



Northland's AML Program Disclosure

Northland Securities, Inc. ("NSI" or "Northland") adheres to the requirements of the Bank Secrecy Act (BSA) as amended by the USA PATRIOT Act of 2001 and its applicable responsibilities, and the regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"). The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad, and it required the extension of anti-money laundering (AML) requirements to financial institutions beyond banks and certain other institutions that offer bank-like services.

What Is Money Laundering?

Money laundering is the process of disguising illegally-obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How Big Is the Problem and Why Is It Important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. One estimate puts the amount of worldwide money laundering activity at greater than \$1.6 trillion a year (from a 2009 study by United Nations Office on Drugs and Crime).

NORTHLAND'S COMMITMENT

Northland Securities is committed to complying fully with all applicable laws and regulations relating to combating money laundering and any activity which facilitates the funding of terrorist or other criminal enterprises.

Northland seeks to prevent the misuse of the funds it manages, as well as preventing the use of its personnel and facilities for the purpose of money laundering, terrorist financing, or any other illegal activity. The firm has adopted procedures and controls with the objective of detecting and deterring the occurrence of these illegal activities and to ensure that Northland's practices are observed, implemented, and properly amended or updated.

Northland established an anti-money laundering (AML) program consistent with the requirements of the USA PATRIOT Act. The AML Program is designed to ensure that it and its authorized personnel comply with all provisions of the USA PATRIOT Act and fully implement its regulations. In addition, Northland has policies and procedures in place to comply with the sanctions and embargo programs administered by OFAC. Northland is required to comply with all trade and economic sanctions imposed by OFAC against targeted foreign countries and we shall cooperate fully with government agencies, self-regulatory organizations, and law enforcement officials. As provided by the Act, Northland may supply information about former, current, or prospective clients to such bodies.

Employees of the firm are responsible for uncovering or reporting any activity that might constitute, indicate, or raise suspicions of money laundering. To this end, we provide continuing education and training of all such persons. Annual employee training programs will be conducted for appropriate personnel regarding anti-money laundering regulations and the employees' obligations under such regulations. AML Training programs will review applicable laws and regulations and their relation to Northland's business and investment management activities.

A Northland Compliance Officer acts as AML Officer. It will be the AML Officer's responsibility to assure that anti-money laundering policies and procedures are being followed. All officers and employees of Northland Securities are required to notify our compliance department if they have any knowledge, suspicions, or information regarding potential money laundering activities. In any such event, our Compliance AML Officer will document the reported activity, investigate fully, and, if warranted, report such activity to the senior management of the company.

Northland's AML Program Disclosure continued. . .

Requests for CIP Information

Northland Securities will ask for important information in order to adhere to Customer Identification Program (CIP) procedures and to help the United States government fight the funding of terrorism and money laundering activities. We may submit client information to a third-party vendor to verify your identity and to make certain risk assessments regarding a relationship between you and Northland. As appropriate, we may request additional documentation or information. If any piece of required or requested documentation or information is not provided, Northland Securities may not open an account or establish a relationship with that client, entity, or institution.

Collection of Information and Documentation / Client Identification Procedures (CIP)

Important information about Customer Identification Program (CIP) procedures: Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who maintains an account with Northland. New customer accounts are subject to CIP reviews mandated under anti-money laundering rules.

Under the CIP rule and for purposes of this section, "customer" is defined as:

- A person that opens a new account.
- An individual who opens a new account for:
- An individual who lacks legal capacity; or,
- An entity that is not a legal person.

"Customer" does not include a financial institution regulated by a Federal regulator; a bank regulated by a state bank regulator; those exempted under Federal rule include municipalities; or a person with an existing account at NSI, providing there is reasonable belief that the true identity of the person is known.

What this means for you: We will ask you for your name, address, date of birth, and other information that will allow us to identify you. We will also ask to see your driver's license or other identifying documents for new or existing accounts.
