Communications with the Public

TABLE OF CONTENTS

INTRODUCTION

We understand our rep-advisors' need to promote their businesses by utilizing creative and effective marketing tools. As your broker-dealer, it is our goal to support these objectives while keeping you in compliance with industry rules and regulations. The purpose of this manual is to provide the necessary information about Cambridge's policies regarding communications with the public. FINRA, SEC, and various other government regulations outline the requirements of all correspondence, sales literature, and advertising materials.

1) CORRESPONDENCE

Correspondence refers to any individual incoming or outgoing securities related communication with clients, prospects, support staff, OSJ supervisors, other rep-advisors, wholesalers, and others. Cambridge considers any communication used with only one client or individual to be correspondence, and any communication designed to be used multiple times to be sales literature. Examples of correspondence include:

- Letters
- Faxes
- Emails

Electronic Correspondence (Emails)

There are several rules that govern the firm's handling of electronic correspondence. NASD Rule 3010(d) requires firms to develop written procedures that are appropriate to its business, size, structure, and customers for the review and retention of incoming and outgoing electronic correspondence with the public relating to its securities business.

NASD Rule 3110 and SEC Rule 17a-4 require that electronic correspondence be maintained by the firm for a period of three years, and does allow firms to utilize electronic storage media to preserve the records exclusively in a non-rewriteable and non-erasable format.

Cambridge has partnered with Smarsh, Inc., in order to develop a system in which rep-advisor electronic correspondence can be reviewed and retained according to these requirements.

Smarsh Email Archiving and Reviewing System/OSJ Supervisory Procedures

All Cambridge rep-advisors are required to have their incoming and outgoing emails and their support staff's incoming and outgoing emails archived though Smarsh. Rep-advisors can sign up for Smarsh at www.smarsh.com/cambridge. There are two options available to meet the Smarsh requirement: the fully-hosted solution and the relay/journal solution.

With the fully-hosted solution, Smarsh will host the rep-advisor's email. The client has the option to use a domain that he/she has purchased, or choose an email address on the Cambridge domain, such as firstname.lastname@cambridgeresource.com. With this service, Smarsh will host email and provide spam and virus filtering.

The relay/journal solution is best for clients who do not need to change the hosting of their email. These clients generally have their own servers or currently host with services where they also take advantage of other services offered by these companies, such as website hosting or CRM. Smarsh will provide the client a journaling address that will need to be set up on the server or sent to the current email host for set up.

Electronic Correspondence - Encryption

Smarsh offers an encrypted email service. SmarshEncrypt is a secure messaging platform that allows users to send and receive email messages in a secure manner. Once the message is sent, the recipient receives an email instructing him/her to retrieve the secure email message. The recipient can reply to the email via a secure reply message, and private data can be sent electronically between the sender and recipient without the fear of a private data breach. Encryption services are NOT provided by Cambridge.

If you have opted to purchase this service, you must put the word "encrypt" in the subject of the email that you would like to have sent encrypted. If the word "encrypt" is not in the subject of your secure email, your message will not be sent securely. Cambridge recommends that rep-advisors test their secure messaging prior to sending private information via email to verify that the system is working properly.

SmarshEncrypt is the only encryption service approved by Cambridge for use by our rep-advisors. If you would like to sign up for encryption services you can contact Smarsh at 866-762-7741, option 3, option 1, and their new accounts team can set up the encryption services for your domain. There is a $20 one-time set up fee and a $7 per month per email address cost associated with the encryption service.

Electronic Correspondence - Reviewing Expectations

OSJ supervisors are required to review the email correspondence of the rep-advisors that they supervise, as well as their support staff. Smarsh provides the ability for OSJ supervisors and Cambridge home office staff to monitor emails for possible compliance violations. The Virtual Compliance Office (VCO) feature on Smarsh automatically scans emails and flags possible violations based on a set of predetermined examining criteria. Emails that fail to meet the criteria are flagged and captured for review by the supervising entity. Cambridge requires OSJ supervisors to review emails flagged by Smarsh on a daily basis. Cambridge expects OSJ supervisors to be reviewing the emails that are flagged for their review at a minimum of twice per week, reviewing 100% of flagged emails in the saved search. The OSJ Review saved search is set to retrieve emails flagged in the previous seven days.

Disregard the message in the Notifications section of your Smarsh Management Console home page, as Cambridge is not using this section at this time. To review messages, you must go to the Email Message Saved Searches link under the Email Review section.

Electronic Correspondence - OSJ Supervisor Reviewing Procedure

Emails must be reviewed by the OSJ supervisor or designee. You will log in on the Smarsh website www.smarsh.com. In the right corner is a button labeled Client Login. The OSJ supervisor or designee must log in to Smarsh with their individual user ID and password provided by Compliance. Once in the Smarsh Management Console, go to Client Tools>Email Review>Email Message Saved Searches. The saved search with the display title OSJ Review will appear. Click the blue arrows under Run. Once the report is run, messages that need to be reviewed will appear.

After clicking the message needing to be reviewed, it should show in the bottom half of the split screen. To review messages, visually scan the message for yellow highlighted word(s). Review the context of the use of the word for appropriateness. On the gray bar (located where the screen splits) click the Next Message button to view the next message. After reviewing emails, close the split screen by clicking the Close Window button on the gray bar (this is an optional step).

To approve messages, place a check mark in the box(es) of the messages that have been reviewed. After placing check marks in the appropriate boxes, scroll down (using the scroll bar within the SMARSH site, not the browser's scroll bar). You will see the following light blue box:
Notes is a required field
Status must be changed from Quick Open to Quick Close
Flag must be changed from Unspecified to Compliant
Click Update Checked or Update Checked and Move to Next

If a message is not compliant, and it is something that you as the OSJ supervisor can handle and instruct the rep-advisor as to the correct procedure (i.e., email violates policy by having private client information and is not encrypted), please change the flag to Violates Policy. Go to the Audit History; in the Notes box, type the actions that were taken to correct this violation (such as talked to rep-advisor advising not to send private client information via email unless encrypted), then save changes.

For emails that you feel need to be escalated to Compliance for further review, go to Audit History and change the Assign It tab to Compliance for further review. A check mark must be placed in the Assigned To box. Go to the Audit History; type your concern regarding this email in the Notes box, then save changes. Compliance will review the escalated emails.

Text Messaging / Instant Messaging

Text and instant messaging are fast, efficient ways to communicate. Unfortunately, they also fall under FINRA's definition of correspondence, especially if the communication is with a client. This provides a challenge for our rep-advisors to meet SEC books and records requirements. As written communication, text and instant messages must be reviewed by a principal and retained for the appropriate period of time. In addition, there is no practical way for OSJ supervisors to monitor such communications.

Due to the difficulty for rep-advisors to retain the records and effectively supervise, Cambridge prohibits any correspondence via text message and instant message in a professional capacity at this time.

Hard-copy (Paper) Correspondence (Faxes, Letters)

Each rep-advisor must submit copies of their correspondence to his/her OSJ supervisor on a monthly basis, unless specifically requested on a more frequent basis by the OSJ supervisor. Rep-advisors who report to an OSJ supervisor at the home office must submit correspondence directly by mailing it to the Advocacy and Supervision Team. Hard-copy correspondence may also be sent to Advocacy and Supervision via fax at 641-470-1248. Using the appropriate Correspondence Transmittal Form, all correspondence submitted to the OSJ supervisor or home office should clearly indicate:

- Name of rep-advisor or OSJ supervisor
- Branch number
- Time period for the correspondence
- Whether or not each type of correspondence (incoming/outgoing) has been included

What to Include and What Not to Include

What to include:

- Any type of letter
- Faxes, all pages, including cover pages
- Any additional correspondence
- Client reports from any other system than CIRStatements
- Any questionnaires or summaries that are provided by your office

What NOT to include:

- Securities account forms
- Statements, sponsor documents, etc.
- Correspondence from the home office
- Confirmations
- CIRStatements reports
- Advertising materials or sales literature
- New or existing account paperwork
- Copies of emails
- Junk mail or spam faxes
- Trade blotters
- Check blotters or copies of checks
- Non-investment related correspondence (i.e., utility bills, junk mail)

Notes:

- Any bulk mailings or form letters, where the text of the letter stays the same, only needs to include one copy of the letter and a list of the clients to whom it was mailed.
- If you are faxing a document that does not have to be submitted (i.e., account forms), the cover sheet, stating what was sent, is still needed.

The Correspondence Transmittal Form is required to be completed and sent even in the event that there is no actual paper correspondence for the period, and indicate No Incoming Correspondence and No Outgoing Correspondence.

Questions regarding correspondence should be directed to your OSJ supervisor or the Advocacy and Supervision Team.

OSJ Supervisor Procedures - for Hard-copy Correspondence
Below are the correspondence review procedures for OSJ supervisors supervised by the home office.
NOTE: There may be alternative procedures in certain circumstances.

Correspondence (incoming/outgoing) pertaining to the OSJ supervisor's personal business (OSJ supervisors are not permitted to approve their own correspondence):

- Copies must be sent along with an OSJ Correspondence Transmittal Form to the home office Advocacy and Supervision Team monthly.
- Correspondence must be faxed or postmarked no later than the fifth day of the following month.
- This includes all correspondence to or from clients, home office staff, other rep-advisors, sponsors, and custodians.
- Attachments must also be submitted with the primary correspondence piece. You should batch all related documents together that make up the primary correspondence piece.
- Copies must be kept in your incoming and outgoing correspondence files, and we recommend a copy be retained in the client file.
- Correspondence does not require submittal to the Advertising Team prior to distribution.

Using the appropriate Correspondence Transmittal Form, OSJ correspondence submitted to the home office Advocacy and Supervision Team should clearly indicate:

- Name of OSJ supervisor
- Branch number
- Correspondence for the month of (date)
- Whether or not each type of correspondence (incoming and outgoing) has been included
- Check attestation circle indicating all incoming and outgoing paper correspondence has been included

Correspondence review procedure for an OSJ supervisor who supervises rep-advisors that are located at the OSJ location (incoming/outgoing correspondence pertaining to the rep-advisors' personal business):

- Copies must be reviewed by the OSJ supervisor daily.
- Copies must be kept in your incoming and outgoing correspondence files, and we recommend a copy be retained in the client file.
- Correspondence does not require pre-approval unless OSJ supervisor wants to require it within their supervisory procedures. Keep in mind that regardless if the correspondence is reviewed before or after distribution, the OSJ supervisor is responsible for all correspondence content.

Correspondence review procedure for an OSJ supervisor who supervises rep-advisors that are located outside of the OSJ location (incoming/outgoing correspondence pertaining to the rep-advisors' personal business):

- Copies must be reviewed by the OSJ supervisor no less than monthly.
- Copies must be kept in your incoming and outgoing correspondence files, and we recommend a copy be retained in the client file.
- Correspondence does not require pre-approval unless OSJ supervisor wants to require it within their supervisory procedures. Keep in mind that regardless if the correspondence is approved before or after distribution, the OSJ supervisor is responsible for all correspondence content.

Using the appropriate Correspondence Transmittal Form, OSJ supervisors must provide evidence that they have reviewed the correspondence of the rep-advisors they supervise by providing:

- OSJ supervisor's name
- OSJ branch number
- Correspondence for the month of (date)
- OSJ supervisor's signature

2) ADVERTISEMENTS AND SALES LITERATURE

Advertising

Advertising refers to communications for which you have no control regarding who views, reads, or listens to the material. Examples include (but are not limited to):

- Newspaper and magazine advertisements and articles
- Billboards
- TV and radio broadcasts
- Websites (including postings on internet bulletin boards)
- Press releases

Sales Literature

Sales literature is defined as any written communication distributed or made generally available to multiple customers or the public that is not included in the definition of advertising. You generally have control regarding who obtains this material. Sales literature includes (but is not limited to):

- Group email
- Market letters
- Brochures
- Performance reports or summaries
- Form letters
- Telemarketing scripts
- Seminar materials (including slides, handouts, invitations, and all related material)
- Reprints or excerpts of any other advertisement, sales literature, or published article

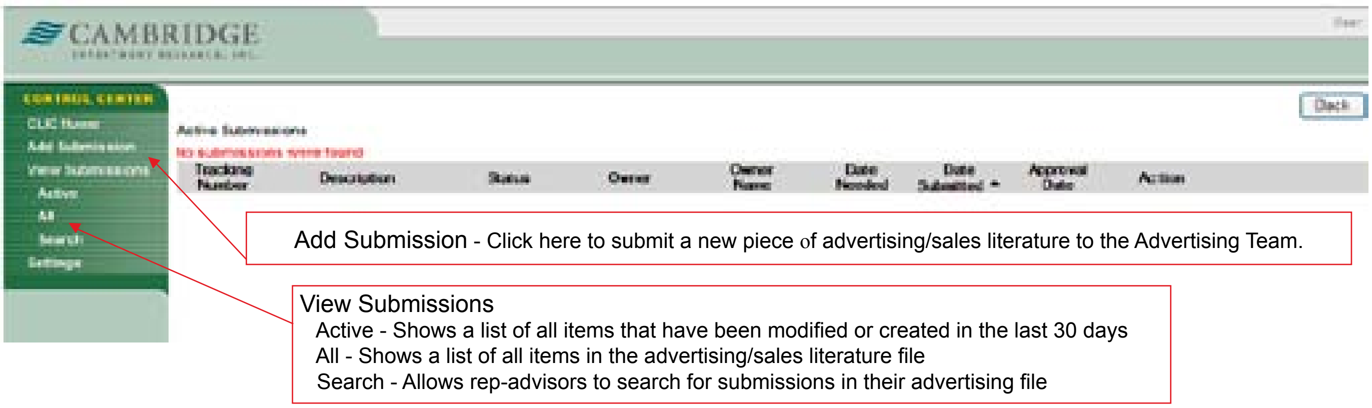
The terms advertising and sales literature are interchangeable at Cambridge. Unlike correspondence, both advertising and sales literature require pre-approval by the Advertising Team prior to use. Materials are not required to be resubmitted after they have been approved. However, it is a best practice to resubmit materials every two years in order to keep your advertising file current, especially due to the fact that rules and regulations are constantly changing.

Advertising Submission Procedures

Advertising and sales literature must be submitted to the Advertising Team using the CLIC AdView system. Step-by-step instructions on how to use this system are listed below.

Step 1: Save a copy of the material in an easily accessible location on your computer.

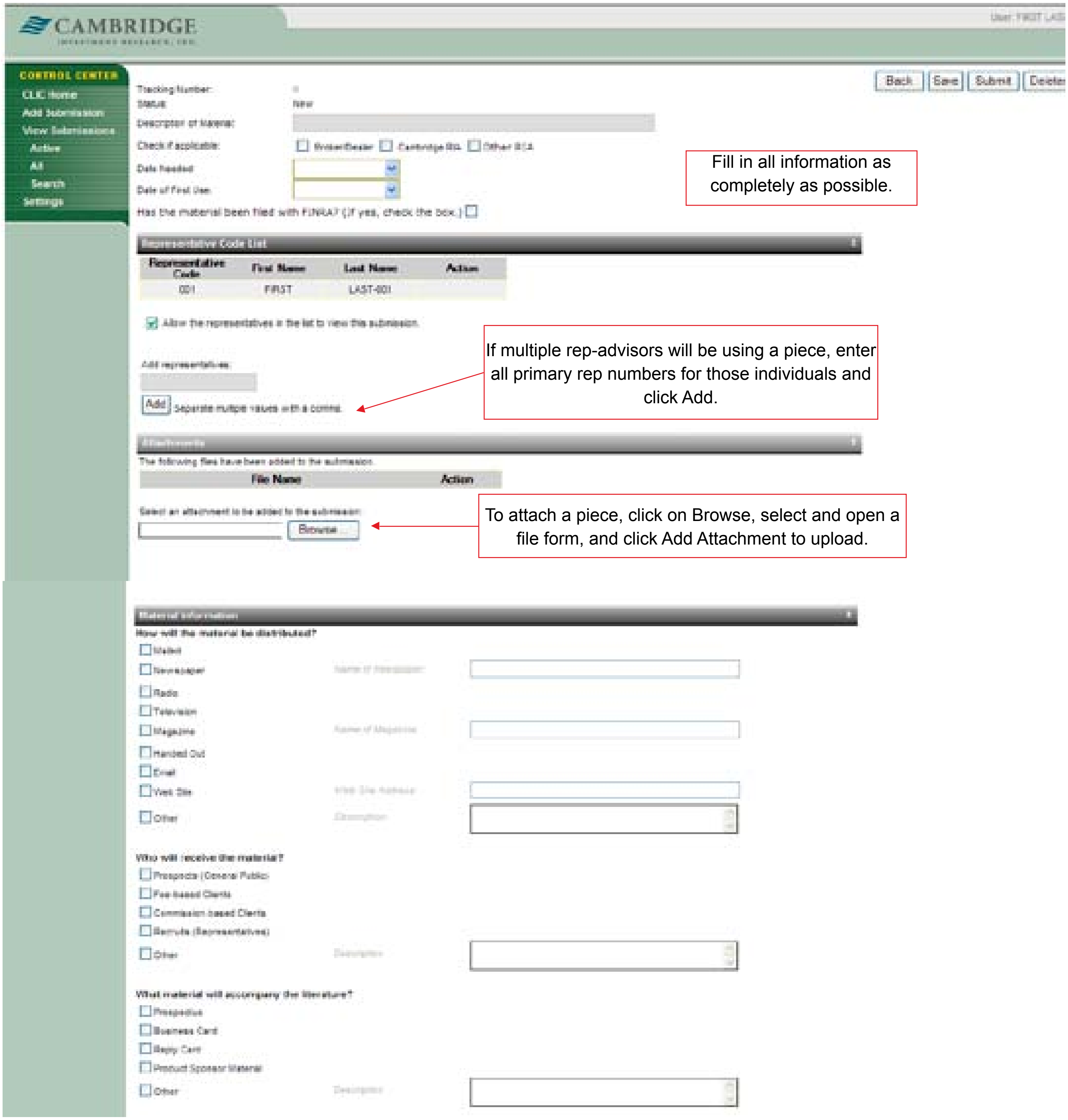
Step 2: Log on to CLIC via the Cambridge website (www.cir2.com) by selecting the tab along the top of the home page.



Step 3: At the CLIC home page, select AdView, under Control Center.

Step 4: At the AdView home page, select Add a Submission.

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE



Step 5: Complete the submission form as follows:

A) Provide a brief description of the material, which will serve as the title of the submission.

B) Indicate whether this material will be used as part of your brokerage and/or advisory business, and if advisory, whether through CIRA or an independent RIA.

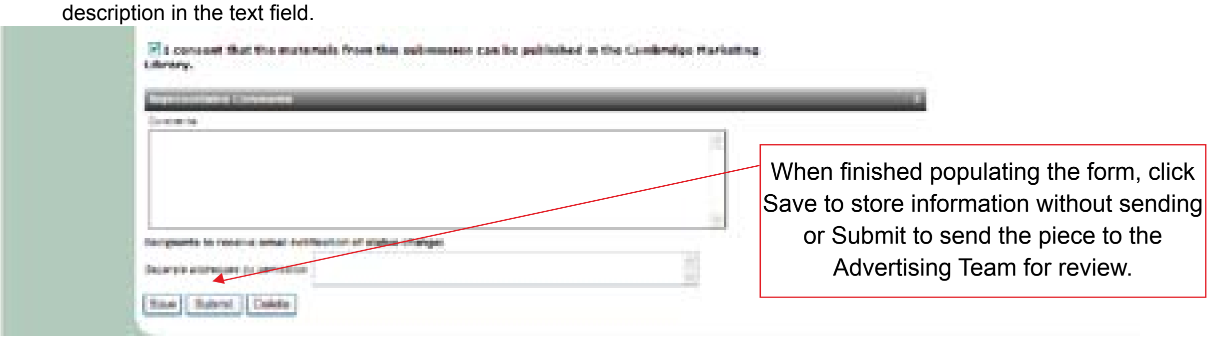
C) Indicate the date on which you need the Advertising Team to have completed their review of the material. Please note that AdView will not allow the submitter to input a date prior to three (3) business days after the date of submission.

D) Indicate the date in which you intend to first use the material. This is often the same date as the Date Needed, but not always. For example, when material is being reviewed by the Advertising Team prior to being submitted to a printing company, the Date of First Use would be later than the Date Needed.

E) Indicate other rep-advisors at your branch office, if any, for whom you would like to authorize usage of the material, by listing their primary three digit rep number in the text field marked Add Representatives. If you would like to authorize these rep-advisors to view the submission in AdView, click the appropriate check box.

F) Upload the material by clicking Browse and then selecting the file from your computer.

G) Indicate what type of advertising material you are submitting. If the material does not apply to the categories listed, select Other and provide a description in the text field.



H) Indicate to whom you intend to distribute this material.

I) Indicate what other materials, if any, will accompany this material during distribution.

J) If you have any additional comments regarding the material, include them in the text field marked Representative Comments.

K) The submitter will automatically receive an email notification when the Advertising Team has completed their review. If you would like another member of your staff to also receive this notification, include their email address in the text field provided.

L) After reviewing the form to ensure that the information is accurate and complete, click Submit to submit the form. If you are not ready to submit the form, you can click Save and complete the submission at a later time. If you click Back, you will be prompted by a message informing you that by exiting the page, all of the information that you have input into the form, and any record of the submission, will be lost.

Tip: Multiple files can be attached to one submission. When reviewing the form prior to submission, be sure to upload any other materials if necessary, such as a FINRA review letter.

The Advertising Team strives to consistently complete their review within five (5) business days and provide comments back through CLIC AdView as necessary. Depending on the size and content of the material, reviews may take more or less time to complete. Items marked Revisions Required must be edited accordingly and resubmitted for approval prior to use. Items marked Conditionally Approved may be used as soon as the stated condition is met. Items marked Approved may be used as is. Items marked Declined may not be used.

CLIC ADVIEW STATUS

- New - Submission has been added to the rep-advisor's CLIC AdView file but has not been submitted for Compliance review.
- Not Submitted - Submissions that have sent back to the rep-advisor with requested revisions will have this status if they have been edited but not re-submitted for Compliance review.
- Revisions Required - The submission needs to be revised and re-submitted for review.
- Conditionally Approved - The rep-advisor can use as long as they meet the stated condition(s).
- Approved - Approved for use as is.
- Declined - Materials may not be used.
- Under review - The submission is currently under review.
- Pending review - The submission is in the AdView queue awaiting review.

To view a submission, log on to CLIC AdView and click on View Submissions. To edit a submission, open the submission by clicking View to the right of the submission, and then click Edit at the upper right or lower left corner of the form. Be sure to indicate in the Representative Comments text box that revisions were made and upload the revised material before resubmitting.

Once approval is received, you may begin distributing or using your communication. It is imperative that you do not use your communication before it is approved.

FINRA Filing

It may be necessary for Cambridge to submit certain material to FINRA for review, which may take six to 10 weeks. An expedited filing request is available at a significantly higher cost. The rep-advisor will be responsible for the filing fee. FINRA does not "approve" pieces; rather, FINRA reviews items to ensure that they comply with applicable industry standards. The Cambridge Advertising Team generally does not approve material to be used prior to the receipt of FINRA's comment letter. Material that must be filed with FINRA before use includes, but is not limited to, discussions of the following:

- Investment company securities (includes mutual funds and variable products)
- Government securities
- DPPs
- CMOs
- Options

Exceptions to this rule exist. For example, a FINRA filing may not be required if a rep-advisor mentions these products in a general listing or "laundry list" of products offered. Please remember, however, that the rep-advisor must be appropriately licensed to offer these products.

3) TRANSITIONING REP-ADVISORS

New rep-advisors should understand communication issues related to the transition process. Cambridge is not able to offer legal advice on employment-related or privacy policy issues pertaining to a rep-advisor's departing firm. New rep-advisors are advised to contact outside legal counsel with regard to any legal obligations and contractual agreements, non-compete or non-solicit clauses, and compliance with the departing firm's privacy policy. Rep-advisors are responsible for ensuring that use or distribution of Cambridge-reviewed materials is done in a manner that does not violate their prior broker-dealer's agreements or policies. Cambridge does not endorse or encourage the violation of any other firm's policies, including privacy policies regarding the use of client information. In addition, defamatory comments about a rep-advisor's previous broker-dealer or their competition is prohibited.

Sample Client Letter

Date:

RE: Change of Broker-dealer to Cambridge Investment Research, Inc.

Dear (Name):

I am writing this letter to inform you that I have become registered with Cambridge Investment Research, Inc., (Cambridge) member FINRA/SIPC. Just as you have a choice of financial professionals, I have a choice of firms with which to partner to offer financial advice and securities products. Cambridge is a registered broker-dealer in all 50 states with clearing through National Financial Services (NFS) and Pershing LLC, both members FINRA/SIPC. Cambridge has more than 2,100 rep-advisors, supported by approximately 483 home office staff.

Cambridge's full range of products and services, and their receptivity to my ideas and concerns about how to satisfy my clients and support my practice, have convinced me that I have found what I am looking for: a truly independent broker-dealer. I sincerely hope that you will join me at my new firm and allow me to be your Cambridge rep-advisor. I have included the forms that will need to be signed to name Cambridge as the broker-dealer of record. Please complete these forms, select either NFS or Pershing as your clearing firm, sign where indicated, and return them to me in the enclosed envelope. I would also like to set up a time to meet with you in the next two or three weeks so that we can discuss your finances and any opportunities that may be available as a result of my new broker-dealer affiliation. I look forward to servicing your current and future investment needs. Please contact me at {insert phone number here} with any questions.

Sincerely,

{insert typed name here}

Note: Submit letter on approved letterhead for approval using CLIC AdView before sending to clients.

4) GENERAL CONTENT STANDARDS

The rep-advisor should consider the following standards when creating his or her own material:

- Consider the clarity and context of each statement; what may be misleading in one context is appropriate in another. Also consider the targeted audience. The extent of explanation and/or detail that should be provided depends upon the audience to which the communication is directed. Remember that, in most cases, you're not presenting this information to industry professionals.

- Do not represent or imply that registration of the security with the SEC or any other governmental body means that the security is a suitable investment, that the facts contained in the prospectus are absolutely as stated, or that the management of the issuer is supervised by such governmental body. Never use the word “approved” or “guaranteed” with respect to a security.
- Statements such as “tax free” or “tax exempt” are prohibited if the income tax liability is merely postponed or deferred.
- Comparisons must be complete, fair, balanced, and include any material differences between the subjects of comparison (i.e., investment objectives, charges and expenses, liquidity, potential benefits, potential risks, tax features, and any other factors necessary) to make the comparison fair and not misleading. It is generally misleading to compare investment products to bank products, and as a best practice, should be avoided.
- Investment results cannot be predicted or projected on any basis, including past performance. Investment performance illustrations may not imply that gain or income realized in the past will be repeated in the future. However, hypothetical illustrations of mathematical principles (illustrations intended to show the effects of tax free versus taxable, dollar cost averaging, etc.) are not considered projections of performance. Any use of an illustration must clearly state that it is an illustration, and the appropriate disclosure should be added.
- Testimonials are prohibited under the Investment Advisers Act of 1940 and by Cambridge policy. The term “testimonial” is not defined in the Advisers Act or the Ad Rule. The SEC staff has consistently interpreted that term to include a statement of a client’s experience with, or endorsement of, an investment adviser. The SEC staff has stated that the rationale for prohibiting testimonials is that a testimonial may give rise to a fraudulent or deceptive implication or mistaken inference that the experience of the person giving the testimonial is typical of the experience of the investment advisor’s clients.
- Disclaimers may not be misleading, and material facts must be included in the relevant portion of the text, not as a footnote. Non-material information, such as sources, may appear in a footnote. These cautionary statements or caveats must not be inconsistent with context.
- References to periodic investment plans (dollar cost averaging and asset allocation) must disclose that they cannot eliminate the risk of fluctuating prices and uncertain returns, and cannot assure a profit or protect against a loss. Never use the phrase “dollar averaging” with respect to any plan of continuous investment in the shares of an investment company. You may use the phrase “dollar cost averaging,” but, in doing so, you must point out that the discontinuance of the purchase of the security prior to the completion of the plan may detract from the benefits otherwise derived from “dollar cost averaging.”

The following standards apply to all communications:

- Do not, directly or indirectly, publish, circulate, or distribute any advertisement or market letter containing false or misleading statements, whether to induce the purchase of securities or services or for any other purpose. Do not make unrealistic claims for performance, service, quality, or “value-added” service.
- Communications must exhibit truthfulness and good taste. Any flamboyant, misleading, or inflammatory material is forbidden.
- Statements which contain promises of specific results, exaggerated or unwarranted claims, or opinions or forecasts for which there is no reasonable basis are prohibited. Backup evidence for all claims, opinions, and forecasts for which there is a reasonable basis must be available upon request.
- When discussing the potential of any investment, the fact that the investment may decrease in value must also be stated.
- Avoid the use of images of dollar signs, bags of money, coins, and treasure chests as they may be construed as promissory.
- Comparisons with competitors should be avoided. Don’t speak negatively about your competition.
- Do not alter a prospectus or other sales literature by underlining, highlighting, adding, or deleting. This prohibition extends to the addition of the rep-advisor’s name and address (unless a particular piece of sales literature calls for this to be done).
- Rep-advisors are prohibited from doing any joint advertising or creating sales literature jointly with a rep-advisor from another broker-dealer.
- Be sure to submit reprints of articles relevant to your securities business to the Cambridge Advertising Team for approval prior to distribution. Include written permission if required to use the reprint.
- When in doubt, contact Cambridge’s Advertising Team.

The following suggestions are designed to help clarify communications with the public.

Instead of using:	**Substitute with:**
will	can, should, may
expert	professional, specialist
high	competitive
successful	prudent, sound, wise
attain	seek
secure	stable, consistent
expected	potential
minimize	help reduce
maximize	help increase
benefit, advantage	feature
low	affordable
solutions	strategies
best	top-notch, quality
wealth preservation/accumulation	wealth management
protect	manage

5) STANDARD DISCLOSURES

Common disclosure information and points to keep in mind when drafting communications with the public include, but are not limited to:

- When general advice regarding a particular security, asset class, or market sector is discussed, please include this disclosure:

This is intended for informational purposes only and should not be used as the primary basis for an investment decision. Consult an advisor for your personal situation.

- If the advice pertains to a security with a prospectus, the following disclosure should be included:

Please consider the investment objectives, risks, fees, and expenses carefully before investing. For this and other important information, you may obtain prospectuses for mutual funds, any applicable annuity contract, and the underlying funds and/or disclosure documents from your rep-advisor. Read this information carefully before investing.

- Rep-advisors will often stress the importance of diversification as a powerful tool to reduce the level of risk in a portfolio. An example of this would be a rep-advisor providing a seminar to clients and prospects regarding an asset allocation strategy or a group of model portfolios. However, it should be noted that while diversification can reduce risk, the following must also be disclosed:

Asset allocation and diversification strategies cannot assure profit or protect against loss in a generally declining market.

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM
THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

- When providing a regular market commentary, it is common to use the S&P 500 or another index as a benchmark for performance. Any discussion of an index should be accompanied by the following disclosure:

Indices mentioned are unmanaged, do not incur fees, and cannot be invested into directly.

- If the market commentary mentions the performance of an index, there is an implication that this performance will continue in the future, even if there is no direct statement to that effect. For this reason, it is also important to remind clients that:

Past performance does not guarantee future results.

In general, all prepared materials must include the following:

- The registered branch address, phone number, and broker-dealer disclosure
- The person or firm that prepared the material, if it was prepared externally
- Whether any price or market performance data, or other pertinent information cited in the literature, is not current

6) BUSINESS CARDS AND STATIONERY

It is important that your new business cards and letterhead not be used until you are officially registered with Cambridge Investment Research, Inc. Prior to use, the Compliance Department must approve business cards and letterhead in writing. To use them prior to your registration date would be in violation of the FINRA guidelines and rules. You should submit your pre-printed business cards/stationery to the Advertising Team for approval before you reorder these materials. Rules and regulations are constantly changing, so having your materials checked before reprinting assures that you are in compliance.

Standards

- Stationery and business cards should reflect the rep-advisor's registered branch address or that of the OSJ branch. FINRA rules prohibit holding out a non-registered branch location to the public in any advertising/sales literature.
- Stationery and business cards should include the broker-dealer disclosure (see Standard Broker-dealer Disclosures).
- As a general guideline, business cards require a minimum of 8-point font and letterhead requires a minimum of 10-point font.
- Administrative staff who are not securities licensed may not use business cards that display the Cambridge broker-dealer disclosure. Stationery may be used provided that the administrative staff member's capacity is clearly disclosed, for example, by using one of the following titles: office manager, operations manager, administrative assistant, etc.
- Licensed administrative only staff members may use the standard disclosure suggested for rep-advisors as long as the phrase "securities offered through" is omitted.

Drafts or proofs must be submitted to Cambridge's Advertising Team via CLIC AdView for approval before final printing.

Standard Cambridge Broker-dealer and Registered Investment Adviser Disclosures

Sample Business Card Layout

<table>
<tr><td colspan="2">Example for Cambridge Representative and CIRA IAR</td></tr>
<tr><td>Your Company
John Doe, CFP®
Owner

123 Fake Street
Fairfield, IA 52556
Phone: (641) 555-1234
Fax: (641) 555-1235</td><td>Registered Representative
Securities offered through Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC.

Investment Advisor Representative
Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser.

Cambridge and Your Company are not affiliated.</td></tr>
</table>

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

Example for Cambridge Representative Using an Outside RIA	
Your Company John Doe, CFP® Owner 123 Fake Street Fairfield, IA 52556 Phone: (641) 555-1234 Fax: (641) 555-1235	Registered Representative Securities offered through Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC. Investment Advisor Representative **Your RIA**, a Registered Investment Adviser. Cambridge and **Your Company** are not affiliated.

Example for Cambridge Representative and CIRA Advisor Also Using an Outside RIA	
Your Company John Doe, CFP® Owner 123 Fake Street Fairfield, IA 52556 Phone: (641) 555-1234 Fax: (641) 555-1235	Registered Representative Securities offered through Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC. Investment Advisor Representative Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Financial Planning Services offered through **Your RIA**, a Registered Investment Adviser. Cambridge and **Your Company** are not affiliated.

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM
THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

Sample Letterhead Layout

Your Company
123 Fake Street
Fairfield, IA 52556
Phone: (641) 555-1234
Fax: (641) 555-1235

John Doe, CFP®
Owner

(Example for Cambridge Rep-advisor and CIRA IAR)
Registered Representative, securities offered through Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC.
Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser.
Cambridge and **Your Company** are not affiliated.

(Example for Cambridge Rep-advisor Using an Outside RIA)
Registered Representative, securities offered through Cambridge Investment Research Inc., a broker-dealer, member FINRA/SIPC.
Investment Advisor Representative, **Your RIA**, a Registered Investment Adviser.
Cambridge and **Your Company** are not affiliated.

(Example for Cambridge Rep-advisor and CIRA Advisor Also Using an Outside RIA)
Registered Representative, securities offered through Cambridge Investment Research Inc., a broker-dealer, member FINRA/SIPC.
Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser.
Financial planning services through **Your RIA**, a Registered Investment Adviser.
Cambridge and **Your Company** are not affiliated.

Sample Email Disclosure Layout

All email originating from a rep-advisor's office needs to contain a signature block disclosure. This disclosure is also required for both licensed and unlicensed staff.

The standard disclosure block format is as follows:

Name
Capacity [i.e. Registered Representative, Registered Principal]
Business Name [if applicable]
Address
Phone/Fax

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC. Advisory services offered through [RIA Name], a Registered Investment Adviser. [Business Name] and Cambridge are not affiliated.

The information in this email is confidential and is intended solely for the addressee. If you are not the intended addressee and have received this email in error, please reply to the sender to inform them of this fact.

We cannot accept trade orders through email. Important letters, email, or fax messages should be confirmed by calling (your phone number). This email service may not be monitored every day, or after normal business hours.

If the rep-advisor is not working with an RIA and has no DBA name, these items may be omitted.

Include additional disclosure as appropriate. These may include, but are not limited to, California insurance license information or required bank or credit union disclosures.

For registered administrative staff, use the Cambridge broker-dealer and registered investment adviser (if applicable) disclosure. However, the words “securities offered through” should be omitted, as this individual does not offer securities products.

For non-registered administrative staff, neither the broker-dealer nor RIA disclosure may be used since there is no affiliation.

7) ADVERTISEMENTS FEATURING A DBA

When marketing a business, rep-advisors often establish a “Doing Business As” name (or “DBA”) for their company. This entity can be a partnership, group, corporation, etc., but must be kept separate and distinct from Cambridge and all securities and investment advisory work. The exception to this would be if your business actually is an independent RIA.

Cambridge does not formally approve or disapprove DBA names, but will provide some general guidance. Unless your business actually is an RIA, we recommend you avoid using the words advisor, wealth management, or other terms that are commonly known in the industry as being advisory related. Using a business name that contains those buzzwords or phrases may give the connotation that the business is either a broker-dealer or an RIA and could potentially mislead the public. It is important for all rep-advisors to check with the appropriate state regulatory authorities of the state in which they are establishing the DBA to ensure they meet applicable guidelines. It is the responsibility of the rep-advisor to assure they have performed necessary due diligence and have the legal right to use any business name submitted for review. We will provide you with general guidance about using such a name, but understand that the decision (and any risks that may go along with it) is usually up to you. Cambridge will not be responsible for costs associated with a name change in the event that it is required for legal or regulatory reasons.

The Advertising Team is required to approve all advertisements that reference both Cambridge and a DBA (combined advertisements) prior to printing. Below are some key points relating to the provisions of the use of combined advertisements.

Combined advertisements must clearly and prominently disclose Cambridge as the broker-dealer, as well as identify the securities products and services offered by the FINRA member (i.e., Cambridge). The material must avoid creating the impression that the rep-advisor conducts business as an independent broker-dealer (i.e., that investments are sold by the DBA). In order to satisfy this requirement, the phrase “Securities offered through Cambridge Investment Research, Inc., member FINRA/SIPC” is required.

General Considerations for Use of DBA

OSJ supervisors and rep-advisors who have established a DBA must comply with FINRA and state regulatory requirements. Several assumptions are made when the Cambridge Advertising Team reviews stationery material and/or advertising and sales literature that reflects the Cambridge broker-dealer disclosure and primarily identifies another business entity or DBA. These assumptions are as follows:

1. In states requiring the other business entity or DBA to be licensed and/or registered, that other entity is properly licensed and/or registered.
2. The other business entity or DBA will have a standard title for all personnel. If a license, registration, or certification is required to use the title selected, all individuals using the title must be properly licensed and/or registered or have completed the necessary certification.
3. Similarly, employees of the other business entity or DBA who are not securities licensed with Cambridge may not use material that displays the Cambridge broker-dealer disclosure phrase.

8) TITLES AND DESIGNATIONS

Securities and Investment Advisory Related Titles

Rep-advisors can choose from a variety of titles with Cambridge.

With Cambridge Investment Research, Inc. (broker-dealer):

Series 6 or 7 licensed rep-advisors can use:

- Investment representative
- Registered representative
- Account executive

Series 24 or 26 licensed rep-advisors who are in a supervisory position may also choose from:

- Branch manager (may also be used if not Series 24 or 26 licensed, but designated by Cambridge)
- Registered principal

With Cambridge's RIA, CIRA:
- Registered investment adviser representative
- Registered investment adviser agent
- Investment advisor representative
- Investment advisor agent
- Financial advisor

With an independent RIA:
- Registered investment adviser representative
- Registered investment adviser agent
- Investment advisor representative
- Investment advisor agent
- Financial advisor

Non-securities/Advisory Related Titles/Names

The following are suggestions of names for use under a DBA that does not provide investment advisory or securities services. Other examples may be reviewed by Cambridge's Advertising Team prior to use.

With an insurance agency:
- Agent

With a DBA which relates to the registration of the entity:
- Owner
- Manager

With a corporation:
- President
- Vice President

With a sole proprietorship:
- Principal
- Owner
- Proprietor

Professional Designations

Cambridge recognizes that professional designations are attractive to our rep-advisors and their clients. A professional designation indicates that a rep-advisor is committed to his/her field of expertise and is dedicated to continued education in that area. However, not all designations are created equally. Many designations have been established by reputable organizations and have stringent requirements, while others have been established as a marketing ploy rather than a reliable indicator of expertise.

It is difficult to determine which designations are deemed credible. In addition, state and federal regulators have voiced their concern that some designations have the potential to mislead the public that a rep-advisor has special qualifications in a certain area of financial planning.

You are required to have certification documentation on file with Cambridge for all approved designations that you may currently hold, regardless of your state of residence, registration, or licensure. A copy of the certification document should be provided to the Advertising Team via email (advertising@cir2.com) or fax (641-470-1283).

Cambridge does not permit the use of the Certified Senior Advisor (CSA) designation, due to the fact that it has received widespread criticism from industry members, and has been prohibited or strongly discouraged by many state regulators.

Approved Professional Designation List

The Cambridge Approved Professional Designation List is located on the Cambridge website (www.cir2.com). No new communications with the public may be drafted utilizing any designations other than those included on the approved list. If rep-advisors would like to request a designation be added to the list, they must submit a Professional Designation Request Form to Compliance. This request form can be found on Cambridge's website as well. Designations may be approved with conditions attached since some states will not recognize the designations as being approved within their jurisdiction.

In reviewing specific certifications and designations, Cambridge will consider:

- The history, reputation, and accreditation status of the issuing organization
- Experience and/or educational requirements, including the material and content of the required coursework, to obtain the certification or designation
- Type of examination required, the complexity and length of the examination, and the method of examination delivery
- Time period for completing the course work and achieving the certification or designation
- Continuing education requirements
- Ethical standards or code of ethics of the designation or certification
- Process, if any, by which the designation may be revoked for violations of the ethical or other standards for the designation

On a related note, if you use a designation to opt-out of registration requirements with an RIA, you must assure that your designation continues to be in good standing. If requirements are not fulfilled and your designation is allowed to lapse, your exemption from examination requirements will be concurrently revoked. This may result in the need to take qualifying examinations and/or disgorge advisory fees obtained during the time you were not registered. If you hold any designation, please check with the providing organization regularly to assure that you are in good standing and be sure to let Cambridge know of any changes to your status.

Heightened Ethical Standards and Disclosure Requirements for CFP® Certificants

1.1 CFP® certificant and client/prospective client must mutually agree upon services to be provided. Though not required in writing, we recommend documenting such discussion as part of your client file. Such services will be outlined in writing through the use of the FPE for financial planning and the AIMS agreement for asset management.

1.2 If offering financial planning services (or material elements of), CFP® certificant must, prior to entering into the agreement, provide a prospective client with written information or a discussion which:

1. Lays out the obligations of each party (objectives, gathering data, current situation, recommended actions, monitoring)

2. Discloses compensation

3. Explains terms which allow CFP® professionals to offer proprietary product

4. Explains terms which CFP® professionals will use other entities to meet this obligation

Written documentation is not required for this section of the rule; however, elements of these items are all incorporated into documents such as the Cambridge Client Information and Suitability Form and CIRA's FPE and AIMS agreements, as well as disclosure provided in CIRA's ADV Part II. It is strongly recommended that you have specific discussions with clients regarding these topics.

1.3 If providing financial planning services, certificants must enter into written agreement with client specifying:

- Parties
- Date/Duration
- Termination
- Services

The above can consist of various written documents, which are used in compliance with laws/regulations, such as Form ADV. As such information is included in CIRA's FPE Agreement, we again remind CFP® certificants that an FPE must be utilized with all clients (even those with only commissionable brokerage accounts) and even when no fee is charged for financial planning services. Such information is also provided as part of the AIMS agreement for those clients with managed accounts.

1.4 A CFP® certificant shall at all times place the interest of the client ahead of his/her own. When a CFP® certificant is providing financial planning (or material elements) he/ she owes to the client a duty of care of a fiduciary.

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM
THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

The Investment Advisors Act previously held investment advisor representatives to fiduciary standards. Such standards are now applicable to clients of CFP® certificants that hold only commission-based products and accounts.

2.1 A CFP® certificant shall not mislead or provide false information to the client regarding their qualifications/services. They also cannot fail to disclose/omit facts that are necessary to avoid misleading clients.

This rule is not a new concept. Rep-advisors must currently comply with FINRA requirements 2110 and 2120, which address these issues. A Code of Ethics that prohibits dissemination of false and misleading information binds investment advisor representatives of CIRA.

2.2 A CFP® certificant shall disclose to client:

- Accurate description of compensation arrangements
- Information related to CFP® professionals (covered in FPE-Schedule A)
- Terms under which the CFP® professional or their employer may receive any other sources of compensation, and what the sources are and what they are based on (disclosed in Form ADV)
- General summary of conflicts of interest (disclosed in Form ADV)
- Any information that reasonably could be expected to materially affect the client's decision/or information the client might reasonably want to know given the nature of the relationship (disclosed in Form ADV)
- Contact information for the CFP® certificant/employer (Cambridge Client Information and Suitability Form, Form ADV, FPE, and AIMS) must be in writing (accomplished through use of FPE or AIMS)

Additional discussion and/or disclosure is recommended regarding these points, as applicable. Be upfront with your clients. Though governed by FINRA Rule 2310 and disclosed as part of CIRA's ADV, conflicts of interest, disciplinary history, and relevant disclosures should always be disclosed to clients. We recommend having candid discussions with clients and documenting the points addressed. If disciplinary history is involved, we suggest pointing the client to FINRA's Broker Check system (www.finra.org) or, you can provide them with a copy of your Broker Check report.

3.1 CFP® certificant must treat the information as confidential except as required by law. This issue is also covered in Cambridge's Privacy Policy. It is also incorporated into CIRA's FPE and AIMS agreements.

3.2 CFP® certificant shall take steps to protect the security of the information and property given to them by clients.

This issue is also covered in Cambridge's Privacy Policy.

3.3 CFP® certificant must obtain the information necessary to fulfill his/her obligation. If they cannot, they must inform the client of the material deficiencies. From the broker-dealer standpoint, rep-advisors must work with clients to obtain a complete and accurate Cambridge Client Information and Suitability Form and suitability documentation, prior to making recommendations. Fee-based relationships under an RIA are already subject to a fiduciary standard. Under the new requirements, the fiduciary standard is extended to cover all client relationships of the CFP® certificant. In addition, Cambridge will continue to require a complete Client Information and Suitability Form, FPE, and AIMS paperwork, prior to processing any securities account or financial planning arrangement.

3.4 CFP® certificant must clearly identify the assets. This can be documented through applicable sections of the FPE and AIMS agreements.

3.5 CFP® certificant must keep complete records of all funds/property. Note that no specific definition for funds/property is provided. Cambridge already requires the maintenance of blotters for tracking checks and stock certificates received through the rep-advisor's office. In addition, CIRStatements can be utilized to record client account information and assets.

3.6 CFP® certificant shall not borrow money (exceptions for immediate family or when the client is a lending institution unrelated to the CFP® professional's services). This activity is, and has been, prohibited by the broker-dealer and/or regulatory rule.

3.7 CFP® certificant shall not lend money to a client (exceptions for immediate family or when the client is a lending institution unrelated to the CFP® professional's services). This activity is, and has been, prohibited by the broker-dealer and/or regulatory rule.

3.8 CFP® certificant shall not commingle client's property with his/her own unless permitted by law. This activity is, and has been, prohibited by the broker-dealer and/or regulatory rule.

3.9 CFP® certificant shall not commingle client's property with other client's property unless permitted by law or client agrees and there is sufficient recordkeeping. This activity is, and has been, prohibited by the broker-dealer and/or regulatory rule.

3.10 CFP® certificant shall return client's property upon client's request as soon as possible or in accordance with the agreement. On the broker-dealer side, account liquidity details currently require disclosure at the time of sale. Additional disclosure regarding this point is covered for the RIA relationship under the ADV Part II, FPE, and AIMS.

4.1 CFP® certificant shall treat prospective clients and clients fairly and provide professional services with integrity and objectivity. All CFP® certificants are now held to a fiduciary standard. Those working through an RIA relationship have already been held to such a standard.

4.2 CFP® certificant shall offer advice only in areas in which he/she is competent and shall maintain competence in all areas he/she provides services. Rep-advisors under the broker-dealer are only permitted to sell products for which they are licensed and properly state registered. Keep in mind that CFP® certificants with commission-based client relationships should now utilize an FPE to outline planning services provided, even if no fee is charged for such service. As such, the "advice" component of this rule applies to both commission and fee-based relationships, as does the fiduciary standard.

4.3 CFP® certificant shall be in compliance with applicable regulatory requirements. Applicable regulatory requirements are monitored through Cambridge's Compliance Audit program.

4.4 CFP® certificant shall exercise reasonable and prudent professional judgment when providing services to clients. All CFP® certificants are now held to a fiduciary standard. Those working through an RIA relationship have already been held to such a standard.

4.5 CFP® certificant shall make/implement recommendations that are suitable. Suitability information is already being maintained and reviewed in compliance with broker-dealer and regulatory requirements. Investment advisor representatives have already been held to a fiduciary standard.

4.6 CFP® certificant shall provide reasonable/prudent supervision/direction to subordinates or third parties to whom the CFP® certificant assigns responsibility. Due diligence is conducted at the broker-dealer level for all products, platforms, and third party money managers utilized through Cambridge and CIRA. Outside RIAs are responsible for conducting their own independent due diligence on third party money managers.

4.7 CFP® certificant shall advise his/her current client of any suspension or revocation from CFP Board. It is the CFP® certificant's obligation and duty to send notification to his/her clients regarding such change in status.

5.1 A CFP® certificant who is an employee/agent shall perform services with dedication to the lawful objectives of their employer/principal and in accordance with CFP® Code of Ethics. Rep-advisors must currently comply with FINRA Rule 2110, which addresses this issue. CIRA's Code of Ethics also addresses this issue.

5.2 CFP® certificants must inform employer/principal of any suspension/revocation from CFP Board. It is the CFP® certificant's obligation to immediately notify the Compliance Department of such action taken by CFP Board. Cambridge's Registration and Licensing Team annually inquires as to the standing of the CFP® certificant's status through the renewal process, but it is the CFP® certificant's responsibility to notify Cambridge if they no longer hold the designation.

6.1 CFP® certificant shall abide by all terms of the agreement with CFP Board. This obligation is not met through the CFP® certificant's relationship with Cambridge or CIRA. We recommend that you make note of your obligations related to this requirement.

6.2 CFP® certificant shall meet all CFP Board requirements. This obligation is not met through the CFP® certificant's relationship with Cambridge or CIRA. We recommend that you make note of your obligations related to this requirement.

6.3 CFP® certificant shall notify CFP Board of changes to contact information within 45 days. This obligation is not met through the CFP® certificant's relationship with Cambridge or CIRA. We recommend that you make note of your obligations related to this requirement.

6.4 CFP® certificant shall notify CFP Board in writing of any convictions of a crime (not misdemeanor traffic offenses unless alcohol is involved), or of any professional suspension or bar within 10 days after the date of notification to the CFP® certificant.

This obligation is not met through the CFP® certificant's relationship with Cambridge or CIRA. We recommend that you make note of your obligations related to this requirement. Please note that rep-advisors also have an obligation to immediately disclose such information to the Cambridge Registration and Licensing Team.

6.5 CFP® certificant shall not engage in conduct that reflects adversely on his/her integrity or fitness as a CFP® professional. All CFP® certificants are now held to a fiduciary standard. Those working through an RIA relationship have already been held to such a standard.

Awards and Achievements

There are a wide variety of awards available to rep-advisors and other professionals. Many have been established by reputable organizations and have stringent requirements, review processes, and auditing of findings, while others may be little more than a paid advertisement. For this reason, each marketing piece listing such awards must be approved by the Compliance Department prior to use in communications with the public, and proper disclosure of any material facts related to the award must be made.

In reviewing specific certifications and designations for approval, Cambridge will consider:

- The history and reputation of the issuing organization
- Experience and/or educational requirements, including the material and content of any required coursewoek, to obtain the award
- Time period for completing the course work and achieving the award
- Criteria used in the selection process
- How the award will be used in marketing materials
- The content of any marketing materials provided to award recipients for their use
- Process, if any, by which the award may be revoked for violations of the ethical or other standards for the award

To request that an award be permitted for use in advertising materials, please provide the above information using the Awards and Achievements Form, which may be faxed to the Compliance Department at 641-469-1694.

Effective March 15, 2011, no new communications with the public may be drafted utilizing any awards that have not been approved through the use of this form. This includes materials which refer to the award that were previously approved in CLIC AdView. Such materials must be modified to remove unapproved awards and resubmitted via CLIC AdView for re-review and approval for your advertising file.

FIVE STAR Logo

Due to recent regulatory scrutiny and guidance regarding this award, Cambridge and the FIVE STAR Professional organization have recently re-evaluated how this award is handled. For this reason, Cambridge does not permit rep-advisors to advertise awards received prior to 2011.

In addition, the following disclosure must accompany the use of the “FIVE STAR: Best in Client Satisfaction Wealth Manager” award in advertising materials:

*** To receive the Five Star Wealth Manager award, individuals must satisfy a series of eligibility and evaluation criteria associated with wealth managers who provide services to clients. Recipients are identified through research conducted by industry peers and firms.*

Third party rankings and recognitions from rating services or publications are not indicative of past or future investment performance. For more information, go to www.fivestarprofessional.com.

9) OFFICE SIGNAGE

Branch offices must identify themselves with proper signage as follows:

- The branch office certificate must be prominently displayed.
- A (SIPC) sticker and/or plaque must be prominently displayed.
- Branch office certificates and SIPC stickers are available from the Compliance Department.

All branch office signage must be submitted through CLIC AdView for review and approval.

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM
THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

10) YELLOW PAGES / INTERNET DIRECTORIES

When a rep-advisor lists an advertisement in the Yellow Pages or internet directory, there can be limited space available for the broker-dealer or RIA disclosure depending on the size of the advertisement or listing. If you are listing services offered, you must also include these disclosures. CIRA rep-advisors may combine these disclosures by stating "securities and investment advisory services offered through Cambridge Investment Research, Inc." Rep-advisors not listing services offered in Yellow Pages listings are permitted to omit these disclosures, although it is a best practice that they be included. All drafts should be forwarded to the Advertising Team via CLIC AdView for approval before final submission with reference made to the sections or headings under which the advertisement will be run.

Once approved by the Advertising Team, these listings must be placed in the appropriate category. Rep-advisors should not list their DBA under categories such as "investments" or "stocks", as this would be holding out as a broker-dealer. The DBA can be listed under "financial services", or if it is an RIA, "financial planning".

Business listings in the White Pages are not required to be submitted to the Advertising Team for approval prior to use.

11) NEWSLETTERS

Cambridge policies and procedures require that the Advertising Team approve any written communication, including newsletters, sent to more than one client or prospect. Newsletters submitted to the Cambridge Advertising Team for approval must be accompanied by any supporting documentation, such as charts, sources, or research materials.

The following guidelines apply:

- <u>Market comments</u>: Adequate disclosure of sources is required.
- <u>Charts</u>: The source of any charts or graphs must be included.
- <u>Security recommendations</u>: Any opinion by a rep-advisor must have a reasonable basis. The following disclaimer must be included:

Please contact me to discuss whether these securities are suitable for your personal investment needs. The prices listed above are as of __(date)______ and are subject to market fluctuation.

General disclaimer: It is recommended that the last page or bottom of the newsletter include the following disclaimer:

Material discussed is meant for general illustration and/or informational purposes only, and it is not to be construed as investment, tax, or legal advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary. Therefore, the information should be relied upon when coordinated with individual professional advice.

12) REP-ADVISOR PREPARED CLIENT STATEMENTS

Rep-advisors who create securities client statements, reports, or holdings summaries should have the report format approved by the Cambridge Advertising Team before use. Due to the increased regulatory guidelines, CIRA rep-advisors are only permitted to use CIRStatements for performance reporting. For rep-advisors using an independent RIA, the following guidelines should be adhered to:

1) The effective date and nature of price or valuation must be clearly defined; i.e., for mutual funds, the report must indicate whether NAV or POP is shown; or for illiquid securities, such as DPPs, the source of any valuation must be described. Disclosures must be complete and should contain the following:

The above information is based on sources believed to be accurate. However, it cannot be guaranteed. It is not to be considered an official statement of your account with Cambridge. In this regard, please refer to the confirmation notices and client statements received from Cambridge and/or the individual product sponsor(s). The figures are net (gross) of applicable fees, charges, and expenses. They include (do not include) reinvestment of dividends, distributions, additional contributions, and/or withdrawals.

2) If the statement reflects limited partnership holdings, some or all of the following disclosure may be necessary:

DPP investments are shown (for informational purposes) at original purchase amount -- not a current value. This does not represent or warrant that a secondary market exists for these units, or that they could be sold for the amount shown. Secondary (resale) markets, if any exist, generally deeply discount such units. In addition, it is impossible to determine the actual return on a limited partnership investment until all of the assets within the partnership have been sold and the proceeds have been distributed to the investors.

3) Broker-dealer disclosure should be included: *Securities offered through Cambridge Investment Research, Inc., member FINRA/SIPC*.
4) Reporting software provided by third parties should be approved by Cambridge, particularly when it involves the sale of securities or the offer of advisory services through Cambridge. Rep-advisors are advised that the use of some of this software with the public may trigger investment advisory registration requirements.

13) INTERNET COMMUNICATIONS

Rep-advisor Websites

A website or home page is considered a form of advertising and must be approved by the Cambridge Advertising Team prior to posting on the internet. Such websites fall under the parameters of Rule 2210 and also fall under supervision and record retention requirements. Every version of every webpage must be retained for three (3) years from the date it was last posted as live. If you utilize one of Cambridge's approved website vendors, the Compliance review and record retention requirements are met through that vendor. The vendors provide the Advertising Team with direct access to review and approve web pages and changes. It is not necessary in this case to submit your website information through CLIC AdView. More information regarding website vendors may be found in the Practice Management section of the Cambridge website (www.cir2.com).

If you are designing your own website and not utilizing one of the Cambridge approved vendors, you are required to submit screenshots of the website through CLIC AdView for review and file retention, as you would do with any other piece of advertising or sales literature. Be sure you do not post the site live to the public until it has been reviewed and approved by Compliance. Doing so would be a violation of Cambridge policy and FINRA rule. Each time you make a change to a page, you are required to submit a screenshot of the changed page through CLIC AdView and receive Compliance approval before making the change live on your website. Keep in mind that if you are not utilizing one of the Cambridge approved vendors, it will generally take longer to review the website and require additional supervision. The Advertising Team cannot review these websites unless the material is submitted in CLIC AdView with screen shots or a similar file that records content as it exists at the time of the submission. Submitting only a link to the website does not satisfy record keeping and retention requirements, and is therefore unacceptable.

Content standards for online use are the same as print communications. In addition, keep in mind that disclosures should be included in the appropriate locations within your website. Because investors may use different entry points to your website, disclosures should be visible regardless of which entry point is used.

Please consider these important points when preparing internet material.

1) The website must include the broker-dealer disclosure on each page. In the broker-dealer disclosure, hyperlinks must be provided for FINRA (www.finra.org) and SIPC (www.sipc.com) websites.
2) A website or home page is limited to the dissemination of general information on products and services available and may not involve effecting or attempting to effect transactions in securities, rendering a specific investment recommendation, or, in the case of an RIA, rendering of personalized investment advice for compensation.
3) Use current information, because outdated information runs a high risk of being inaccurate and may mislead investors.
4) Linking to other sites is a concern because other sites may contain misleading or incorrect information. Any link to another website or home page must be approved by the Cambridge Advertising Team prior to actual linkage. FINRA has stated that a broker-dealer can be held liable for the information on other websites to which links are provided. Therefore, we recommend adding a disclosure on links to outside web pages stating: *PLEASE NOTE: The information being provided is strictly as a courtesy. When you access one of these websites, you are leaving our website and assume total responsibility and risk for your use of the websites you are linking to. We make no representation as to the completeness or accuracy of information provided at these websites. Nor is the company liable for any direct or indirect technical or system issues or any consequences arising out of your access to or your use of third-party technologies, websites, information, and programs made available through this website.*

Gateway Pages

Internet communications pose special licensing problems because of the accessibility to the public across jurisdictional lines. A rep-advisor is not permitted to make any direct communication with a prospective client unless the rep-advisor is appropriately registered in that prospective client's state. For this reason, each website must have a "gateway" page where clients are either screened for residency of only state(s) where the rep-advisor is registered, or required to attest that they are a resident of the state(s) in which the rep-advisor is registered, listed the state(s) on the page. In addition, we strongly suggest that the gateway page include one of the following disclosures:

Due to various state regulations and registration requirements concerning the dissemination of information regarding investment products and services, we are currently required to limit access of the following pages to individuals residing in states where we are currently registered.

________________________________ (Registered Investment Adviser), Cambridge Investment Research, Inc. (Registered broker-dealer), or an agent of either may only transact business in a state if first registered, excluded, or exempted from state broker-dealer, investment advisor, broker-dealer agent or investment adviser agent registration requirements; follow-up and/or individualized responses to persons in a state by any of the above that involve either the effecting or attempting to effect transactions in securities, or the rendering of personalized investment advice for compensation will not be made absent compliance with state broker-dealer, investment advisor, broker-dealer agent or investment advisor agent registration requirements, or an applicable exemption or exclusion.

Investment Advisory Services offered through IARs of ______________________________ ,a Registered Investment Adviser

-OR-

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC, to residents of:

(list states here)

Cambridge and (DBA Name) are not affiliated.

I am a resident of one of the states above.
[If the individual selects this option, they are allowed entry to the website.]
I am not a resident of one of the states above.
[If the individual selects this option, the following text appears:]

Unfortunately, we are not currently registered in your state and will not be able to disseminate investment product and services information to you at this time. Should you desire information on ways in which our company may help you with your investment needs, please feel free to email us at: (email address). We may be able to refer you to a representative in your area, or we may become registered in your state, at which time we would be able to further discuss how our services may meet your needs.

In the absence of a gateway page, a legend similar to the following must be included that mentions in which states you are registered to conduct securities business:

This communication is strictly intended for individuals residing in the states of <list states where the registered representative is registered to conduct securities business, and if applicable, as an investment advisor >. No offers may be made or accepted from any resident outside the specific state(s) referenced.

Important Consumer Information
A broker-dealer, investment advisor, BD agent, or IA representative may only transact business in a state if first registered appropriately. Follow-up, individualized responses to persons in a state by such a firm or individual that involve either effecting or attempting to effect transactions in securities, or the rendering of personalized investment advice for compensation, will not be made without first complying with appropriate registration requirements.

For information concerning the licensing status or disciplinary history of a broker-dealer, investment adviser, BD agent, or IA representative, a consumer should contact his or her state securities law administrator.

Chat Rooms, Bulletin Boards, and Blogs
Chat room participation by rep-advisors is considered by FINRA to be a public appearance. Therefore, rep-advisors must follow the same requirements for participating in a chat room that they would if they were speaking in person before a group of investors. There are no filing requirements, but rep-advisors are accountable under FINRA Conduct Rules and the federal securities laws for what is discussed regarding securities or services. Also, Cambridge is responsible for supervising the business-related activities of rep-advisors, including chat room participation. These rules apply regardless of whether a rep-advisor is in the office, at home, or using a public computer.

With regard to blogs and bulletin boards, there are static portions of these websites that are considered advertising, and as such, any content would be subject to pre-approval by Cambridge's Compliance Department prior to use. These sites also allow for interactive communications, which are considered part of a public forum.

Given the fast-paced environment of chat rooms, blogs, and bulletin boards, casual or off-handed statements have the potential of crossing the line between being a reasonable opinion and an exaggerated or unwarranted claim. Due to the fact that such communications cannot be easily maintained to meet regulatory requirements and monitored, Cambridge has prohibited participation in chat rooms and bulletin boards.

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM
THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

In limited cases, blogs may be used for professional purposes so long as the format is pre-approved through CLIC AdView and all entries are pre-approved before they are posted to the live feed. Any live instant messaging features must be disabled and avoided entirely. This is due to the fact that instant messaging is considered correspondence, and must be supervised by the firm. For more information on Cambridge's policies regarding text and instant messaging, refer to the Correspondence section above.

Social Networking Websites

Cambridge strives to accommodate our rep-advisors' efforts to grow their businesses, and we recognize that social media is an increasingly popular marketing tool. However, these tools pose many challenges to firms' abilities to meet their supervisory requirements. Since the information is available on the internet, there are individual state licensing issues. In addition, there are concerns regarding potential privacy policy infringement, correspondence retention, and the potential for testimonial use.

Social networking is available through a partnership with a third party vendor, allowing rep-advisors to use the popular networks of Facebook, LinkedIn®, and Twitter as an additional tool in their marketing efforts while meeting regulatory guidelines.

Cambridge requires all rep-advisors wishing to use social networking to configure a device, browser, or web-based system to accommodate the necessary review and retention system. The designated third party is a provider of "middleware" technology which allows Cambridge to monitor and archive web traffic of Facebook, LinkedIn, and Twitter.

Rep-advisors will need to submit a Social Networking Attestation Form to the Cambridge Partner Support Center (email: partnersupport@cir2.com, fax: 641-472-1249), sign a user agreement, configure a designated computer to use for social network updates, and then initially submit profile information for any or all social networking sites through CLIC AdView for review. Once this is done, Cambridge can seamlessly monitor and archive traffic of Facebook, LinkedIn, and Twitter sites for the price of $15 per month, per user. This price is for the actual portal and not the individual sites - the price remains the same if you are using all three sites allowed or just one. The attestation form is located on the Cambridge website (www.cir2.com) under Forms>Compliance.

In summary, Cambridge does permit the use of Facebook, LinkedIn, and Twitter under the following conditions:

- You submit a signed Social Networking Attestation Form to the Cambridge Partner Support Center.
- All social networking is conducted on a designated computer, browser, or device equipped to accommodate the necessary review and retention system.
- Your profile must be pre-approved as advertising.
- Once your profile is approved, contact searches and requests may be conducted.
- You are permitted to add connections, friends, or followers or be added as such by another professional.
- Use of any other chat features are prohibited, as messages sent through this website feature cannot be adequately monitored or retained by the broker-dealer.
- Recommendations cannot be accepted. Recommendations in LinkedIn are the equivalent of testimonials and, as such, are prohibited by SEC rules. If you receive a notice that a contact would like to recommend you, you must decline the recommendation.
- You are not permitted to give recommendations of other professionals on LinkedIn. Such a recommendation could be viewed as an endorsement of that person's services. In the event of a client complaint against that professional, you could face additional liability if the client claims he/she utilized the professional's services at your recommendation. Such a claim would not be covered by Cambridge's E&O insurance.
- Rep-advisors are responsible for any content they post on their social networking pages. Although they are not responsible for any posts made by a third party, they will be responsible if they endorse third party posts ("retweet" in Twitter, "like" in Facebook).
- Any use or acceptance of endorsements by industry professionals may be construed as a testimonial, and would not be allowed by SEC regulations. Because of this, you should not use the skills endorsement feature of LinkedIn. As LinkedIn does not currently allow you to block endorsements, any which are received must be individually removed from your profile as outlined below.
    1. Sign in to LinkedIn and go to your profile.
    2. Scroll down to Skills and Expertise.
    3. Click the gray arrow next to the images of the people who endorsed you.
    4. Select the blue Hide Endorsement button to the right of each endorser.

14) SPEAKING ENGAGEMENTS

Seminars

Seminars are a popular tool used by rep-advisors to educate clients regarding investment products and services, as well as marketing their business to prospects. Whether you are offering a sales seminar to existing clients and prospects, or teaching a "basics of investing" course at the local university, any investment related public appearance, and the materials used during the presentation, must be pre-approved by the Advertising Team. If a rep-advisor plans to discuss securities or financial services at a public speaking engagement, the discussion must be outlined and forwarded to Cambridge's Advertising Team for review and approval. If an outline isn't available, a detailed PowerPoint presentation will also satisfy this requirement. In addition, all invitations, handouts, slides, and advertisements must be submitted to the Advertising Team for approval. During the presentation, the rep-advisor must not deviate from the prepared outline. These same rules apply if the rep-advisor has a guest speaker at a client event; the speaker's presentation materials must be approved in CLIC AdView prior to use. If a PowerPoint presentation isn't being used, at least an outline must be submitted.

The standards of Rule 2210 apply to all public appearances regardless of whether the presentation has been scripted or consists of unrehearsed remarks in response to a question. Overall, these standards require a full and fair description of any securities product or service, including material information such as risks or costs. In preparing a seminar, rep-advisors should limit the message to one appropriate for a broad, general audience. If the seminar is being offered to the general public, one cannot assume a specific level of audience knowledge, experience, or suitability.

Use of imagery in presentations should not be overly promissory (money, gold bars, etc). Charts should be accompanied by the appropriate disclosure. Consider that more complex charts presented without adequate explanation may actually obscure, rather than illustrate, a particular point. The audience may be unable to absorb the meaning of the chart unless the presentation is simplified.

In addition, the standard disclosure used on the rep-advisor's business cards and stationery must also be clearly and prominently displayed in the presentation. If a non-member entity, such as a registered person's insurance agency, is named in the presentation, then the presentation must be clear that the securities products or services under discussion are offered through Cambridge.

General content standards apply. Any descriptions of investment products must be fair, balanced, and not misleading. Discussion of certain types of products, such as registered investment companies, government securities, direct participation programs, and options, requires FINRA review. If you intend to discuss any of these securities products, we recommend that you use a presentation obtained from a sponsor company or one of our approved marketing vendors that has already been FINRA reviewed.

When marketing the seminar, do not use false or exaggerated claims.
For example:
"Sign up today, it will be the best financial decision you have ever made!"

Scare tactics should also be avoided, such as:
"Attend this seminar to learn about what mistakes seniors make that strip them of their financial independence!"

Marketing to seniors has become the subject of increased regulatory scrutiny. When it comes to investments, those in the 65+ age group probably need individual attention rather than a seminar. When hosting a seminar, it is not recommended to offer a free meal as an incentive to attend, especially when the seminar is targeted at seniors. If you are offering the seminar free of charge, this should be simply stated in all marketing material, without excessive capitalization, bold lettering, etc.

Prospectuses should be distributed at seminars if a specific product is discussed. Additionally, the broker-dealer affiliation with Cambridge should be clearly disclosed.

The rep-advisor must maintain a list of all attendees in the speaking engagement file.

Cash/Non-cash Compensation
Any reimbursement from sponsors for marketing expenses, or to offset the cost of client appreciation, continuing education, due diligence events, or seminars must be facilitated through a cash/non-cash compensation agreement approved by Cambridge's Compliance Department. All reimbursement checks need to be made out to Cambridge and mailed to the home office. A rep-advisor may never accept a check from a sponsor, nor may a sponsor pay a vendor for their services.

Pursuant to FINRA Conduct Rules 2820 and 2830, payment or reimbursement for any associated meals, lodging, and transportation would be permissible for continuing education or due diligence events, but reimbursement for golf outings, tours, or other forms of entertainment while at a location for the purpose of training or education would not be permissible. Reimbursement for golf outings, meals, tours, or other forms of entertainment is permissible only if clearly marketed as a client appreciation event.

For continuing education and due diligence events, attendance must be approved by the Compliance Department prior to the event. Sponsors hosting these events should contact the Compliance Department to request permission for you to attend.

Rep-advisors seeking reimbursement should submit a Cash/Non-cash Compensation Form to the Cambridge Advertising Team with the following supporting documentation:

For client appreciation and seminar expenses:

- Meeting agenda, invitation, advertisements, slides, handouts, and all other presentation materials*
- List of attendees
- List of presenters
- Documentation of expenses
- General description of the event
- Copy of sponsor letter requesting reimbursement

For marketing expenses:

- Documentation of expenses
- General description of the event
- Copy of the marketing materials

For continuing education/due diligence events:

- Documentation of expenses

*All advertising materials must be approved before use. If pre-approval is not obtained, cash/non-cash reimbursement requests related to the event will be declined.

15) BROADCAST AND MEDIA APPEARANCES

Radio and Television Shows

Any radio or TV script must receive prior approval from the Cambridge Advertising Team.

The standards of communications with the public apply to all public appearances regardless of whether the presentation has been scripted or consists of a live discussion.

Overall, these standards require a full and fair description of any securities product or service, including material information such as risks or costs. In an attempt to provide further clarity on the subject, Cambridge has adopted the following procedures on public appearances:

- Scripts or detailed outlines for all media appearances should be approved prior to use by the Cambridge Advertising Team. This includes radio shows, television shows, seminar presentations, public interviews, and panel discussions. The script or detailed outline may be subject to the FINRA filing requirement depending on its content. Refer to FINRA Filing Requirements in this manual.
- Scripted presentations, regardless of the medium, must receive written approval by the Cambridge Advertising Team. For radio and television shows, the rep-advisor will be required to maintain a taped copy of all presentations. A record of who prepared and approved the material must also be kept on file for three (3) years.
- For all radio and television shows, whether pre-recorded or live, a taped copy of the initial show must be provided to the Cambridge Advertising Team for review. Obtaining an electronic media version (such as MP3, AVI, MPG or .wav file) and uploading it as a submission in CLIC AdView is the preferred method. By doing so within three (3) business days of airing, Advertising may determine if it would be necessary to file the show with FINRA. It will also become part of your advertising file for books and records retention purposes.
- As a standard part of the beginning of the presentation, please include the following disclosure:

Discussions in this show should not be construed as specific recommendations or investment advice. Always consult with your investment professional before making important investment decisions. Securities offered through Cambridge Investment Research, Inc., a registered Broker/Dealer, Member FINRA/SIPC. [If applicable, also add the appropriate RIA Disclosure.]

Standard Cambridge disclosure information must be provided at the beginning of the broadcast and should be repeated at least one (1) other time during the course of the show.

If a non-member entity, such as a DBA, is named in the presentation, it must be clear that the securities products under discussion are offered by Cambridge and that the DBA and Cambridge are not related. Disclosure in any type of media must be clear and understandable. Fine print disclaimers are inappropriate for television, since they cannot appear on screen long enough to be read. Similarly, radio disclosures must be articulated slowly enough for the listener to understand.

Since live interviews, panel discussions, and call-in shows cannot be prepared completely in advance, it is important to adhere to the guidelines regarding general content standards.

Participating in Interviews for Print Publication

When participating in an interview for print media (i.e., newspaper or magazine), similar guidelines apply. Please submit a list of interview questions, along with your planned answers, via CLIC AdView prior to the interview if possible. This allows the Advertising Team to provide any necessary guidance related to the interview topic and any potential disclosures to keep in mind. General content standards listed in Section 4 would still apply. If you are not provided with questions, please submit as much detail regarding the article's topic as possible.

If possible, please submit a copy of the article to the Advertising Team through CLIC AdView after the interview and prior to publication. If not, you may submit the article through CLIC AdView as soon as possible, and no later than three (3) business days after publication. In either case, the article does need to be reviewed and retained in your advertising file and must be submitted via CLIC AdView. Please indicate on the submission the name of the publication and publication date.

We understand that many times rep-advisors are contacted for interviews and are not provided time to submit material prior to use. In addition, rep-advisors may not know if their statements were used for the publication. In such instances, if the information is used, please submit as soon as possible via CLIC AdView.

16) MUTUAL FUND PERFORMANCE FIGURES

Rep-advisors may include mutual fund performance in a letter, fact sheet, or summary designed to accompany a product prospectus. This material is not considered generic advertising material and will be subject to FINRA filing requirements. If material has already been reviewed by FINRA, the rep-advisor should attach a copy of the FINRA review letter when submitting the material in CLIC AdView. Most mutual fund companies, and many other sponsor companies, routinely submit their material to FINRA. Including the FINRA letter with the material will expedite review by the Advertising Team.

In this material, the rep-advisor may discuss a fund's 30-day annualized or current yield, as long as it is clearly labeled as such, and shown with an effective date not more than 30 days old.

The rep-advisor must display the fund's one, five, and 10-year total return figures (or the total return figure for the life of the fund, if less than 10 years), clearly labeled, and also provide the following disclosure:

Return for the period ended (MM/DD/YY) includes the (____%) sales charge and assumes reinvestment of dividends at offering price (if applicable, add: and capital gains distributions at net asset value.) Your return and share price will vary with market conditions, and you may have a gain or loss when you sell your shares.

17) MONTE CARLO SIMULATIONS

A Monte Carlo simulation is a statistical projection used to forecast returns that is generated by combining key pieces of information in random order. In a financial analysis, software-generated combinations of economic variables, such as interest rates, tax rates, inflation rates, and various investment portfolios, generate thousands of possible outcomes, called scenarios, and predict the most probable results for those portfolios.

While NASD Rule 2210(d)(1)(D) prohibits rep-advisors from making predictions or projections of future performance, exceptions do exist if the rep-advisor is using a Monte Carlo simulation or similar investment analysis tool, with certain restrictions. Specifically, the rep-advisor may distribute written reports indicating the results generated by an investment analysis tool and related sales material only if the following are clearly stated in such material:

- A description of the criteria and methodology used, including the investment analysis tool's limitations and key assumptions.
- An explanation that results may vary with each use and over time.
- If applicable, a description of the universe of investments considered in the analysis, and an explanation of how the tool determines which securities to select; disclosure if the tool favors certain securities and, if so, an explanation of the reason for the selectivity; and disclosure that other investments not considered may have characteristics similar or superior to those being analyzed.
- **Required disclosure to be prominently displayed:** *IMPORTANT: The projections or other information generated by [name of investment analysis tool] regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.*

ALL ADVERTISEMENTS AND SALES LITERATURE MUST BE SUBMITTED TO THE ADVERTISING TEAM
THROUGH CLIC ADVIEW FOR APPROVAL PRIOR TO USE

In addition, any template for written reports using a Monte Carlo simulation or other investment analysis tool, or any related sales material, must be filed with FINRA. At least six to 10 weeks are required for the complete approval turnaround. The filing requirement does not apply to hypothetical illustrations of mathematical principles that do not predict or project the performance of an investment or investment strategy, such as website calculators that compute future returns based upon assumed variables, since Rule 2210(d)(1)(D) does not prohibit such illustrations.

18) PRODUCT ADVERTISING

Sponsor Prepared Material and Reprints

Cambridge's policy is that unless sponsor prepared material is part of a sales kit, it must be approved prior to use by the Advertising Team. The rep-advisor is asked to contact the product sponsor and have the FINRA comment letter and a copy of the advertisement sent to the Advertising Team. If there is no FINRA review letter and the rep-advisor still wants to use the material, Cambridge will submit the material to FINRA on the rep-advisor's behalf for review.

The use of magazine articles, depending on the information contained in the article, may constitute an offer of the security referenced. In addition, the reprint would be considered "sales literature" and therefore would be subject to all applicable requirements, including prior review and approval by the Advertising Team, record keeping, and FINRA filing, if applicable. If a rep-advisor wishes to utilize a newspaper or magazine reprint, he/she will be required to obtain written permission from the publisher of the item to avoid the possibility of copyright violations.

Variable Annuities

All advertising relating to variable annuities must be filed with FINRA. At least six to 10 weeks may be required for the review process.

The requirement of filing with FINRA does not apply to mentioning variable annuities in a generic ad listing types of products available.

In light of the complexities and unique nature of variable annuities, it is essential that potential investors understand what they are being offered. FINRA rules and Cambridge policy require communications concerning variable annuities to clearly identify the product. Where product type is identified in a proprietary name, it is not necessary to include a generalized statement identifying product type. In order to prevent confusion in sales material, no statement or presentation may indicate or imply that the product offered or its underlying account is a mutual fund. Although variable annuities' separate accounts may ultimately be invested in mutual funds, there are significant material differences between a variable product investment and a direct mutual fund investment.

As products with potentially substantial tax penalties and charges for early withdrawal, variable annuities must not be presented by Cambridge rep-advisors as short-term, liquid investments. Any discussions or presentations concerning liquidity or accessibility to investment values must be balanced by disclosure of the impact of early withdrawal, such as sales loads, tax penalties, and potential loss of principal.

Guarantees by insurance companies, such as minimum death benefit, a schedule of annuity payments, or a fixed return on the investment account, all depend on the claims-paying ability of the issuer, and thus must not be exaggerated. Rep-advisors are prohibited from representing or implying that the investment return or principal value of the separate investment account is guaranteed, or that an insurance company's financial ratings apply to the sub-accounts.

Variable Universal Life Insurance

Variable life insurance allows purchasers to combine life insurance coverage and tax-deferred accumulation of excess premium payments in one contract. Because such products are designed to serve both insurance and investing needs, communications about these products must provide a balanced discussion of these features. However, because single-premium variable life insurance is predominantly designed to meet investment needs, communications with the public may emphasize the investment features of this product as long as an adequate explanation of the life insurance feature is given.

Hypothetical illustrations of variable life insurance products using assumed rates of return may be used to show how performance of the underlying investment accounts could affect the policy cash value and death benefit, but may not be used to predict or project investment results.

All illustrations must show a hypothetical 0% gross rate of return, and may show any additional combination of rates of return up to and including a gross rate of 8%, although rep-advisors are cautioned to choose a rate that is reasonable given current market conditions. All illustrations of rates of return must reflect maximum charges, though illustrations may reflect current charges in addition to maximum charges.

Clear disclosure must precede any illustration that explains the purpose and hypothetical nature of the illustration. It is potentially misleading and generally inappropriate to compare a variable life insurance policy with another product, including a variable annuity, because the purpose of such a comparison exceeds the purpose of illustrating how underlying investment account performance affects the policy cash value and death benefit. It is, however, permissible to use a hypothetical illustration comparing a variable life policy to a term policy with the difference in premium invested in a side product, where the sole purpose of the comparison is to demonstrate the concept of tax-deferred growth as a result of investing in the variable product. In order for such a comparison to be balanced and complete, the comparative illustration must:

- Use a rate of return no greater than 8%
- Use the same rate of return for the variable product and the side product
- Deduct the same fees as those deducted from the required prospectus illustration
- Illustrate the side product using gross values that do not reflect the deduction of any fees
- And not characterize the side product as any specific investment or investment type

Additionally, regarding the liquidity of variable life insurance products, a balanced presentation requires a discussion of the impact of loans and withdrawals on cash values and death benefits.

Fixed Annuities and Other Insurance Products

Although non-securities products are not governed by FINRA and SEC regulations, fixed annuities and most insurance products are still regulated and governed by the various rules of state insurance departments. Due to the regulatory oversight of such products, all insurance related material needs to be submitted to the Advertising Team via CLIC AdView.

Fixed Indexed Annuities

Fixed indexed annuities are financial instruments in which the issuer, usually an insurance company, guarantees a stated interest rate and some protection from loss of principal, and provides an opportunity to earn additional interest based on the performance of a security's market index. Some FIAs are not registered under the Securities Act of 1933 (the Securities Act) based on a determination that they are insurance products that fall within that statute's Section 3(a)(8) exemption and therefore are not considered to be securities.

FINRA requires firms to adopt special procedures under NASD Rule 3030 with respect to these products. Since these procedures must include the supervision of the suitability of any purchase on any FIA to the extent a registered security is liquidated to fund the purchase, firms are advised to treat these products as a security. Based on this guidance, Cambridge does consider FIAs to be a security; therefore, any related marketing materials are subject to review and approval.

FIAs are complex investments. Many FIAs permit investors to participate in only a stated percentage of an increase in an index. Many of these investments also impose a "cap rate" that represents the maximum annual account value percentage increase allowed to investors. Unregistered FIAs typically do not provide for investor participation in the dividends accumulated on the securities represented by the index. FIAs have other features that contribute to their complexity, such as minimum guarantees and fees and expenses, including surrender charges, premium bonuses, and multiple premium payment arrangements. In addition, investors may mistakenly assume that FIAs provide the same returns as an index mutual fund.

Cambridge requires the sale of all FIAs to be processed through the firm as supervised outside business. This means that the product, insurance company, contract, and master general agent (MGA) must be on our available list. Since Cambridge regards FIAs as securities products, any marketing materials are subject to our policies and procedures. Due to the complexity of these products and their potential for sales abuse, Cambridge prohibits any FIA marketing materials other than sponsor prepared materials used only at the point of sale. Exemptions to this prohibition may be available in the event that the material has been reviewed by FINRA, and a copy of the FINRA letter is included with the submitted material.

Government Securities

All advertising relating to specific government securities must be filed with FINRA. Please allow six to 10 weeks for the review process.

The requirement of filing with FINRA does not apply to the mention of government securities in a generic ad listing types of products available.

Public Limited Partnerships

The rules governing promotion of public partnerships specifically limit this advertising to the tombstone ad format. All advertising material for direct participation programs require FINRA filing prior to use.

You may include any of the following in a tombstone ad for public limited partnerships:

- The name of the issuer of the program
- The full title of the security and the amount of the offering
- A brief indication of the type of business involved and information about the issuer (example: "The partnership will invest in quality commercial real estate, such as office buildings and shopping centers.)
- A corporate symbol, trademark, or logo of the sponsor
- The minimum investment amount
- Name of the broker-dealer (Cambridge Investment Research, Inc.)
- Contact information of the rep-advisor to request further information

The ad must include the following statements:

This ad is not an offer to sell or a solicitation of offers to buy any security. Such offer is made only by prospectus. For more complete information, including charges and expenses, please request a prospectus from Cambridge Investment Research, Inc. (Branch Address). Please read it carefully before you invest.

-or-

Refer to the prospectus (es) available at the seminar. Please read it carefully before you invest.

The SEC and FINRA prohibit mentioning many of the features or benefits of a public limited partnership. You may not:

- Mention no-load or back-end loads
- Reference past performance
- Project future performance
- Include pictures or graphics
- Discuss investment objectives
- Indicate suitability of the program for IRAs and retirement plans

Private Placements

Private placements fall under the Regulation D securities laws. As such, rep-advisors may not offer or sell the securities for these offerings through any form of general solicitation or general advertising. Specifically included in these restrictions are seminars, meetings, and the invitations or announcements used to notify attendees.

Rep-advisors may only solicit clients whom they know to be suitable for these programs on an individual basis. In addition, rep-advisors may offer only programs available through Cambridge.

Prohibited Products

There are certain products that rep-advisors are prohibited from marketing for sale. Due to their unique risks and suitability requirements, Cambridge will not approve marketing materials for 1031 exchanges. Rep-advisor are also not permitted to market reverse mortgages.

19) MARKETING VENDORS

Cambridge has partnered with several marketing vendors to provide materials for our rep-advisors to use. These vendors include Peter Montoya's MarketingLibrary.net, Broadridge (Forefield), Newkirk, Emerald Solutions, Advisor Products, and S&P Financial Communications. Some marketing vendors provide you access to the subscription-based marketing library, which can serve as a pre-reviewed library of materials for your use. Please note that the materials must still be submitted to the Advertising Team via CLIC AdView to satisfy record keeping and retention requirements and to ensure that any customization of those materials is done in a compliant manner. Since the materials have been pre-reviewed, the "secondary" review by the Advertising Team will most likely result in an expedited approval.

The Cambridge Marketing Department also provides "pre-reviewed" marketing materials available on the Wealth Management page of the Cambridge website (www.cir2.com). These materials, as well as those provided by any of our approved marketing vendors, must be submitted to the Advertising Team via CLIC AdView for review and approval prior to use.

To ensure expedited review of these materials, the rep-advisor should indicate the source on the submission form in CLIC AdView, in the description field.

20) TELEMARKETING

A rep-advisor or employee may make an outbound telephone call to the residence of any person for the purpose of soliciting the purchase of securities or related services between 8:00 a.m. and 9:00 p.m. local time on a business day at the recipient person's location.

In making an outbound telephone call to any person for the purpose of soliciting the purchase of securities or related services, the rep-advisor or telemarketer shall disclose promptly and in a clear and conspicuous manner to the recipient person the following information:

- The identity of the caller and the firm (either Cambridge or the DBA name and Cambridge)
- The telephone number or address at which the caller may be contacted
- That the purpose of the call is to solicit the purchase of securities or related services

A rep-advisor working from a script must have the script approved prior to use by the Cambridge Advertising Team.

The restrictions above shall not apply to telephone calls for the purpose of maintaining and servicing the accounts of existing customers or active clients (those who have transacted business or have had some account activity within the preceding 18 months).

Do-not-call Lists

All telephone solicitations of persons that are not active customers of Cambridge are subject to the requirements of this section, whether these solicitations are conducted by rep-advisors, sales assistants, marketing personnel, or any other employee of the DBA or rep-advisor of Cambridge.

A rep-advisor or a branch office employing telemarketing personnel must inform such personnel of these procedures and supervise their compliance with them.

Before any telephone solicitation of any non-customer, the person making the call must verify that the number to be called is not on the Cambridge do-not-call list. This list is available on the Cambridge website. This list must be referred to prior to any individual engaging in telemarketing on behalf of a rep-advisor. In addition, rep-advisors must verify that clients are not on the national and state do-not-call registries. Be aware that there are fees that the rep-advisor must pay to subscribe to the national do-not-call list, and possibly additional costs involved with subscribing to the state do-not-call lists.

If any client requests that they not be called again, the rep-advisor or employee of the rep-advisor who receives that request must notify the Cambridge Compliance Department and add the client's name to their internal do-not-call list.

National Do-not-call Registry

The national do-not-call list went into effect in 2003 after the FTC published rules creating a sanctuary for consumers seeking to avoid telephone solicitation. As part of the Telemarketing Sales Rule (TSR), sellers or telemarketers must pay regular fees in order to obtain access to the national do-not-call registry. Under the Do-not-call Improvement Act of 2007, it was determined that telephone numbers listed on the registry would remain there permanently until removal was requested by the consumer.

Violators may be subject to fines of up to $16,000 per call. Exceptions exist in the event there is an established business relationship, or if the call was made by mistake, given that proper procedures are in place. Cambridge includes a link to the national do-not-call registry website on our website (www.cir2.com), under Compliance>Do-not-call Procedures.

State Do-not-call Lists

Several states currently administer their own do-not-call lists, and not all of those states consolidate their lists with the national registry. Before contacting a potential client, make sure that their state of residence does not have its own do-not-call list. If it does, you must access their registry to ensure that consumers are not listed prior to calling. Additional fees may be applied.

Restrictions on Cold Calling

When cold callers are not registered, their activities are very limited.

Non-registered cold callers may be used for:

- Extending invitations to seminars
- Gathering leads for product literature mailings
- Making initial contact for follow-up by the rep-advisor

Non-registered cold callers are not permitted to solicit securities business or to open accounts on behalf of Cambridge. Under no circumstances may unlicensed cold callers make recommendations, discuss investments, or act in any capacity that requires registration.

Non-registered cold callers (concerning securities business) must work from scripts that have been approved by the Cambridge Advertising Team to ensure their activities are limited to those that do not require registration. Non-registered cold callers may not share in commissions or be compensated based on commissions generated or on the opening of an account.

Fax and Email Solicitation

The Telephone Consumer Protection Act of 1991 makes it a violation of federal law for a person to use any telephone facsimile machine, computer, or other device to send an unsolicited advertisement (a "junk fax") to a telephone facsimile machine. The Act gives private citizens a right to sue to:

- Enjoin future transmissions
- Recover the greater of actual monetary damages or $500 in damages for each junk fax
- An injunction plus damages. If the court finds that the sender willfully or knowingly violated the Act, the court may increase the award up to three times the amount of damages.

Not every fax is a junk fax that violates the federal law. To be subject to the Act, a fax must be an "unsolicited advertisement." An "unsolicited advertisement'' is any material advertising the commercial availability or quality of any property, goods, or services that is transmitted to any person without that person's prior express invitation or permission.

The Act and the rules of the FTC require that any message sent to a fax machine must clearly mark on the first page or on each page of the message:

- The date and time the transmission is sent
- The identity of the sender
- The telephone number of the sender and/or of the sending fax machine
- An opt-out notice

Similar rules pertain to email solicitation. The law levies fines of up to $250 per email infraction (up to $2 million total) and entitles solicitation victims to anywhere from $25 to $100 per email infraction in damages.

In order to avoid these penalties, you must make sure to observe the following guidelines whenever sending an email solicitation to an individual who is not an active customer:

- Clearly identify the message as advertising, and advise the user how to opt-out of receiving further solicitations, using an email or other internet-based mechanism by which the recipient can opt-out. You must process the recipient's request within 10 business days of receipt and must not provide that recipient's email address to another party.
- Include a valid email return address
- Identify your company
- Include your physical mailing address

In addition, it is important not to utilize any of the following techniques commonly used by spammers:

- Do not send advertising email with false or misleading headers or subject lines.
- Do not use false or inaccurate routing information: "From" and "To" routing information must be accurate and must identify the sender. Using fake return email addresses carries increased civil penalties.
- Do not promote fraudulent schemes, such as chain letters or pyramid schemes.
- Do not send email solicitations to "dictionary lists" of email addresses that are created by mechanically generating large numbers of target addresses, such as: abc1@xyz.com, abc2@xyz.com, abc3@xyz.com, etc.
- Do not send email solicitations to addresses that have been mechanically "harvested" (gathered automatically from internet websites by robot software).
- Do not send advertising to anyone who has asked you not to email them.

21) INVESTMENT ADVISORY ADVERTISING

If the rep-advisor offers financial planning through his or her own investment advisory service, the rep-advisor may choose to advertise this service. Even though the actual planning is performed by the rep-advisor and is not a Cambridge service, the advertisement and related materials must be submitted to the Advertising Team for review.

If the rep-advisor uses CIRA as their RIA, they are required to use an approved vendor (i.e., CIRStatements, Albridge ADS, Black Diamond, etc.) for all performance reporting. For rep-advisors affiliated with an independent RIA, they may choose the performance reporting tool they wish to utilize. Rep-advisors affiliated with an independent RIA are required by Cambridge to have a periodic Compliance audit performed by an independent third party. It is a best practice that the third party be qualified to verify that the RIA is GIPS compliant.

If the rep-advisor is a DBA or separate corporation, he or she will still need to disclose Cambridge as the broker-dealer.

When writing these materials, the main guideline the rep-advisor should follow is to avoid making promises or guarantees of results. Instead, state goals. For example:

"We will develop your personal plan designed to help you have a more comfortable retirement."

References to qualifications as a planner/adviser may be included, and the rep-advisor may list services offered.

Rep-advisors who are investment advisers may offer a list of recommendations made in the past, provided the recommendations disclosed were made within the immediately preceding period of not less than one (1) year. The rep-advisor should include all recommendations made during that period and include the statement:

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities on this list.

Rep-advisors identifying themselves publicly as a financial planner, financial consultant, investment advisor representative, or similar titles are required to be registered or affiliated (if located in a state where registration is not required) with an RIA.

Registered Investment Adviser

Rep-advisors registered as investment advisers are subject to additional rules. Before preparing promotional materials, they should carefully review Rule 206(4)-1 (the "Ad Rule") under the Advisers Act.

Rep-advisors are advised to consult an attorney well versed in the Advisers Act to independently review and approve investment advisory advertising material applicable to the rep-advisor's own market timing and/or asset allocation programs and specifically the appropriate display of performance data.

The SEC determines restrictions on the use of the title "Registered Investment Adviser." Specifically, the rep-advisor:

- May not abbreviate (i.e., do not use "R.I.A." or "RIA")
- May not place the title or initials RIA in a grouping of earned designations, i.e., those designations or degrees that require a course of study or passing an examination, such as MBA, CFP®, CLU®, ChFC®, etc. Since registration requires no formal education requirements, including R.I.A. or RIA would be construed as misleading.
- May not imply or state the registration constitutes approval or endorsement by the SEC or an individual state
- When using the title, "Registered Investment Adviser," the rep-advisor must always place it in close conjunction with the name of the registered entity, whether it is a corporation, partnership, sole proprietorship, or individual that is registered.
- If using the title "Registered Investment Adviser" on marketing material, including letterhead and business cards, the rep-advisor must be sure that the material matches the name of the registered entity or individual.

Example:

ABC FINANCIAL PLANNING

A Registered Investment Adviser

or

John Smith, Registered Investment Adviser

Using the title under the name of the rep-advisor is prohibited if the firm is the registered entity or vice versa.

NOTE: The use of any name other than that of the investment adviser in communications about investment advisory services can be misleading.

General Standards for Advisory Advertising Material

In addition to the four specifically prohibited advertising practices mentioned in the Ad Rule, Paragraph (a) (5) of the Ad Rule prohibits any advertisement that contains "any untrue statement of material fact or which is otherwise false or misleading." This prohibition applies to any independent RIA and to any rep-advisor acting as an advisory representative of CIRA.

(a) The general antifraud standard covers acts of "commission" (i.e., making a materially false statement) and "omission" (i.e., failing to state a material fact which, if known, would be material given the information provided in the advertisement).

(b) The SEC staff has stated that "information concerning performance is misleading if it implies something about, or is likely to cause an inference to be drawn concerning the experience of advisory clients, the possibility of a prospective client having an investment experience similar to that which the performance data suggests was enjoyed by the adviser's clients, or the adviser's competence when there are additional facts known to the investment adviser, or which he ought to know, which if also provided would cause the implication not to arise or prevent the inference from being drawn."

(c) The determination of whether any advertisement is misleading depends on all of the particular facts, including:

- The form, as well as the content of the advertisement
- The implications or inferences arising out of the context of the advertisement
- The sophistication of the prospective client

The Ad Rule under the Advisers Act specifically prohibits the following four types of advertisements for all RIAs and any rep-advisor acting as an advisory representative of CIRA:

(1) Any type of testimonial concerning the investment adviser or concerning any advice, report or other service rendered by the investment adviser.

(a) The term "testimonial" is not defined in the Advisers Act or the Ad Rule. The SEC staff has consistently interpreted that term to include a statement of a client's experience with, or endorsement of, an investment adviser The SEC staff has stated that the rationale for prohibiting testimonials is that a testimonial may give rise to a fraudulent or deceptive implication or mistaken inference that the experience of the person giving the testimonial is typical of the experience of the investment adviser's clients.

However, the SEC staff has taken the position that bona-fide, unbiased, third party reports in a newspaper or magazine are not testimonials and can be reprinted and distributed to clients. Such reprints are still subject to the general antifraud standard discussed below.

(b) The SEC staff has asserted that a mutual acquaintance of prospective clients and the investment adviser who offered to inform prospective clients about the investment experience of the investment adviser's management of his portfolio in a letter would be a testimonial, even if the mutual acquaintance was an officer or principal of the investment adviser.

(c) The SEC staff has asserted that the word "recognized" in an advertisement referring to an investment adviser that is a "recognized advisor in the community" would constitute an indirect reference to a testimonial.

(2) Any past specific recommendations by the investment adviser which were or would have been profitable to any person unless:

(a) The advertisement provides, or offers to furnish separately a list of all recommendations made by the adviser during the past year, including:

- The name of each security
- The date and type of recommendation (i.e., buy, sell, or hold)
- The market price on the recommendation date
- The price when the recommendation was acted upon
- The present market price of the security

(b) The advertisement provides the following legend:

It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities on this list.

(This legend must be on the first page of the advertisement in type at least as large as the largest type used in the body or text of the advertisement.)

(3) Any representation that any graph, chart, formula, or other device being offered can, in and of itself, be used to determine which securities to buy or sell or when to buy or sell them without prominently disclosing all of the limitations and difficulties associated with such a device.

(4) Offers of any report, analysis, or other service free or without charge unless it is furnished entirely free and without any direct or indirect conditions or obligation and it is specified that an hourly fee would be charged otherwise.

Financial Planning

All rep-advisors that utilize financial planning software are required to submit a sample plan document for review and approval in CLIC AdView. Since the plan template is shared with more than one client, it is considered sales literature and therefore requires review and approval by the Advertising Team prior to use, and should be submitted through AdView in order for the advertising file to be complete.

All CIRA rep-advisors that provide written financial plans to clients are required to submit either a copy of the plan to the Advisory Services Team via CLIC, mail, fax (641-470-1294), or email (advisoryservices@cir2.com) for the following sections of each completed plan:

- Data
- Assumptions
- Recommendations

In addition, a copy of all plans should be kept in the client file at your location.

Marketing Advisory Performance

Cambridge policy prohibits CIRA rep-advisors from using performance results of their own branded or named “model” portfolio in marketing materials. For CIRA rep-advisors, an approved vendor (i.e., CIRStatements, Albridge ADS, Black Diamond, etc.) must be used for performance reporting.

Rep-advisors that advertise performance must do so in a manner that is not false or misleading, not overly promissory, and must have all materials approved by the Advertising Team prior to use. The SEC has provided clear guidelines as to what information must be disclosed in performance advertising, as outlined in the no-action letter to Clover Capital Management, Inc:

- The results portrayed relate only to a select group of the adviser’s clients, the basis on which the selection was made, and the effect of this practice on the results portrayed, if material
- The effect of material market or economic conditions on the results portrayed (i.e., an advertisement stating that the accounts of the adviser’s clients appreciated in value 25% without disclosing that the market generally appreciated 40% during the same period)
- The deduction of advisory fees, brokerage, or other commissions, and any other expenses that accounts would have or actually paid
- Whether and to what extent the results portrayed reflect the reinvestment of dividends and other earnings
- The possibility of loss, as well as the possibility for profit
- All material facts relevant to the comparison of the model portfolio’s performance to that of an index (i.e., an advertisement that compares model results to an index must disclose that the volatility of the index is materially different from that of the model portfolio)
- Any material conditions, objectives, or investment strategies used to obtain the results portrayed (i.e., the model portfolio contains equity stocks that are managed with a view towards capital appreciation)

It should be noted that the SEC staff, as a long-standing matter of policy, will not review the contents of any specific advertisement. The list of above factors should not be considered an all-inclusive list or a safe harbor.

Conclusion

Cambridge has always strived to assist our rep-advisors in marketing in a manner that is both effective and compliant with regulatory rules and firm policies.

As a final reminder, all advertising and sales literature, whether obtained from a vendor or created “in-house”, must be submitted to the Advertising Team via CLIC AdView for approval prior to use. Advertising and sales literature, as defined by NASD Rule 2210, includes items that many rep-advisors might not consider marketing materials, such as group emails, form letters, and newsletters. As a general rule, if a communication is directed to more than one individual, it would require pre-approval by the Advertising Team. Although correspondence does not require approval before use, it must be reviewed in a timely manner.

All communications with the public should be clear, truthful, and in good taste, and not misleading in any way. Any descriptions of investment products should be fair and balanced, disclosing the potential risks inherent in an investment with the potential benefits.

Consider the clarity and context of each statement, for what may be misleading in one context is appropriate in another. Also consider the targeted audience. The extent of explanation and/or detail that should be provided depends upon the audience to which the communication is directed. Remember that, in most cases, you’re not presenting this information to industry professionals.

Please remember to submit your marketing materials through CLIC AdView at least three (3) business days prior to the date needed. As always, our goal is to complete our review within this time, if not sooner. However, it is better to submit items as far in advance as possible in case revisions are necessary.

If you have any questions about any of the topics discussed in this manual, please contact the Advertising Team at 800-777-6080 x1116. We hope that you will find this guidance helpful, and wish you the best of luck in all of your future marketing endeavors.