the value of the positions on loan may still be used towards house margin requirements.

Customers can still see their securities on loan designated as fully paid positions on the Positions window of your online account. A fully paid indicator displays next to the loaned securities.

Siebert adjusts the collateral position on a daily basis to maintain adequate collateral in the account. Each time a change is made to the collateral value, a fully paid lending confirmation is generated setting forth the incremental change to the collateral value.

Duration of Loans

The duration of the loan is typically open and can remain open until either you or Siebert end the loan. You can end the duration of the loan at any time by recalling the loan or selling the securities. You have the right to end participation in the Fully Paid Lending Program at any time in accordance with section 20.3 of the Master Securities Lending Agreement.

During the life of the loan, securities are not covered by the Securities Investor Protection Corporation (SIPC).

You have no voting rights on the securities loaned.

Cash distributions paid on securities borrowed by Siebert will be credited to your brokerage account in the form of a cash payment, referenced as Miscellaneous Income. Such payments may have different taxable consequences than receipt of the actual dividends from the issuer.

Income and Dividends Paid on Securities Borrowed

You receive an interest rate-based lending fee that is calculated by multiplying the loan rate by market value of the securities on loan. The lending fee accrues daily and is credited monthly to your account.

The lending interest rates paid to you by Siebert are based on the relative value of each security in the lending market. This is based on several factors, including borrowing demand, the overall lendable supply of the security, short-selling and hedging interest, and general market conditions. Siebert may receive compensation in connection with the use of the loaned securities, including in association with lending securities to other parties or facilitating the settlement of short sales.

Changing market conditions may necessitate a change in the lending rate. When this situation arises you will receive a fully paid lending confirmation detailing the rate change. As always, you maintain the right to recall or request to have shares returned from loan at any time.

The symbol, share quantity, share price and collateral value of your loaned securities are displayed in the Loaned/Collateralized section below your regular brokerage statement.

You continue to receive the cash value of all dividends while securities are on loan. Distributions paid on securities borrowed by Siebert pursuant to the Fully Paid Lending Program are credited to your account in the form of miscellaneous cash payments. In order to mitigate the impact of these payments to taxable accounts, Siebert may return shares prior to a dividend record date.



IMPORTANT

Receipt of miscellaneous cash payments can have different taxable consequences than receipt of the actual dividends. You should consult with an attorney or tax professional regarding any specific legal or tax situation.

Redemption of Securities on Loan

You maintain economic ownership of the securities on loan and can sell the securities or request that the securities be returned to your brokerage account at any time.

The existence of the loan does not restrict the sale of any of the securities in your brokerage account including the securities loaned during participation in the program.

You can execute a sale against a position on loan in the same manner as any other position in your account including online or broker-assisted trades.

Voluntary Corporate Actions

Call the Siebert REORG Department to submit voluntary corporate action if you have a fully paid lending account position.

Confirmations and Statements

Siebert sends you a fully paid lending confirmation on the day the securities are loaned. This confirmation provides:

- Security being loaned
- Lending interest rate for the loaned security
- Disclaimer that the securities on loan are no longer covered by Securities Investor Protection Corporation (SIPC)
- Amount of collateral

On an ongoing basis, collateral value is adjusted to maintain adequate collateral at the custodial bank. Each time a change is made to the collateral value of the Loaned Securities, a confirmation is generated setting forth the incremental change to the collateral value.

Siebert sends account statements with a separate Loaned/Collateralize Securities section below your regular brokerage statement including the market value collateralized for each security in for the prior month. The monthly Loan Fee (reported as miscellaneous cash payment for fully paid securities is provided in the Loaned/Collateralized Securities Account Activity section for the prior month.

Tax Reporting

The income earned is reported to you on Form 1099 under miscellaneous income. Dividends paid while the security is out on loan are treated as cash-in-lieu.



IMPORTANT

Siebert does not provide legal or tax advice. Siebert advises customers to consult with an attorney or tax professional regarding any specific legal or tax situation.

DISCLAIMER:

The Securities Investor Protection Act of 1970 may not protect your Loaned/Collateralized Securities. The collateral deposited with BMO may constitute the only source of satisfaction of Siebert's obligation in the event the borrower of your loaned securities fails to return the securities.

The Fully Paid Lending Program is only a means to realize increased income on certain securities and does not provide any downside protection against your lending positions or portfolio.

You have the right to end participation in the Fully Paid Lending Program at any time in accordance with section 20.3 of the Master Securities Lending Agreement

You relinquish the ability to exercise voting rights on borrowed securities. If you would like to participate in a proxy vote for shares on loan, you must recall the shares in advance of the proxy record date. Returns for proxy votes are on a best-efforts basis.

Loaned securities may be, or may become, "hard to borrow" because of short-selling, scarcity of available lending supply, or corporate events that may affect liquidity in a security.

Cash distributions paid on securities borrowed by Siebert will be credited to your brokerage account in the form of a miscellaneous cash payment. Such payments may have different taxable consequences than receipt of the actual dividends from the issuer.

The amount of compensation or loan fee to be paid to you will be disclosed on a Fully Paid Lending Notice similar to a Trade Confirmation provided to you when Siebert borrows your Loaned Securities, and you will receive notice of any change in such rate of compensation.

The Lending Rate is based on the relative value of the Loaned Security, which is determined by several factors, including borrowing demand, the overall lendable supply of the security, short selling and hedging interest and general market conditions.

Siebert is not obligated to borrow securities at any time and your enrollment in the program does not guarantee that your securities will be borrowed.

Siebert does not provide legal or tax advice. Always consult an attorney or tax professional regarding any specific tax or legal questions.

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Contact Us:

800.872.0444

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We'd love to
hear from you.