

The lottery process for a partial call, pre-refund, or defeasement is a random process designed to allocate called securities on a fair and impartial basis. The lottery process is based on a mathematical formula to randomly select accounts for allocation. For calls that are deemed favorable to the security-holder, firm accounts, as well as accounts of associated persons of broker-dealers, are excluded until all client positions have been allocated. A favorable call occurs when the call price exceeds the current market price reflected in the back office application. If no price is available in the back office system, the call is presumed favorable. If a call is not deemed favorable to the security-holder, firm and associated persons' accounts are included in the lottery. Additional details concerning the lottery process will be provided upon request.