

Material Relationships

We wish to inform you of an important policy and practice at Vandham Securities. **We do not receive “payment for order flow” nor do we make any such payment to any of our business associations.** We are required by the Securities and Exchange Commission rules to inform you on an annual basis of our policy regarding the receipt of “payment for order flow” from various third parties in connection with the routing of customer orders for execution. Those rules define payment for order flow as “any monetary payment, service, property, or other benefit that results in remuneration, compensation or consideration to a broker or dealer from any broker or dealer, national securities exchange, registered securities association, or exchange member in return for the routing of customer orders by such broker or dealer to any broker or dealer, national securities exchange, registered securities association or exchange, registered securities association or exchange member for execution, including but not limited to: research, clearance, custody, products or services; reciprocal agreements for the provision of order flow; adjustment of a broker or dealer’s unfavorable trading errors; offers to participate as an underwriter in public offerings; stock loans or shared interest accrued thereon; discounts, rebates, or any other reductions of or credits against any fee to, or expense or other financial obligation of the broker or dealer routing a customer order that exceeds the fee, expense or financial obligations.”

In addition, we are also required by Financial Industry Regulatory Authority (“FINRA”) Conduct Rule 2280 to provide you with information about the availability of information through the FINRA’s Public Disclosure Program. Consequently, please be advised that the FINRA offers an investor brochure describing the Public Disclosure Program. The investor brochure may be obtained via the FINRA Web Site (www.FINRA.com) or through FINRA Public Disclosure Program Hotline Number at 1-800-289-9999.

Privacy of Consumer Information

Vandham gathers information from its customers for the purpose of conducting business under the rules and regulations of the FINRA and SIPC. Vandham limits the use, collection, and retention of customer information to what is necessary to provide personal financial services and related products. Vandham is committed to keeping your information private and have established this privacy statement.

1. **Information Gathering** – Vandham collects nonpublic personal information about you from information provided by you from forms, applications, and correspondence. In addition, Vandham collects nonpublic information about you through your transactions with us.
2. **Clearing Broker and Separate Privacy Policy** – Vandham utilizes the services of National Financial Services, LLC to maintain customer information and clear its transactions. National Financial Services, LLC has a separate Privacy Policy statement that will also be forwarded to your attention. We ask you to read it carefully
3. **Categories of Nonpublic Information That Are Disclosed** – Unless it is required by law, or as authorized by you, we do not disclose any nonpublic, personal information about our customers, or former customers.
4. **Security and Technology** – Only those employees with a business reason to view customer information has access to it. Employees are made aware of the importance of maintaining customer confidentiality and we restrict access to nonpublic information about you through physical, electronic and procedural safeguards that protects your nonpublic personal information

Vandham Securities Corp. reserves the right to change these Privacy Policies at any time without prior notice. These Privacy Policies are for general guidance and do not constitute a contract or create legal rights and do not modify or amend any agreements we have with our customers. If you have any questions regarding these privacy policies, please contact us at (201) 782-3300.

Order Routing and Execution Reports

We are required under Securities and Exchange Commission regulations to publish data concerning monthly and quarterly quality of execution and order routing statistical information.

SEC Rule 605 (*formerly SEC 11Ac1-5*) requires market centers that trade national market system securities (NMS) to make available to the public monthly electronic reports that include uniform statistical measures of execution quality.

SEC Rule 606 (*formerly SEC 11Ac1-6*) requires broker-dealers that route customer orders in equity and option securities to make publicly available quarterly reports that, among other things, identify the venues to which customer orders are routed for execution.

Order Routing

FINRAAQ Securities

We have contracted with Sungard Trading Systems to prepare and publish this report on our behalf. The report is available on our web site <http://www.Vandham.com> under the link www.Brasscompliance.com at no cost.

Exchange-Listed Equities and Options

We have contracted with Sungard Trading Systems to publish the National Financial Services and Sungard Trading Systems combined reports on our behalf. The reports are available at www.Brasscompliance.com on our website (<http://www.Vandham.com>) at no cost.

Execution Statistics

We have contracted with Sungard Trading Systems to prepare and publish these monthly statistics on our behalf. The report is available on our web site <http://www.Vandham.com> under the link www.Brasscompliance.com at no cost.

ANNUAL DISCLOSURE STATEMENT FOR MARGIN ACCOUNTS

Securities purchased on margin are the firm's collateral for 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 firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, 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.
- The firm can force the sale of securities or other assets in your account(s).
- The firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call
- The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a maintenance call.