

Once per year we are required by the regulatory authorities to remind you of certain facts relating to the way your accounts are handled.

First Financial Securities Inc (FFSI) is an Investment Dealer that is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF). IROC is the national regulator for all investment dealers in Canada. The CIPF is a fund established by IIROC to compensate clients for losses suffered in certain accounts as a result of a member dealer becoming bankrupt.

Investment Advisors, Agents and Employees

The Investment Advisors of First Financial Securities may be employed as “Agents” rather than as “Employees”. This has no impact on clients because there is no difference in law of the legal recourse that clients have to the employer of either an employee or of an agent. *IIROC requires that we disclose the following mandatory legal language.*

Your investment adviser may be an employee or an agent of First Financial Securities Inc. In either case, First Financial Securities Inc will be irrevocably liable to you, and will continue to be liable to you for the acts and omissions of your investment adviser relating to First Financial Securities Inc business as if the investment adviser were an employee of First Financial Securities Inc. By continuing to deal with our firm you accept our offer of indemnity.

The following are additional disclosures that First Financial Securities Inc believes to be pertinent.

An Agent employed by First Financial Securities Inc may also be an Agent representing another financial services company; most commonly in the business of life insurance. First Financial Securities Inc is affiliated with Firstlife Insurance Services Inc by virtue of common ownership. Therefore, and Advisors registered with First Financial may also be an Advisor registered with Firstlife or another company such that the public may be dealing with two or more separate companies through the same agent depending on the products purchased.

First Financial Securities handles the following **Investment** products:

- Individual Securities such as Stocks, Bonds and Treasury Bills
- Mutual Funds
- Limited Partnerships, Flow Through Shares and Venture Capital Offerings
- GIC's, Term Deposits, Variable Deposits and Canada Savings Bonds

Firstlife handles the following **Insurance** products:

- Life Insurance and Accident and Sickness Insurance
- Disability, Long Term Care and Critical Illness Insurance
- Group and Individual employee benefit Insurance
- Annuity contracts
- Segregated Funds

Your Accounts

Your accounts at First Financial may be registered in one of three ways: in Nominee Name, in a Carrier's Name or in Client Name. Most non-registered (open) accounts are registered in nominee name directly with First Financial Securities Inc. Most self-directed retirement plans are registered in nominee name with First Financial but are “carried” by another member of IIROC. The Canadian Investor Protection Fund covers Nominee accounts and Carried accounts. Some self-directed retirement plans are registered directly in the client's name with trust companies and many small registered plans are registered directly in client's name with mutual fund companies. Accounts that are registered in client's name **are not covered by CIPF.**

Carrying Broker Relationship

First Financial Securities Inc has entered into an agreement with MRS Securities Services Inc to carry certain accounts on our behalf. The following is the legal language we are required to report to you.

First Financial Securities Inc is the introducing Broker and MRS Securities Services Inc is a Carrying Broker. With respect to transactions you may enter into, MRS Securities Services Inc will be responsible for trade execution, trade settlement, custody of cash and securities and the preparation of confirmations and statements. First Financial Securities Inc will be responsible for determining the suitability of and ensuring appropriate supervision is performed for all trading activity in your account. MRS Securities Services Inc may pay a portion of its fees to First Financial Securities Inc and First Financial Securities Inc may pay a portion of its fees to MRS securities Services Inc.

Relationships with other IIROC Members.

First Financial maintains corporate custodial accounts at Qtrade Investor Inc and at MRS Securities Services Inc through which stocks and bonds are traded on behalf of our clients. These positions are covered by CIPF.

Official Statements and Unofficial Account Reviews

First Financial is required to send you an official statement **only for nominee accounts**. The carrying broker is responsible to send you an official statement for carried accounts. The issuer of the investment is required to send you an official statement for client name accounts.

However, as a service to clients, we may send you reports relating to all of the investments in your name that we hold on our books and records. Our "Official Statement" is a report of your accounts that are registered in Nominee Name. Our "Unofficial Review" is our supplementary report for an account that is either a carried account or an account registered in client name. The account information on our website is also an "Unofficial" review.

Fees and Charges

Account Transfer and Close Out Fees (not including HST)

Self Directed RRSPs	\$250.00 per account	Change of Registration	\$100.00
Fund Company RRSPs	\$100.00 per account	Assignments of Securities	\$100.00
Non-RSP Accounts	\$100.00 per account	Stock Research	\$50.00/hour
Request for Certificate	\$100.00	Stock Accounts	Minimum \$100.00
		If more than 3 stocks in account	\$30.00 each
EFT fees	to an RBC bank \$7.00	All other banks	\$13.00
NSF cheques	\$25.00		

Annual Interest Rates Paid and Charged

Cash balances in trust accounts receive whatever interest First Financial received pro-rated to clients on a daily basis.

Accounts that continue to remain in a negative balance after the normal settlement date are charged Bank of Canada Prime plus 2%.