



## **Annual Notice to Institutional Customers**

Each year R. W. Smith & Associates, LLC (“RWS”) is required to provide our customers with information regarding customer education and protection. RWS is registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). We are a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC).

### **MSRB**

The MSRB’s website address is [www.msrb.org](http://www.msrb.org). There is also a link to their website for users on the Munibrokers.com website. This website provides an investor brochure, which describes the protections provided to you under MSRB rules and also how if the need arises to file a complaint with an appropriate regulatory authority.

### **FINRA**

The FINRA BrokerCheck Hotline telephone number is 800-289-9999. The FINRA web site address is [www.finra.org](http://www.finra.org). For your convenience, a link to the FINRA website is provided at MuniBrokers.com. For a copy of an investor brochure that includes information describing FINRA BrokerCheck, please call the Hotline phone number provided above or visit the FINRA web site at [www.finra.org](http://www.finra.org).

### **SIPC**

Information about SIPC can be found at <http://www.sipc.org> or obtained from SIPC by telephone at (203) 371-8300. For your convenience, a link to SIPC is provided at RWSbroker.com.

All RWS fixed income transactions are subject to the rules, regulations, and interpretations of the MSRB, SEC, FINRA, SIPC, and other applicable regulations.

RWS does not maintain any cash or margin accounts for customers and therefore holds no funds or securities for its clients; all customer transactions are executed on a Delivery versus Payment (DVP) or Receipt versus Payment (RVP) basis through our fully-disclosed clearing agent, Hilltop Securities LLC.

## **Business Continuity Plan Disclosure Statement**

In the event of a Significant Business Disruption, RWS will be able to fulfill our clearance and settlements obligations for transactions through our clearing agent, Hilltop Securities. Hilltop Securities has a disaster recovery plan in place with the expectation to be up and running again within four hours of a Significant Business Disruption.

Depending upon the severity of the disruption, RWS has made provisions for the continuation of our brokering business. These provisions include the use of alternate locations, our other office locations throughout the U.S., and other back-up facilities for our critical business systems.

For further information on our Business Continuity Plan, please contact Chris Ferreri at (201) 217-8031.

### **Arbitration Agreement – Between Your Firm and RWS**

When you signed the New Account Form to establish a new DVP/RVP account with RWS, you agreed that any controversy between you and RWS will be submitted to arbitration before FINRA. We have summarized that Agreement again for you so you fully understand what it means.

No Person shall bring a putative or certified class action to arbitration nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action who is a member or a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (I) the class certification is denied; (II) the class is decertified; or (III) then customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

### **Arbitration Facts**

- Arbitration is final and binding on the parties;
- The Parties to arbitration are waiving their right to seek remedies in court, including the right to jury trial;
- Pre-arbitration discovery is generally more limited than and different from court proceedings;
- The Arbitration Panel will typically include a minority of arbitrators who were or are affiliated with the securities industry; and
- The arbitrators' award is not required to include factual findings or legal reasoning and any Party's right to appeal or to seek modifications of rulings by the arbitrators is strictly limited.

### **Order Flow**

RWS does not direct order flow to select market makers, exchanges specialist or any other entity and receives no compensation for any such arrangement.

### **Suitability**

Upon first becoming a client of RWS, you had affirmed or it was ascertained that you as a customer of RWS, will be exercising independent judgment in evaluating any transactions and are capable of evaluating investment risks and market value independently in regards to your transactions. If at any time this statement becomes inaccurate, you must promptly notify RWS.

**Anti-Money Laundering**

Please be advised that information provided to RWS by our customers will be used to verify the client's identity as required by FINRA RULE 3310 and the USA Patriot Act AML Program.

**Change in Customer Information**

If at any time information that has been provided to RWS has become inaccurate, it is your responsibility to notify RWS promptly of any changes.

We thank you for choosing RWS for your institutional brokering needs. If you should have any questions or concerns please call your broker or Denien Rasmussen Chief Compliance Officer at (847) 776-0300.