

**PLEASE READ THIS LETTER CAREFULLY - IT EXPLAINS
THE RESPONSIBILITIES OF YOUR BROKERAGE FIRM
AND J.P. MORGAN CLEARING CORP.**

Dear Introduced Customer:

We are pleased to inform you that <Firm Name>, the brokerage firm with which you have opened a securities account (your "Brokerage Firm"), has a clearing agreement with J.P. Morgan Clearing Corp. ("J.P. Morgan Clearing"). Under this agreement, J.P. Morgan Clearing will be responsible for certain specific functions related to the settlement and clearance of transactions in your account. Your Brokerage Firm will retain full responsibility for all other functions required of registered securities brokerage firms by applicable law and regulation. Rule 382 of New York Stock Exchange requires that you be informed of the allocation of responsibilities in a number of areas between your Brokerage Firm and J.P. Morgan Clearing, its clearing broker.

What it Means to be an Introduced Account

As outlined below, you deal directly and personally with your Brokerage Firm in connection with all purchases and sales in your account. All recommendations to buy or sell securities are the sole responsibility of your Brokerage Firm, not J.P. Morgan Clearing. Your Brokerage Firm, acting on your behalf, introduces your account to J.P. Morgan Clearing which, in turn, carries your account and clears (i.e., processes) your securities transactions as your Brokerage Firm directs. Unless you advise J.P. Morgan Clearing in accordance with the section of this letter entitled "Account Closing Procedures", J.P. Morgan Clearing shall accept instructions for your account from your Brokerage Firm without any inquiry or investigation. This means that J.P. Morgan Clearing is not obligated to accept orders to buy or sell directly from you; it also means that you shall be responsible for any action taken by J.P. Morgan Clearing in your account based upon the instructions of your Brokerage Firm.

Your Brokerage Firm is not an affiliate or subsidiary of J.P. Morgan Clearing or any other J.P. Morgan Clearing affiliate (collectively, "JP Morgan") and your Brokerage Firm's employees (including the registered representative who services your account) are not employed by J.P. Morgan Clearing or any other JP Morgan entity: they act only on behalf of your Brokerage Firm. J.P. Morgan Clearing (i) does not control, audit or otherwise supervise the activities of your Brokerage Firm, its employees or registered representatives, (ii) does not verify any information provided by your Brokerage Firm regarding you or your account and (iii) does not review the merit or appropriateness of the activity in your account.

SIPC and Excess SIPC Account Protection

J.P. Morgan Clearing, a member of the Securities Investor Protection Corporation ("SIPC"), provides account protection for the net equity of a customer's funds and securities positions. SIPC provides \$500,000 of primary net equity protection, including \$100,000 for claims for cash ("SIPC Coverage"). Visit www.sipc.org for more information about SIPC Coverage. J.P. Morgan Clearing provides the additional protection ("Excess SIPC") through Customer Asset Protection Company ("CAPCO"), a Vermont licensed insurance company. Account protection applies when a SIPC member firm fails financially and is unable to meet its obligations to its securities customers, but does not apply to losses from the rise or fall in the market value of investments or to SIPC ineligible assets such as options on futures, futures, foreign exchange transactions, commodity contracts, precious metal contracts or any investment

contracts that are not registered as securities. For more information about SIPC Coverage, including the SIPC Brochure, visit www.sipc.org (follow the link to How SIPC Protects Investors) or by calling SIPC at (202) 371-8300.

Responsibilities of Your Brokerage Firm

Your Brokerage Firm, and not J.P. Morgan Clearing, shall at all times be exclusively responsible for the following:

- Opening, approving and monitoring your account. This includes obtaining and verifying new and, if necessary, updated information pertaining to your account.
- Obtaining information from you to "know you" as its customer, namely, to learn of your investment objectives and the suitability of any investments for your account, including the suitability of using margin.
- Accepting from you and executing (or arranging for the execution of) orders for your account to buy or sell securities, or to transfer or deliver funds or securities to you or third parties.
- Reviewing your account from time to time and all investment advice given to you and, if your account is a discretionary account, knowing all persons having discretion over your account and supervising the use of such discretion.
- Providing you with investment research or market interpretations. Although your Brokerage Firm may receive such materials from J.P. Morgan Clearing, your Brokerage Firm is solely responsible for the use of such materials and for any investment recommendations made to you.
- Transmitting instructions to J.P. Morgan Clearing relating to tender or exchange offers or any other form of corporate reorganization affecting your account.
- Ensuring that transactions in your account are in compliance with all applicable laws, rules and regulations.
- Responding to any inquiries or complaints you may have concerning the activity in your account and, if any such complaint concerns J.P. Morgan Clearing, promptly notifying J.P. Morgan Clearing in writing about such complaint.

Responsibilities of J.P. Morgan Clearing

J.P. Morgan Clearing will only be responsible for the following functions:

- Maintaining books and records relating to your account. Please note that J.P. Morgan Clearing, in its sole business judgment, may decline to continue to carry your account or to process any orders for your account.
- Performing cashiering functions, including receiving and delivering funds and securities for your account.
- Maintaining proper custody of funds and securities in your account.
- Settling and clearing transactions ordered by your Brokerage Firm which we have agreed to clear for your account. Please note that in settling and clearing transactions, J.P. Morgan Clearing may accept and process, without any inquiry or verification, all orders executed by your Brokerage Firm for your account, including orders for the purchase or sale of securities and the delivery of funds to you or third parties. J.P. Morgan Clearing also has the right, exercisable in its sole discretion, to refuse to accept orders, cancellations or any other instructions for your account and to require you to furnish any additional documentation it deems necessary.
- Preparing and transmitting trade confirmations and monthly or periodic statements of account.
- Extending credit in margin accounts in compliance with Regulation T of the Board of Governors of the Federal Reserve System ("Regulation T") determining all maintenance margin requirements crediting and charging interest, hypothecating, rehypothecating, or lending securities if your account is maintained on margin. (See below for an explanation of how interest is calculated by J.P. Morgan Clearing if you effect transactions on margin in an account carried by J.P. Morgan Clearing). Your Brokerage Firm may also contact you regarding margin deficiencies in your account.

Forwarding to your Brokerage Firm and its Designated Examining Authority ("DEA") any written customer complaints received by J.P. Morgan Clearing from you regarding the functions allocated to your Brokerage Firm pursuant to the clearing agreement between J.P. Morgan Clearing and your Brokerage Firm. J.P. Morgan Clearing will notify you in writing to confirm its receipt of any such written complaint and that it has furnished a copy thereof to your Brokerage Firm and its DEA.

*Please note, J.P. Morgan Clearing is **not** responsible for the supervision of your Brokerage Firm and undertakes no obligation to follow-up, investigate or resolve any complaint by you regarding your registered representative or your Brokerage Firm, including any claim that your Brokerage Firm has made unauthorized transactions or not followed your instructions.*

Whom to Contact

All questions concerning the activity in your account should be directed to the registered representative of your Brokerage Firm servicing your account. If, however, you believe that transactions in your account are unauthorized or that instructions given by you to your Brokerage Firm have not been followed or if you have any other complaints regarding your registered representative or your Brokerage Firm, you should contact the compliance department or an executive of your Brokerage Firm or any government agency or self-regulatory organization having jurisdiction over it. The primary government agency is the Securities and Exchange Commission at telephone number 800-732-0330 and the primary self-regulatory organization ("SRO") is the Financial Industry Regulatory Authority (FINRA) at telephone number 240-386-6470.

As a customer of any broker-dealer, please be aware that you always have the right at your discretion to transfer your account to another broker-dealer of your choice.

If you have any questions regarding the responsibilities of J.P. Morgan Clearing as described above or the custody of securities positions or cash balances maintained with J.P. Morgan Clearing, please contact the Client Services Department of J.P. Morgan Clearing at 347-643-9953 or 800-634-1428 or write to the Client Services Department at J.P. Morgan Clearing Corp., One Metrotech Center North, Brooklyn, New York 11201-3859.

Electronic Funds Transfer Notice

In case of errors or questions about electronic transfers in your brokerage account transmitted through the ACH Network, you must contact the Client Services Department of J.P. Morgan Clearing immediately at telephone number (800) 634-1428 or (347) 643-9953 or write to Be J.P. Morgan Clearing Corp., Attn: Client Services Department, One Metrotech Center North - 6th Floor, Brooklyn, NY 11201, if you think your account statement or transaction record is wrong or if you need more information about a transaction listed on your account statement or transaction record. We must hear from you no later than 60 days after we sent the first account statement on which the problem or error appeared.

1. Tell us your name and account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we determine at the conclusion of the investigation that there was no error, we will charge your account for the credited amount. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Account Closing Procedures

In the event that you desire to close your account, you may do so by giving instructions to your Brokerage Firm. Your instructions may include directions (a) to sell any security held in your account and forward the proceeds to you or (b) to deliver the contents of your account directly to you. You may also instruct another brokerage firm to request, on your behalf, the transfer of your account to it.

The proceeds of any such sales or the delivery of your account to another brokerage firm will still be subject to all prior liens for amounts owed to J.P. Morgan Clearing and its affiliates, your Brokerage Firm or other third party lien holders such as the Internal Revenue Service or any other party with a valid security interest. At its option, J.P. Morgan Clearing may contact you to verify the authenticity of your instructions to your Brokerage Firm.

In the event you have difficulty reaching your Brokerage Firm or otherwise closing your account, you may give instructions to close your account or sell any security held in your account directly to J.P. Morgan Clearing. You may also instruct J.P. Morgan Clearing to no longer accept instructions from your Brokerage Firm. All such instructions to J.P. Morgan Clearing must be in writing, containing your name, the name and number of your account, your social security number, your current address and your daytime telephone number, but will not be accepted by J.P. Morgan Clearing without verification satisfactory to it of your identity and authority.

Statement of Interest Charges Pursuant to the "Truth-in-Lending" Rule 10 (b) -16

This statement, pursuant to the "Truth-In-Lending" rule, is provided to explain the terms and conditions under which interest charges are computed in your account if you effect securities transactions on credit.

Interest will be charged on any credit extended to you by J.P. Morgan Clearing for the purpose of purchasing, carrying or trading in any security.

The annual rate of interest that you will be charged is based on either the J.P. Morgan Clearing Base Lending Rate, the J.P. Morgan Clearing Fed Funds Rate or the London Interbank Offering Rate ("LIBOR"), as notified to you upon request. The J.P. Morgan Clearing Base Lending Rate is the rate quoted each business day by J.P. Morgan Clearing at our main office in New York. Factors affecting the determination of the J.P. Morgan Clearing Base Lending Rate will include the short term market interest rates quoted by money center banks and the Federal Reserve and the rate that J.P. Morgan Clearing is charged for borrowing money. The J.P. Morgan Clearing Fed Funds Rate is the rate for U.S. dollar funds, as quoted by an independent broker of such funds selected by J.P. Morgan Clearing for the first transaction completed on the opening of the business day on which such rate is determined. The rate of interest charged to you on any such credit extended to you in a currency other than U.S. dollars shall be based on either (i) LIBOR, as such rate is compiled by the British Bankers Association and published on Bloomberg or Reuters or (ii) any other rate quoted by Reuters that is applicable to the currency in which the obligation is denominated or, if a rate for such currency is not quoted by Reuters, the rate provided by J.P. Morgan Clearing's local bank, as notified to you on request. In either case, the annual rate of interest will not exceed a specified percentage over the applicable rate, specifically (i) 4% above the J.P. Morgan Clearing Base Lending Rate or 5% above either the J.P. Morgan Clearing Fed Funds Rate, LIBOR, any rate quoted by Reuters or the rate provided by J.P. Morgan Clearing's local bank, and will appear on your monthly statements.

Debit balances in your account represent money lent to you by J.P. Morgan Clearing, and it is the amount lent to you by J.P. Morgan Clearing upon which J.P. Morgan Clearing charges you interest. Each additional purchase of securities on credit increases your debit balance as do interest expenses and any other charges assessed against your account. The amount lent to you by J.P. Morgan Clearing upon which you are charged interest may include purchases of securities for which payment is made by check for which J.P. Morgan Clearing has not yet received credit. Interest may be charged to your account at varying rates during the month to reflect any changes in such interest rates that have occurred during that month. Any interest charged on your debit balance that is unpaid at the close of an interest period will be added to the opening balance for the next interest period.

If you have a debit in your cash account and you also have a margin account, interest calculated on the debit balance in the cash account (calculated on a settlement date basis) will be charged to your margin account. Free and available credit balances in cash accounts (i.e. credit balances from which proceeds of securities sold but not available for delivery, whether because not long or not in good deliverable form, are deducted) are netted against settlement date debit balances in the calculation of your net balance.

In addition to interest on debit balances, interest will be charged on proceeds of sales paid to you prior to settlement date and on late payments, including those in cash accounts.

The method of computing interest is as follows: interest is computed on a daily basis on the net debit balance during the interest period. J.P. Morgan Clearing's basic interest period runs from the 21st day of the prior month through the 20th day of the current month (except interest on the net debit balance during December shall be computed through the second to the last business day of that month), and is itemized to show the dates of sub-periods and corresponding interest rate changes, if any, during the month. In order for you to compute the amount of interest payable on your account, you will need statements of both the prior month and the current month. You commence your interest calculation by ascertaining the net debit balance on the 21st day of the prior month (or the first day thereafter on which there is a net debit balance) and on each day thereafter. You then multiply each day's net debit balance by the interest rate and by the fraction $1/360$. The interest charged during the interest period is the total of the daily charges so computed. Your monthly statements show the opening and closing balances for the period.

With respect to short sales and "marking-to-the-market", the credit that appears on your statement due to short sales (including short sales against the box) is offset by a debit of like amount because J.P. Morgan Clearing has to borrow the same security in order to deliver it to the buying broker and has to provide its lender collateral of up to 105% of the settled short market value of the borrowed securities to secure such loan. This means that the debit balance on which interest is computed will be the difference between (i) up to 105% of the settled short market value of such short sales (across all currencies), which shall be calculated daily, and (ii) the proceeds of such short sales.

Any short positions in your account will be kept "marked-to-the-market". This means that periodically the balance maintained in the short account will be adjusted to equal the market value of the short securities. Securities that are priced below five dollars per share may be valued at five dollars per share for short marking-to-the market purposes. If a security has been sold short (or sold short against the box) and has appreciated in market price over the selling price, interest will be charged on the amount of appreciation plus the value of any additional collateral as described in the preceding paragraph; if it depreciates in market price, interest will be correspondingly reduced by the drop in value. The appreciation or depreciation of securities sold short will be determined by J.P. Morgan Clearing based upon daily closing prices or quotations provided by pricing services, as applicable, or upon such factors as J.P. Morgan Clearing in its sole judgment deems pertinent, including, without limitation, the amount of any interest accrued with respect to such securities. Therefore, in order to compute the amount on which interest is charged to you in connection with your short sales, you will need to contact your account representative to determine the amount of collateral in excess of 100% provided by J.P. Morgan Clearing to its lender, as described in the preceding paragraph, and the amount of any interest accrued with respect to such securities.

If you maintain a short position in a security over a dividend record date, a charge may be assessed upon you and all other short sellers in that security, on a pro-rata basis, to the extent J.P. Morgan Clearing incurs any cost or expense in maintaining such short position. In addition, with respect to any short sale transactions in securities that are or become hard-to-borrow, your account also may be charged an amount equal to the sum of (i) the costs and expenses incurred by J.P. Morgan Clearing and (ii) a service fee in connection with the establishment and/or maintenance of your short positions in that security (together, "Short Sale Charges"). A security is or becomes hard-to-borrow when increased short selling in that security in the market causes an increase in demand to borrow the security, which in turn causes an increase in the cost and expense to J.P. Morgan Clearing in establishing and/or maintaining a short position in such security for your account. Short Sale Charges may be disclosed to you at the time a short position is established or may be imposed or increased from time to time in light of changing market conditions at J.P. Morgan Clearing's then-prevailing rates.

If J.P. Morgan Clearing makes changes in any of the credit terms and conditions described herein or if a change is required by law, we will notify you of such change within a reasonable period of time, unless such change results in the same or a higher rate to you, in which case we will provide you at least 30 days' prior written notice. The annual rate of interest you are charged may fluctuate with changes in the J.P. Morgan Clearing Base Lending Rate, the J.P. Morgan Clearing Fed Funds Rate, LIBOR, any of the rates quoted by Reuters or the rate provided by J.P. Morgan Clearing's local bank. The changes in rates resulting from this fluctuation will be made without prior notice to you (as contrasted with changes in the credit terms and conditions, notice of which will be provided as described above).

Security Interest and Additional Collateral

J.P. Morgan Clearing and its affiliates will have a valid and first priority continuing security interest in all your property in any of your accounts now or hereafter held or carried by J.P. Morgan Clearing or any of its affiliates, and all property in which you now have or hereafter acquire an interest which is now or hereafter held by or through J.P. Morgan Clearing or any of its affiliates and all your property held or otherwise subject to the control of J.P. Morgan Clearing or any of its affiliates or agents, as security and margin for the payment of all of your obligations and liabilities to J.P. Morgan Clearing and any of its affiliates now existing or hereafter arising under the J.P. Morgan Clearing Customer Agreement or otherwise owing by you to J.P. Morgan Clearing or any of its affiliates, irrespective of whether or not J.P. Morgan Clearing or any of its affiliates has made any advances with respect to such property, until J.P. Morgan Clearing and its affiliates determine that security for the repayment of your obligations is no longer required.

PLEASE RETAIN THIS "TRUTH-IN-LENDING" STATEMENT FOR FUTURE REFERENCE

General Margin Policies

The amount of initial credit and the terms under which J.P. Morgan Clearing may extend credit to you are governed by Regulation T and the maintenance requirements are governed by the self regulatory agencies that have jurisdiction over J.P. Morgan Clearing. J.P. Morgan Clearing has established certain "house" margin policies within the scope of these requirements which generally contemplate the maintenance of equity in the account above that required by applicable rules. It is J.P. Morgan Clearing's policy to review periodically any account in which the equity of any securities, calculated without giving value to certain low priced securities, falls below 35% of the market value of the account, or where concentration or other factors are deemed by J.P. Morgan Clearing to warrant review. The margin account equity of an account is the current market value of the securities, as determined by J.P. Morgan Clearing, and any cash deposited as security, less the value of any short positions and amounts owed to J.P. Morgan Clearing. Each account is reviewed on an individual basis with consideration given to factors such as current market conditions, marketability of the securities in the account, frequency of the activity in the account, duration of the account and concentration of particular securities in the account. Different weight may be given to these factors by J.P. Morgan Clearing and, on the basis of the review, J.P. Morgan Clearing in its sole discretion

may, but has no obligation to, require additional collateral above the amount required by the rules of the self regulatory agencies as security for your obligations to J.P. Morgan Clearing and its affiliates. You are requested to consult the registered representative of your Brokerage Firm servicing your account for more specific information with respect to J.P. Morgan Clearing's margin policies.

Anti-Money Laundering Disclosure

J.P. Morgan Clearing is committed to complying with U.S. statutory and regulatory requirements designed to combat money laundering and terrorist financing. The USA PATRIOT Act requires that all financial institutions obtain certain identification documents or other information in order to comply with their customer identification procedures. Until you provide the required information or documents, we may not be able to open or maintain an account or effect any transactions for you.

Privacy Policy for Clients Introduced to J.P. Morgan Clearing Corp. by Correspondent Brokers

Our Commitment to Your Privacy: J.P. Morgan Clearing Corp. and J.P. Morgan Securities Inc. ("we", "us") have a long standing policy of protecting the confidentiality and security of information we collect about customers of brokers for which we provide clearing services. We will not share nonpublic personal information about you ("Information") with third parties outside of your broker without your consent, except for the specific purposes described below. This notice describes the Information we may gather and the circumstances under which we may share it. Your broker should have an additional separate privacy policy, which explains its privacy practices.

Why We Collect and How We Use Information: We collect and use Information to deliver service to your broker and you. Such service includes maintaining your accounts with us, processing transactions requested by you and administering our business.

How We Gather Information: We get most Information directly from you or your broker, when you apply for, access, and use financial products and services offered by your broker and its business partners - whether in person, by telephone or electronically. We may verify this Information or get additional Information from consumer reporting agencies or other sources. This Information may relate to your finances, employment or other personal characteristics, such as your first and last name, address, phone number, social security number and email address, as well as accounts with us and transactions and interactions by, with or through your broker, us or others. We may also collect Information about what you have entered into, viewed on and/or downloaded from our or your broker's website.

How We Protect Information: Our employees are required to protect the confidentiality of Information and to comply with our established policies. They are authorized to access Information only when there is an appropriate reason to do so, such as to administer our products or services. Employees who violate our Privacy Policy are subject to disciplinary process. In addition, we maintain physical, electronic and procedural safeguards to protect Information, which comply with all applicable laws.

Disclosure of Information: We may disclose any kind of Information to or as directed by your broker or when we believe it necessary for the conduct of our business, or where disclosure is required or permitted by law. For example, Information may be disclosed for audit or research purposes, to attorneys or other professionals, or to law enforcement and regulatory agencies to help, among other things, prevent fraud or money laundering. In addition, we may disclose any kind of Information to third party service providers, (i) to enable them to provide business services for us or your broker, such as performing computer related or data maintenance or processing services for us or your broker, (ii) to facilitate the processing of transactions requested by you, (iii), to assist us in offering products and services to your broker or to assist your broker in offering products and services to you, or (iv) for credit review and reporting purposes. Except in those specific, limited situations, without your consent, we will not make any disclosures of Information to other companies who may want to sell their products or services to you. For example, we do not sell customer lists, and we will not sell your name to a catalog company or telemarketer.

Former Customers: Even if you are no longer a customer of a broker for whom we provide clearing services or we no longer provide clearing service to your broker, our Privacy Policy will continue to apply to Information about you.

To Whom This Policy Applies: This Privacy Policy applies to individuals to whom products or services are provided by J.P. Morgan Securities Inc. or J.P. Morgan Clearing Corp. from our offices in the United States (in conjunction with us providing clearing services to your broker), provided such products or services are used primarily for personal, family, or household purposes (not business purposes), whether or not the individuals have a customer relationship with us.

Further Information: We reserve the right to change this Privacy Policy. If there are material changes to this policy an updated policy will be sent to you. The examples contained within this Privacy Policy are illustrations and they are not intended to be exclusive.

Compensation Received in Connection With Mutual Fund Transactions

Advisers, distributors or other affiliates of certain mutual funds (which include money market and non-money market funds) may enter into arrangements to pay brokers that distribute their shares for administrative, technological or other services, including marketing and other support services provided to such funds or their affiliates. These fees, commonly referred to as "revenue sharing," are separate from and in addition to any shareholder servicing or distribution fees that a mutual fund pays out of its own assets pursuant to its Rule 12b-1 plan and other expenses which are described in a fund's prospectus fee table. Revenue sharing fees are paid out of the assets of the fund affiliate and not from the fund's assets and, therefore, have no impact on a fund's expense ratio or yield.

With respect to money market funds, J.P. Morgan Clearing negotiates revenue sharing payments separately with each fund family and not all fund families pay the same amount or pay according to the same formula. These payments are calculated based on a percentage of the dollar value of the fund assets held by J.P. Morgan Clearing in customer accounts. We receive revenue sharing payments up to 0.66% per year of the average daily assets of fund shares carried in customers' accounts at J.P. Morgan Clearing. Money market funds whose affiliates do not make revenue sharing payments to J.P. Morgan Clearing are generally not made available by J.P. Morgan Clearing. These money market funds may in some cases have higher yields than money market funds whose affiliates do make revenue sharing payments. There is, therefore, a potential conflict of interest in the form of an additional financial incentive to JP Morgan for making available to customers money market funds whose affiliates enter into revenue sharing arrangements. In limited circumstances, a portion of these revenue sharing payments may be passed on as compensation to certain introducing brokers.

With respect to non-money market funds, J.P. Morgan Clearing has entered into an arrangement with a financial institution to provide administrative and clearing services. This service provider has distribution or servicing arrangements directly with fund companies, pursuant to which the service provider receives compensation from the fund companies of up to 0.40% per year of the average assets of fund shares held by the service provider. Pursuant to its arrangement with J.P. Morgan Clearing, the service provider will remit to J.P. Morgan Clearing, in an aggregate amount, all of the payments it receives from fund families with respect to non-money fund shares carried in accounts at J.P. Morgan Clearing. Since these payments are made on an aggregate basis, J.P. Morgan Clearing cannot determine the amount a particular fund company pays or whether all or a portion of any such payment includes revenue sharing from the fund's adviser, distributor or other affiliate.

The prospectus and statement of additional information of mutual funds available through JP Morgan may contain additional information regarding revenue sharing payments made by affiliates of the fund company.

Special Notices for Margin Customers

The following disclosure is required by NASD Rule 2341:

J.P. Morgan Clearing is furnishing this document to you as the clearing broker for your Brokerage Firm to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the J.P. Morgan Clearing Customer Agreement provided by your Brokerage Firm. Your Brokerage Firm is a third party beneficiary of the J.P. Morgan Clearing Customer Agreement, and the terms and conditions thereof, including the right to sell your securities or other assets as outlined below, shall be applicable to it. Consult your Brokerage Firm regarding any questions or concerns you may have regarding your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your Brokerage Firm (or its clearing broker). If you choose to borrow funds from your Brokerage Firm (or its clearing broker), you will open a margin account with the Brokerage Firm (or its clearing broker), as applicable. The securities purchased are collateral for the firm that has made the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan and, as a result, the lender can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the clearing broker, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).
- The firm that has made the loan may force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance requirements or the firm's higher "house" requirements, the firm can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short-fall in the account after such sale.
- The firm can sell your securities or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer may meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its financial interests.
- The firm can increase its "house" maintenance margin requirements at any time and is not required to provide advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).

- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

Shareholder Rights on Proxies and Dividends

If you are a customer with a margin account, you consent to JP Morgan's right (to the extent permitted by applicable law) to use, lend or pledge any securities held by J.P. Morgan Clearing in your margin account. In certain circumstances, such loans or other use may limit, in whole or in part, your ability to receive dividends directly from the issuing company and/or your right to exercise voting and other attendant rights of ownership with respect to the loaned, sold or pledged securities. Such circumstances include, but are not limited to, loans of securities that you own in your margin account that continue over record dates for voting purposes and ex-dividend dates for dividend distributions. If you do not receive dividends directly from the issuing company, you may receive payments-in-lieu of dividends which could cause you to lose the benefit of the preferential tax treatment accorded to dividends.