AMERICAN PORTFOLIOS

AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.
4250 VETERANS MEMORIAL HWY. | SUITE 420E
HOLBROOK, N.Y. 11741

PHONE: 631.439.4600
FAX: 631.439.4698
www.americanportfolios.com

AMERICAN PORTFOLIOS FDIC INSURED BANK DEPOSIT PROGRAM DISCLOSURE STATEMENT

Introduction

American Portfolios Financial Services, Inc.'s ("APFS") FDIC Insured Bank Deposit Program ("Bank Deposit Sweep Program") offers you the ability to automatically "sweep" uninvested cash balances in your APFS brokerage account ("Account") into Federal Deposit Insurance Corporation ("FDIC") insured bank deposit accounts at multiple FDIC-insured banks ("Participating Banks"). Participating in the Bank Deposit Sweep Program provides you the opportunity to earn interest on funds in your Account while they are awaiting investment, or as needed to satisfy obligations arising in connection with your Account. The APFS Bank Deposit Sweep Program is intended as a short-term use of cash and should not be viewed as long-term investment option.

APFS is a registered broker/dealer and a member organization of Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC"). APFS introduces brokerage accounts to Pershing LLC ("Pershing"), a registered broker/dealer and a member organization of the New York Stock Exchange ("NYSE") and FINRA, which acts as the carrying firm for your Account. This disclosure document is supplemental to the terms and conditions contained in your existing APFS New Account Form and/or APFS signature page you executed to open and maintain your Account with Pershing through APFS.

If you are purchasing an investment in your Account, the automatic sweep feature allows the exact amount of the transaction to be swept from your cash sweep option in order to fund such purchase on the settlement date. If you are selling an investment in your Account, the proceeds are automatically swept to your account's cash sweep option by the day following settlement. If you make a deposit to your Account—by check, ACH, wire, etc.—funds will be swept into the cash sweep option the next business day.

Upon opening your Account, your Account will automatically have the Bank Deposit Sweep Program established as the default cash sweep option. If you do not wish to use the Bank Deposit Sweep Program as your sweep option, you may elect to leave your uninvested cash balances as a free credit balance awaiting investment in your account ("Free Credit Balance").

Upon prior notice, APFS may change, add or delete the sweep options available in your Account, or the terms and conditions of its Bank Deposit Sweep Program. Furthermore, APFS may, upon prior notice to you, change the sweep option in which you participate from one option to another, including changes between money market funds and bank deposit sweep programs. If you do not object to any such notice within 30 days, you agree APFS may treat your non-response as your approval to the change of your sweep option.

By selecting the Bank Deposit Sweep Program as your sweep option, you agree to the terms and conditions of this disclosure statement and agree to appoint Pershing as your authorized agent. You acknowledge that you have received and carefully read this disclosure statement, as well as the disclosures with respect to interest rates in connection with enrolling in the program. If you have any questions about any of the provisions of this disclosure statement, please contact your investment professional.

Summary of the APFS FDIC Insured Bank Deposit Program

Once the Bank Deposit Sweep Program is established as the sweep option in your Account, cash balances will automatically be swept from your Account into interest-bearing accounts at the Participating Banks. The Bank Deposit Sweep Program has insured bank deposit accounts at a network of FDIC-insured Participating Banks to which funds can be deposited in order to maximize total FDIC insurance coverage. A list of current Participating Banks is available in the Disclosure Notices section via www.americanportfolios.com, or via the last page of this document. Participating Banks may be added to or removed from the APFS Bank Deposit Sweep Program without prior notice to you.

Pershing acts as your agent with respect to all transactions relating to the Bank Deposit Sweep Program and has established separate insured bank deposit accounts for the benefit of customers at each Participating Bank. Deposits at each Participating Bank are evidenced by a book entry on the account records on each such Participating Bank. Each insured bank deposit account maintained at a Participating Bank is insured by the FDIC within certain applicable limits, as described below. Pershing maintains records of your interest in each deposit account at each Participating Bank. No evidence of ownership, such as passbook or certificate, will be issued to you; thus, all transactions in the Bank Deposit Sweep Program must be made through your Account. Pershing has appointed Total Financial Solutions, LLC, dba Total Bank Solutions (“TBS”), to provide certain services with respect to the operation of the Bank Deposit Sweep Program.

All questions regarding the APFS Bank Deposit Sweep Program should be directed to your investment professional and not the Participating Banks. The Participating Banks will not accept any instructions concerning your funds deposited in a Participating Bank through this Bank Deposit Sweep Program unless such instructions are sent by Pershing.

Funds swept into the Bank Deposit Sweep Program will begin earning interest from the day they are received by the Participating Bank up to, but not including, the date of withdrawal. Interest will accrue daily and be credited to your account monthly, and will appear on your periodic brokerage account statement. The daily rate of interest described below is 1/365 of the applicable interest rate. You will receive a Form 1099-INT from Pershing indicating the amount of interest paid to you by the Participating Banks in the Bank Deposit Sweep Program.

Fees

APFS will be paid a maximum monthly per account fee of $15 for its services in connection with maintaining and administering the program. This fee will be paid to APFS by the Participating Banks.

In a lower rate environment, APFS’ fee will be reduced based on the Federal Funds Target (FFT) Rate, which increases the likelihood of Bank Deposit Sweep Program customers receiving a positive interest rate. During periods of low FFT Rates, the fees paid to APFS may be reduced to as low as $1 per account, per month.

The monthly account fee increases and decreases by $0.052255 with every one basis point (a basis point is equivalent to 0.01%) change in the FFT Rate. The formula that will be used to calculate APFS’ fee is 1+ ($0.052255 x FFT), with a maximum monthly per account fee of $15.

The FFT Rate is the rate or the range of rates as expressed in percentages most recently announced by the Federal Open Market Committee of the Federal Reserve System; that is the committee’s target for the rate charged by banks on unsecured loans of the banks’ reserve balances at Federal Reserve Banks. In cases where the FFT Rate is a range of rates, the FFT Rate will be deemed to be the midpoint of the range, rounded to the nearest hundredth of a percent.

Examples of how the fee is calculated using the above formula are as follows:

Example 1
Federal Funds Target Rate range = 150 - 175 basis points
Midpoint of range is 162.50 basis points > round up to nearest whole number = 163 basis points
Monthly per account fee = $1 + ($0.052255 x 163) = $9.52
Example 2
Federal Funds Target Rate range = 325 – 350 basis points
Midpoint of range is 337.5 basis points > round up to nearest whole number = 338 basis points
Monthly per account fee = $1 + ($0.052255 x 338) = $18.66
Since $18.66 is greater than the stated maximum monthly fee of $15, the actual fee would be $15

APFS' monthly fee will not generally be seen on your account statement due to the manner in which it recoups its fee from the Participating Banks' payments, as discussed above. APFS may waive any portion of its fees, or its fee entirely. Each Participating Bank will also pay Pershing a fee equal to a percentage of the average daily balance in your deposit account(s) at the Participating Banks, as well as to the service provider that provides administrative services in support of the Bank Deposit Sweep Program. Your investment professional will not receive any portion of the fees paid by the program banks.

The amount of fees received by Pershing, APFS and TBS will affect the interest rate paid on your deposit account(s).

Current Yield *Updated May 31, 2018*	
	Rate*
All FDIC Insured Deposit Program Accounts	0.36%
**Rate is net of fees.*	

Current Monthly Sweep Fee *Updated May 31, 2018*	
Monthly Per Account Sweep Fee	$12.17
Sweep fee anticipated to be paid by participating program banks.	

Accountholders who have $100 or less in the APFS Bank Deposit Sweep Program will receive the same yield as all other accountholders, but APFS will not earn a fee, as outlined above.

Conflicts of Interest

The rates paid with respect to the Bank Deposit Sweep Program may be higher or lower than rates of return available for money market mutual funds, or as a depositor directly with a bank, including any of the Participating Banks. You should compare the terms, rates of return, charges and other features with your investment professional. APFS, Pershing and TBS earn fees on the amount of money in the Bank Deposit Sweep Program, including your money. APFS and Pershing may earn a higher fee if you participate in the Bank Deposit Sweep Program than if you invest in other money market products, such as money market mutual funds.

Risks of the Bank Deposit Sweep Program

You may receive a lower rate of return on money deposited in the Bank Deposit Sweep Program than on other types of money market investments, such as money market mutual funds. Participating Banks are permitted to impose a seven-day delay on any withdrawal request. In the event of a failure of a Participating Bank, there may be a time period during which you may not be able to access your money. If you have money at a Participating Bank outside the Bank Deposit Sweep Program, this may negatively impact the availability of FDIC insurance coverage for the total amount of your funds held within and outside the Bank Deposit Sweep Program. If you exclude one or more Participating Banks, the amount of FDIC insurance available to you in the Bank Deposit Sweep Program may decrease.

Detailed Terms and Conditions

Cash swept into the Bank Deposit Sweep Program and held at a Participating Bank is federally insured up to applicable FDIC limits. In the event of a bank failure, FDIC coverage limits are $250,000 for all deposits (checking, money market, savings, CDs, etc.) per depositor, per insured bank, for each account ownership category. The Bank Deposit Sweep Program provides FDIC coverage limits of $5 million per depositor, by utilizing at least 20 Participating Banks to which your deposits may be allocated. For example, if you had both a checking and a savings account in your individual name at the same Participating Bank, the combined balance of both accounts would be insured for $250,000. See www.fdic.gov for additional account category and coverage information.

FDIC insurance coverage is applicable to funds swept into the Bank Deposit Sweep Program, once it is deposited at the Participating Bank. While in transit from your Account to the Participating Banks, and from the Participating Banks to your Account, the funds pass through the intermediary bank used for the Bank Deposit Sweep Program, First National of Nebraska ("FNNI"). While at FNNI, such funds are also eligible for FDIC insurance, to the FDIC maximum per account type, when aggregated with any other deposits held by you in the same capacity at FNNI. It is possible that your funds in transit at FNNI will exceed the maximum amount of FDIC coverage available through FNNI as an individual bank; therefore, the amount that exceeds the amount may not be covered by FDIC insurance until such funds are remitted to Participating Banks.

Funds deposited in your Account will be swept to FNNI for allocation to Participating Banks. Until the sweep occurs, the funds will remain uninvested Free Credit Balances in your account. Because APFS is a member of SIPC, its customers' assets held at brokerage accounts are protected up to applicable SIPC limits, which provides coverage in the event a broker/dealer—such as APFS or Pershing—were to go out of business. Current SIPC limits are $500,000 for securities and cash per customer, of which up to $250,000 may be in cash (i.e., Free Credit Balances). Pershing LLC provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. The excess of SIPC coverage is valid through Feb. 10, 2019, for Pershing accounts. It provides the following protection for Pershing's global client assets:

- An aggregate loss limit of $1 billion for eligible securities, over all client accounts.
- A per client loss limit of $1.9 million for cash awaiting reinvestment, within the aggregate loss limit of $1 billion.

Neither SIPC protection nor excess SIPC coverage provides protection against market losses. Once funds are swept into the Bank Deposit Sweep Program account, they are held at an FDIC member bank and, accordingly, they are protected by FDIC insurance. They are not covered by SIPC or by the excess coverage provided by Pershing. For additional information about SIPC coverage, visit www.sipc.org.

Your uninvested cash will be swept into one or more Participating Banks in accordance with a nondiscretionary mathematical formula (algorithm). Generally, no more than $250,000 ($500,000 for joint accounts) will be swept into any one Participating Bank. It is, however, possible that your cash sweep deposit, combined with other deposits you make at a Participating Bank (directly or through an intermediary), could exceed the maximum amount of FDIC insurance available at an individual Participating Bank. Your periodic Account statement will provide you with which Participating Bank(s) maintain deposits with respect to the Bank Deposit Sweep Program position in your Account, as well as all deposits and withdrawal activity, opening and closing balances, interest earned and the detail of balances held at each Participating Bank.

You are solely responsible for monitoring the total amount and insurable capacity of deposits you have at each Participating Bank, directly or through an intermediary—both as a part of and outside of the Bank Deposit Sweep Program—in order for you to determine the extent of FDIC insurance coverage available to you on your deposits, including the balances held in the Bank Deposit Sweep Program. Pershing, APFS and your investment professional do not take any responsibility for any insured or uninsured portion of the balances you have at a Participating Bank within and outside the Bank Deposit Sweep Program.

You may instruct APFS not to deposit your funds in a particular Participating Bank. Any such instruction will result in any current deposit in that Participating Bank being withdrawn and deposited in another Participating Bank, and no new deposits will be made in the Participating Bank in which you instructed APFS not to sweep your funds. If the amount of your deposits exceeds the capacity of Participating Banks to provide deposit insurance, any excess funds will be swept into an account at FNNI with such excess not covered by FDIC Insurance or SIPC coverage.

If you have more than one account in the Bank Deposit Sweep Program with the same tax identification information, the funds in all such accounts are aggregated for the purpose of calculating the FDIC insurance available under the Bank Deposit Sweep Program.

In the event that any Participating Bank rejects any additional deposits, withdraws entirely or is terminated from the Bank Deposit Sweep Program, such balances will be reallocated to another Participating Bank. You also may, outside of the Bank Deposit Sweep Program, establish a direct depository relationship with the Participating Bank, subject to the Participating Bank's rules with respect to maintaining accounts. If you establish such direct relationship, these applicable deposits will no longer be part of your brokerage account, and the FDIC insurance available to your Bank Deposit Sweep Program may be reduced if you do not instruct APFS to cease depositing your funds to that Participating Bank.

In the event FDIC insurance payments become necessary because a Participating Bank is placed in receivership, proceeds of such payments representing principal plus unpaid interest accrued up to the date of receivership will be made to you. There is no specific time period within which the FDIC must make insurance payments available, and neither APFS nor Pershing is under obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to APFS or Pershing before FDIC insurance payments can be made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

Each deposit at a Participating Bank is a direct obligation of the Participating Bank and is not directly or indirectly an obligation of Pershing. Each Participating Bank is a separate FDIC-insured depository institution. You can obtain publicly available financial information for all Participating Banks via the FDIC's Web site at www.fdic.gov; by calling the FDIC's Division of Information and Research at 877.275.3342; or by contacting the FDIC's Division of Information and Research by writing to:

Federal Deposit Insurance Corporation
Division of Information and Research
550 17th Street, N.W.
Washington, D.C. 20429-9990

Neither Pershing nor APFS nor TBS guarantees the financial condition of any Participating Bank, or the accuracy of any publicly available information concerning a Participating Bank. Pershing, APFS and TBS are not responsible for any insured or uninsured portion of any deposits at a Participating Bank. You expressly give your consent to Pershing, TBS and their service providers to provide your customer account information to Participating Banks for purposes of your involvement in the Bank Deposit Sweep Program.

Changing, Adding Funds to, or Withdrawing Funds from your Bank Deposit Sweep Program Selection

Subject to satisfaction of such participation criteria as APFS may from time to time establish, you may move your assets in the Bank Deposit Sweep Program selection at any time to a Free Credit by contacting your investment professional. Unless APFS otherwise agrees, if you request a change from the Bank Deposit Sweep Program to a Free Credit, you must transfer all of your funds in your prior option to a Free Credit.

Adding Funds. There is no minimum initial or minimum subsequent deposit amounts in Participating Banks.

Withdrawing Funds. You may access your funds in the Bank Deposit Sweep Program only through your Account. You cannot access or withdraw Bank Deposit Sweep Program funds directly from a Participating Bank.

When funds are needed to cover transactions or satisfy a debit in your brokerage account, Pershing will use the following sources in the order listed: (i) available Free Credit Balances, including money added to your Account but not yet swept to the Bank Deposit Sweep Program; (ii) balances available in the Bank Deposit Sweep Program; and (iii) if you have a margin account, any margin credit available. For more information about margin accounts, please contact your investment professional.

Withdrawals from the Bank Deposit Sweep Program will normally be made on the same business day the funds are needed in your Account. If there are insufficient funds in your position in the Bank Deposit Sweep Program to cover a debit in your Account, or if you otherwise fail to sufficiently fund your Account for the full amount of your daily debits, you have an obligation to fund the sum of the debits in your Account.

Balances in the Bank Deposit Sweep Program can be liquidated on your order and the proceeds returned to your brokerage account or to you. Federal banking regulations require each Participating Bank in the Bank Deposit Sweep Program to reserve the right to require seven (7) calendar days prior notice before permitting a withdrawal of any deposit.

Fees. No direct fees will be assessed to your account or deducted from your specified rate of return on the Bank Deposit Sweep Program. Instead, we may receive compensation from the Participating Banks and/or their respective affiliates, as described in more detail above.

Free Credit Balances Option

Free Credit Balances. If you determine not to sweep your uninvested cash into the Bank Deposit Sweep Program option, APFS will hold uninvested cash in your account in the form of a Free Credit Balance. Free Credit Balances generally include the cash in your account held for investment, minus certain items such as purchase transactions due to settle within a specified time period, other charges to your account and credit balances that are designated as collateral for your obligations. Free Credit Balances are payable to you upon demand. APFS will not use your Free Credit Balances to fund its business operations, as permitted by law; furthermore, APFS will not receive income from accountholder Free Credit Balances. Pershing may, but is under no obligation to, pay interest to you with respect to your Free Credit Balances. At this time, free credit balances do not pay accountholders an interest rate.

Current SIPC limits are $500,000 for securities and cash per customer, of which up to $250,000 may be in cash (i.e., Free Credit Balances). Pershing provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. The excess of SIPC coverage is valid through Feb. 10, 2019, for Pershing accounts. It provides the following protection for Pershing's global client assets:

- An aggregate loss limit of $1 billion for eligible securities, over all client accounts.
- A per client loss limit of $1.9 million for cash awaiting reinvestment, within the aggregate loss limit of $1 billion.

Neither SIPC protection nor excess SIPC coverage provides protection against market losses. Once funds are swept into the Bank Deposit Sweep Program, they are held at one or more FDIC member banks and, accordingly, they are protected by FDIC insurance. Balances in the Bank Deposit Sweep Program are not covered by SIPC or by Lloyds. For additional information about SIPC coverage, visit www.sipc.org.

FDIC Insurance Coverage—General Information

If your Bank Deposit Sweep Program balance or other deposits at a Participating Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquirer until (i) the maturity date of any time deposits that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six-month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquirer held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the Participating Bank after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

The application of the FDIC insurance limit is illustrated by several common factual situations discussed below. Please review the section titled “Retirement Plans and Accounts” for the application of the FDIC insurance limit.

Individual Customer Accounts. Deposits of any one Participating Bank held by an individual in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Pershing) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian; rather, they are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to $250,000 in the aggregate. Deposits held through a qualified tuition savings program (529 Plan) will be insured as deposits of the participant and aggregated with other deposits of the participant if the arrangement and the name of the participant are identified on Pershing's account records.

Joint Accounts. An individual's interest in deposits of any one Participating Bank held under any form of joint ownership valid under applicable state law may be insured up to $250,000 in the aggregate, separately and in addition to the $250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (“Joint Account”). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to $500,000—$250,000 for each person—subject to aggregation with each owner's interests in other Joint Accounts at the same Participating Bank. Joint Accounts will be insured separately from individually-owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

Revocable Trust Accounts. Deposits of any one Participating Bank held in a “revocable trust” are generally insured up to $250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC.

Informal revocable trusts include accounts in which the owner evidences an intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a “Totten trust” account, “payable upon death” account or “transfer on death” account. Each beneficiary must be included in Pershing’s account records.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as “living” or “family” trusts. The beneficiaries of a formal revocable trust do not need to be included in Pershing’s account records. Under FDIC rules, if a revocable trust has five or fewer beneficiaries, FDIC coverage will be up to $250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interests of each beneficiary in the revocable trust. If the trust has more than $1.25 million in deposits of any one Participating Bank and has six or more beneficiaries, the funds will be insured for the greater of $1.25 million, or the aggregate amount of all beneficiaries’ proportional interests, limited to $250,000 per beneficiary.

Deposits in all revocable trusts of the same owner—informal and formal—at the same Participating Bank will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

Irrevocable Trust Accounts. Deposits of any one Participating Bank held pursuant to one or more irrevocable trust agreements created by the same grantor—as determined under applicable state law—will be insured for up to $250,000 for the interest of each beneficiary, provided that the beneficiary’s interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). According to the FDIC, Coverdell Education Savings Accounts will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary’s interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a Participating Bank created by the same grantor will be aggregated and insured up to $250,000.

Medical Savings Accounts. Deposits of any one Participating Bank held in a Medical Savings Account, sometimes referred to as an Archer Medical Savings Account, will be eligible for deposit insurance as either an individual account, a revocable trust account or an employee benefit plan. You may wish to consult with your attorney or the FDIC to determine the available deposit insurance coverage.

Retirement Plans and Accounts. Generally, if you have deposits of any one Participating Bank that are held through one or more retirement plans and accounts, the amount of deposit insurance you will be eligible for—including whether the deposits held by the plan or account will be considered separately or aggregated with the deposits of the same Participating Bank held by other plans or accounts—will vary depending on the type of plan or account. It is therefore important to understand the type of plan or account holding the deposits. The following sections generally discuss the rules that apply to deposits of retirement plans and accounts.

Individual Retirement Accounts (“IRAs”). Deposits of any one Participating Bank held in an IRA will be insured up to $250,000 in the aggregate. However, the deposits of any one Participating Bank acquired by an IRA will be aggregated with the deposits of the same Participating Bank held by certain employee benefit plans in which the owner of the IRA has an interest. Thus, the owner of an IRA will only be eligible for insurance of $250,000 for deposits at any one Participating Bank held in plans and accounts that are subject to aggregation. See the section below titled “Aggregation of Retirement Plan and Account Deposits.”

Pass-Through Deposit Insurance for Employee Benefit Plan Deposits. Subject to the limitations discussed below, under FDIC regulations an individual’s non-contingent interests in the deposits of any one Participating Bank held by many types of plans are eligible for insurance up to $250,000 on a pass-through basis. This means that instead of an employee benefit plan’s deposits at any one Participating Bank being entitled to only $250,000 in total per Participating Bank, each participant in the employee benefit plan is entitled to insurance of his or her non-contingent interest in the employee benefit plan’s deposits of up to $250,000 per Participating Bank (subject to the aggregation of the participant's interests in different plans, as discussed below). The pass-through insurance provided to an individual as an employee benefit plan participant is separate from the FDIC insurance limit allowed on other deposits held by an individual in different insurable capacities with the Participating Bank.

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act (ERISA)—including Keogh plans, whether or not they are technically "employee benefit plans" under ERISA—and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986. For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

A deposit of any one Participating Bank held by an employee benefit plan that is eligible for pass-through insurance is not insured for an amount equal to the number of plan participants multiplied by $250,000. For example, an employee benefit plan owns $500,000 in deposits at one Participating Bank and the participants are eligible for up to $250,000 per plan beneficiary. The employee benefit plan has two participants, one with a non-contingent interest of $425,000 and one with a non-contingent interest of $75,000. In this case, the employee benefit plan's deposits would be insured up to only $325,000; the individual with the $425,000 interest would be insured up to the $250,000 limit and the individual with the $75,000 interest would be insured up to the full value of such interest.

The contingent interests of employees in an employee benefit plan and overfunded amounts attributed to any employee benefit plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan deposit are interests that are not capable of evaluation in accordance with FDIC rules, and are aggregated and insured up to $250,000 per Participating Bank. Similarly, overfunded amounts are insured, in the aggregate for all participants, up to $250,000 separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

Aggregation of Retirement Plan and Account Deposits. Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits of the same Participating Bank will be insured for $250,000 in the aggregate. In addition, under FDIC regulations, an individual's interest in the deposits of one Participating Bank held by (i) IRAs, (ii) Section 457 Plans, (iii) self-directed Keogh Plans and (iv) self-directed defined contribution plans that are acquired by these plans and accounts will be insured for $250,000 in the aggregate whether or not maintained by the same employer or employee organization.

Participating Banks

The following banks are Participating Banks, as of May 31, 2018.

Androscoggin Bank	Morris Bank
Associated Bank NA	NY Community Bank
Citibank N.A	Quontic Bank
Compass Bank	Seaside National Bank and Trust
East West Bank	Simmons FN Bank
Evolve Bank & Trust	Third Coast Bank
Farmers and Merchants Bank	TriState Capital Bank
First Guaranty Bank	United Bank
Flushing Bank	Valley National Bank
Glacier Bank	WEX Bank
Israel Discount Bank	