

BMO Nesbitt Burns Securities Ltd.

Advisor Brochure

January 27, 2021

First Canadian Place
100 King Street West
41st Floor
Toronto, Ontario M5X 1H3
Tel: (855) 328-1136

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF BMO NESBITT BURNS SECURITIES LTD. ("NBSL"). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (855) 328-1136 OR COMPLIANCE.NBSL@BMONB.COM.

THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY STATE SECURITIES AUTHORITY.

WE ARE AN INVESTMENT ADVISER REGISTERED WITH THE SEC. THIS REGISTRATION DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

ADDITIONAL INFORMATION ABOUT THE ADVISER IS ALSO AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV. YOU CAN SEARCH THIS SITE BY A UNIQUE IDENTIFYING NUMBER, KNOWN AS AN IARD NUMBER. NBSL'S IARD NUMBER IS #281337.

ITEM 2 – Material Changes

BMO Nesbitt Burns Securities Ltd. (“NBSL”) has had no material changes to our brochure since our last update dated January 29, 2020.

Table of contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-by-Side Management	6
Item 7 – Types of Clients	6
Item 8 – Method of Analysis, Investment Strategies and Risk of Loss	6
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12 – Brokerage Practices	10
Item 13 – Review of Accounts	11
Item 14 – Client Referrals and Other Compensation	11
Item 15 – Custody	11
Item 16 – Investment Discretion	12
Item 17 – Voting Clients’ Securities	12
Item 18 - Financial Information	12

Item 4 – Advisory Business

General Description of Advisory Firm

BMO Nesbitt Burns Securities Ltd. (referred to as “NBSL,” “we,” “our,” or “us”) is a Canadian corporation that began operations in 1997. Our principal place of business is located in Toronto, Canada. NBSL is a direct wholly-owned subsidiary of BMO Nesbitt Burns Inc. (“BMO NBI”), a wholly-owned subsidiary of the Bank of Montreal (“BMO”).

NBSL offers investment advisory, brokerage services, and financial planning. We are registered with the U.S. Securities and Exchange Commission (“SEC”) and are members of the Financial Industry Regulatory Authority (“FINRA”). NBSL provides discretionary advisory services through investment adviser representatives (“Investment Advisers”) located in Canada to investors that are located in the U.S. or Canadian residents with U.S. accounts. NBSL Investment Advisers, support, and supervision staff are also employees of BMO NBI. NBSL Operations personnel are employees of BMO. NBSL’s President is also a registered representative and supervisor with BMO Capital Markets Corp. NBSL Compliance personnel are employees of BMO Harris Bank, N.A., a division of BMO Financial Group.

NBSL had approximately \$495,404,168 in discretionary assets under management as of December 31, 2020.

Description of Advisory Services

NBSL provides discretionary advisory services to clients for a fee based on the individual needs of our clients. NBSL Investment Advisers work with their clients to develop a personalized Investment Policy Statement (“IPS”) based on data that the Investment Advisers gather through personal discussions with our clients. During these discussions, we determine the clients’ individual goals and objectives, investment time horizon, risk tolerance, liquidity needs and restrictions for investing in certain securities or types of securities. The NBSL Investment Advisers then build a portfolio that meets the needs outlined in the IPS.

NBSL uses National Financial Services (“NFS”) as its clearing firm. NBSL uses NFS to custody clients’ securities, clear trades, and provide record keeping and document delivery services.

NBSL offers financial planning services. Clients receiving investment advisory services can receive financial planning services included in their advisory fees.

Clients grant NBSL and their Investment Advisers discretionary management over their advisory accounts according to the IPS. NBSL and Investment Advisers use discretion to transact trading on behalf of the client. Investment Advisers select the equities, fixed income securities, mutual funds and/or ETFs for inclusion in the portfolio on the basis of their compatibility with the clients’ IPS.

NBSL uses investment research from its affiliates and third parties. NBSL does not pay for research. NBSL Investment Advisers pay for third party research at their own discretion. NBSL mitigates the conflict of using affiliate research by disclosing it here and not investing in affiliate products without client authorization.

Wrap Fee Programs

NBSL does not participate in wrap fee programs.

Item 5 – Fees and Compensation

Advisory Services and Fees for Specific Clients

NBSL charges clients annual fees for discretionary investment advisory services based on the market value of assets in the client's account. The maximum annual fees range from 125 basis points to 175 basis points depending on the strategy the client selects. The annual fees are tiered and the actual rate paid by clients will depend on the amount invested by the client. Based on a variety of factors, NBSL has discretion to discount the annual fees charged to clients. NBSL and the client must agree to the annual fee charged to the client and the IPS will reflect such annual fee. However, NBSL's fees are negotiable and can vary. Further, previous fee schedules are still in effect for some clients. These previous fee schedules include fees that are higher and lower than the current fee schedule.

Either the client or NBSL may terminate the account agreement at any time upon receipt of written notice. If the client terminates the account agreement within five days of entering into the agreement, then NBSL will not charge the client any management or administrative fees. The client will receive the market value of their managed portfolio including any realized market gains or losses. In the event of termination by NBSL or the client during the contract year, the management fee is refundable on a monthly pro rata basis.

Billing and Payment of Client Fees

Unless otherwise agreed to by NBSL and the client, fees are debited on the 15th business day following the end of the applicable billing period, either monthly or quarterly depending on the agreement between NBSL and the client.

NBSL calculates the fees using the account average daily balance. The account average daily balance is the average daily market value of assets held in the account as of the close of each business day. NBSL bills fees monthly or quarterly based upon client selection and bills the fee on the 15th business day of the month following the end of the billing month or billing quarter.

Additional Client Expenses and Fees

All clients will incur charges from custodians and other third parties, such as mutual fund level charges, odd-lot differentials, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to NBSL for investment advisory services are separate and distinct from the fees and expenses charged by ETFs or mutual funds to their shareholders. Each ETF or mutual fund describes its fees and expenses in the ETF's or fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee (for mutual funds, often referred to as a Rule 12b-1 fee). As a result, clients who engage NBSL to provide advisory services for a fee, and who have a portion of their assets invested in ETFs or mutual funds are paying two management fees. NBSL charges the first fee directly for the management of the client's portfolio, and the ETF(s) or mutual fund(s) charge the second fee for the management of the ETF's or mutual fund's assets. Such charges, fees, and commissions are exclusive of and in addition to our fees. NBSL receives a portion of the 12b-1 fees you pay to the fund company. The receipt of 12b-1 fees is a conflict to your interests because NBSL is incentivized to include funds where NBSL receives a 12b-1 fee. We mitigate this conflict by requiring our Investment Advisers to act in their clients' best interest and disclosing the conflict in this brochure.

Advisory Fees in General:

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.



Additional Compensation and Conflicts of Interest

At present there are no additional compensation arrangements or payments for referral services to NBSL.

As employees of BMO NBI, NBSL Investment Advisers also provide brokerage, insurance, and investment advisory services ("Canadian Services") to Canadian investors and will receive compensation for the following Canadian Services:

- commissions from the sales of insurance products
- fee based or transaction based revenue from the sales of brokerage products
- fee based or transaction based revenue from the sales of advisory services
- performance based awards
- referral fees for banking and trust services

Certain NBSL Investment Advisers also provide brokerage services to US investors and will receive commissions from the sales of those brokerage investments.

Certain NBSL Investment Advisers conduct outside business activities. Such outside business activities can create conflicts of interest for an Investment Adviser or NBSL. NBSL mitigates this conflict by requiring Investment Advisers to seek prior approval of any outside business activity from NBSL management, so that management can properly address any potential conflicts of interest. NBSL management periodically monitors the outside business activities of Investment Advisers to verify that any potential conflicts of interest continue to be properly addressed.

Item 6 – Performance-Based Fees and Side-by-Side Management

NBSL does not charge performance-based fees. NBSL does not offer portfolios with side-by-side management.

Item 7 – Types of Clients

NBSL provides advisory services to individuals, trusts, entities, and retirement accounts. The minimum account size is \$500,000. However, at NBSL's discretion, it may reduce the account minimum if the client meets certain criteria (i.e., anticipated future assets, dollar amount of assets under management, related accounts, etc.)

Item 8 – Method of Analysis, Investment Strategies and Risk of Loss

NBSL Investment Advisers select investments for their clients from a broad spectrum of products based on the client's investment objectives and risk tolerance. NBSL Investment Advisers will offer their clients equities, fixed income, mutual funds, and ETFs depending on client need and preference. NBSL Investment Advisers attempt to select investment strategies that are appropriate for the needs of their clients and consistent with the clients' investment objectives, risk tolerance, and time horizons, among other considerations.

Investing involves risk, including possible loss of the client's principal investment. The client should be prepared to bear these risks. Investments are not deposits or obligations of, or endorsed or guaranteed by NBSL, BMO Nesbitt Burns, Inc., BMO, BMO Harris Bank N.A., or any other NBSL affiliate. Investments are not insured or guaranteed by the FDIC, the Federal Reserve Board or the U.S. government or any U.S. government agency. As in all securities investments, past performance does not guarantee future results. An Investment Adviser who has been successful in the past may not be able to replicate that success in the future.



Risks Associated with Investing

Asset Allocation Risk: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of investment types, industries, and/or market sectors based on the client's investment goals and risk tolerance. However, a risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of investments will change over time due to market movements and, if not rebalanced, will no longer be appropriate for the client's goals.

Management and Strategy Risks: An advisory account may not achieve its investment objective. The ability of a portfolio to meet its investment objective directly relates to the investment strategy for the portfolio. The investment strategy used could fail to achieve the investment objective and cause investments to lose value.

Data Risk: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we try to be alert to indications that data may be incorrect, there is always a risk that inaccurate, incomplete or misleading information may compromise our analysis.

Liquidity Risks: Liquidity risk refers to the possibility that an account may not be able to buy or sell a security at a favorable price or time. Consequently, the account may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on the account's performance. Infrequent trading of securities also may lead to an increase in their price volatility.

Mutual Funds Risks: Mutual funds are subject to investment advisory, transactional, operating, and other expenses. Each mutual fund is subject to specific risks, depending on its investments. The value of mutual funds' underlying investments and the net asset value of mutual funds' shares will fluctuate in response to changes in market and economic conditions, as well as the financial condition and prospects of companies and other investments in which the funds invest. NBSL does not control the underlying investments in mutual funds. The performance of each fund will depend on whether the fund's portfolio manager is successful in pursuing the fund's investment strategy. For a complete description of risks associated with the individual mutual funds, clients should refer to the prospectuses and statements of additional information. In addition, as we do not control the underlying investments in a fund. Managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager of the fund may deviate from the stated mandate or strategy of that fund, which could make the holding(s) less appropriate for the client's portfolio.

Risks Associated with Equities

Equity Security Risks: Client accounts with all or a portion of the underlying assets invested in equity-based mutual funds and separately managed accounts (SMAs), made up of individual equity securities, are subject to the following risks:

Stock Market Risks: Investments in equity securities are subject to fluctuations in the stock market, which has periods of increasing and decreasing values. Stocks are historically more volatile than debt securities.

Growth Style Risks: A growth stock is one whose revenues and earnings are expected to increase at a faster rate than the average company within the same industry. Due to their relatively high valuations, growth stocks are typically more volatile than value stocks. Further, growth stocks may pay lower dividends than value stocks or may not pay dividends period. This means they depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

Value Style Risks: Value stocks are generally priced lower than stocks of similar companies in the same industry and may be undervalued. Investments in value stocks are subject to the risk that their intrinsic values may never be realized by the market, or that a stock judged to be undervalued may actually be appropriately priced, or that their prices may decline, even though in

theory they are already undervalued. Value stocks can react differently to issuer, political, market and economic developments than the market, as a whole, and other types of stocks (e.g., growth stocks).

Company Size Risks: Generally, a company with smaller market capitalization has fewer shares traded daily, making the stock less liquid and its price more volatile. Companies with smaller market capitalizations also tend to have unproven track records, a limited product or service base, and a limited access to capital. These factors increase the risk that these companies are historically more likely to fail than companies with larger market capitalizations.

Foreign Investing Risks: Investments in foreign companies and markets carry a number of economic, financial, and political considerations that are not associated with U.S. companies and markets, which could unfavorably affect account performance. The potential risks are greater price volatility, weak supervision and regulation of securities exchanges, brokers and issuers, higher brokerage costs, fluctuation in foreign currency exchange rates and related conversion costs, adverse tax consequences, and settlement delays.

Risks Associated with Fixed Income Securities

Client accounts with all or a portion of the assets and/or mutual funds whose underlying assets are invested in fixed income are subject to the following risks:

Interest Rate Risks: Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Fixed income securities with longer maturities are generally more affected by interest rate changes.

Credit Risks: Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when it is due. If an issuer defaults, an account or mutual fund holding securities of that issuer may lose money. Fixed income securities with higher credit risk typically have lower credit ratings, and at a certain rating level are considered speculative. Bonds that are rated BBB or Baa or lower, by Standard & Poor's and Moody's, respectively, have speculative characteristics.

Call Risks: Fixed income securities with a call date ("callable bonds") may be redeemed ("called") by the issuer before maturity. An account or mutual fund that invests in callable bonds that are called may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio's overall yield. This is generally likely to happen when interest rates are declining.

Asset Backed/Mortgage Backed Securities Risks: Asset backed and mortgage backed securities are subject to risks of prepayment. An account's or fund's yield will be reduced if cash from prepaid securities is reinvested in securities with lower interest rates. The risk of prepayment also may decrease the value of mortgage backed securities. Asset backed securities may have a higher level of default and recovery risk than mortgage backed securities. Both of these types of securities may decline in value because of mortgage foreclosures or defaults on the underlying obligations. Credit risk is greater for mortgage backed securities that are subordinate to another security.

U.S. Government Obligations Risks: The United States government is not legally obligated to provide financial support to United States government sponsored agencies or instrumentalities. As a result, there is risk that these entities will default on a financial obligation.

High Yield Securities Risks: Low rated/high yield securities tend to be more sensitive to economic conditions than higher rated securities and generally involve more credit risk than securities in the higher rated categories. The risk of loss due to default by an issuer of low rated/high yield securities is significantly greater than issuers of higher rated securities because such securities are generally unsecured and are often subordinated to other creditors. Low rated/high yield securities may also have liquidity risk. An account or fund may have difficulty disposing of certain low rated/high yield securities because there may be a thin trading market for such securities.

U.S. Municipal Securities Risks: U.S. municipal bonds are subject to risks, including economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. The value of U.S. municipal securities may be more affected by liquidity risk or credit risk than by market interest rate risk. Repayment of U.S. municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is a risk that the interest on an otherwise tax exempt U.S. municipal security may be subject to federal income tax.

U.S. Municipal Sector Risks: An account or fund may invest in a U.S. municipal securities sector that finances specific projects, such as those relating to education, health care, transportation and utilities. To the extent an account or fund is invested in a particular sector, the account's or fund's performance may be more susceptible to any economic, business or other developments that generally affect that sector.

Please note NBSL currently does not permit the purchase of individual municipal securities, but does allow mutual funds that invest in U.S. municipal securities.

Risks Associated with Exchange Traded Funds ("ETFs")

ETFs are investment funds that can track an index, commodity, currency, or sector and are traded like common stock on a stock exchange. They experience price changes throughout the day as they are bought and sold. ETFs try to replicate the performance of their corresponding index, not outperform it.

ETF Risks: In addition, as we do not control the underlying investments in an ETF, managers of different ETFs held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager of the ETF may deviate from the stated mandate or strategy of that ETF, which could make the holding(s) less suitable for the client's portfolio.

In general, investing in securities involves risk of loss to clients due to general market fluctuations and securities that underperform. NBSL uses the above strategies to mitigate these and other risks, but the client should be prepared for market volatility and potential loss of investment capital.

Item 9 – Disciplinary Information

Investment Advisers are required to disclose any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of NBSL or the Investment Adviser or the integrity of NBSL's or the Investment Adviser's management of client accounts. There has been one disciplinary event relating to NBSL in the past 10 years:

Without admitting or denying the findings, NBSL consented to a FINRA finding that between May 2015 and May 2016, NBSL incorrectly calculated its net capital causing NBSL to not continuously maintain its required level of net capital. As a result, during the relevant period, the Firm also filed inaccurate Financial Operational Combined Uniform Single reports and maintained inaccurate books and records. NBSL consented to the described sanction to the entry of findings and was censured and fined \$75,000.

Item 10 – Other Financial Industry Activities and Affiliations

NBSL is a registered broker-dealer and a member of FINRA. Certain of NBSL's Investment Advisers are registered representatives of NBSL in its capacity as a broker-dealer. These individuals, in their separate capacity as registered representatives of a broker-dealer, can effect securities transactions for which they will receive separate, yet customary compensation. Judgment of these individuals when making recommendations.



Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

NBSL's code of ethics (the "Code of Ethics") sets forth standards of business conduct that NBSL requires of its Investment Advisers, including compliance with applicable federal securities laws. NBSL and its personnel owe a duty of loyalty and care to its clients, and have an obligation to NBSL's Code of Ethics.

While NBSL does not believe that it has any particular access to non-public information, the Code of Ethics reminds NBSL personnel that such information may not be used in a personal or professional capacity.

Clients and prospective clients may request a copy of the Code of Ethics by sending an email to compliance.nbsl@bmonb.com or calling (855) 328-1136.

Item 12 – Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

NBSL has complete discretion, without obtaining specific Client consent, to: (i) buy or sell securities, (ii) determine the amount of the securities to be bought or sold and (iii) determine the broker or dealer to be used in such purchase or sale. NBSL will effect transactions with brokers that (with respect to U.S. securities) are registered with the SEC and are members of FINRA.

Best Execution

NBSL will select brokers on the basis of their ability to provide best execution, including the security selection, trade price, and prompt, reliable execution.

NBSL will process all trades on a "best execution" basis to the extent permitted by law. The majority of our trades are placed through NFS. NBSL reviews NFS's policies and best execution through our due diligence process. From time to time, NBSL may process trades away from NFS and will utilize BMO NBI if they believe it is in the best interest of their clients. NBSL may also submit trades by allocating the trades in a manner that is equitable and within fiduciary responsibility for all clients. Block trades are executed and allocated to the clients based on the average price for the aggregate order.

Research and Other Soft Dollar Benefits

NBSL does not receive research or other benefits through a soft dollar arrangement.

Order Aggregation

NBSL manages its client accounts independently, taking into consideration each client's investment objectives and guidelines. Transactions for each client account may be completed independently and not aggregated. NBSL may, however, purchase or sell the same securities or instruments for a number of client accounts at the same time (i.e., aggregate trades). When possible, clients' orders for the same security may be combined or "batched" to facilitate best execution. To the extent the Investment Adviser effects batched transactions for client accounts, it will do so in a manner designed to ensure that no participating client is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of the transactions in that batched order. Securities purchased or sold in a batched transaction will be allocated pro-rata, when possible, to the participating clients' accounts in proportion to the size of the



order placed for each account. NBSL may, however, increase or decrease the amount allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients. Additionally, if the Investment Adviser is unable to fully execute a batched transaction and the Investment Adviser determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, the Investment Adviser may allocate such securities in a manner determined in good faith to be a fair allocation.

NBSL may decide to exclude an account(s) from a batched order if the inclusion of the account(s) would be detrimental to the client(s) (e.g., adverse tax consequences, etc.). NBSL may also determine that it is not feasible to combine or batch transactions into a single order, and may effect transactions on an account by account basis. This will generally occur when the Investment Adviser is purchasing and selling securities in response to client cash flows. Since cash flow transactions are generally not predictable, the Investment Adviser may purchase or sell the same security several times during the course of the day, which may result in the Investment Advisers' clients not receiving the same or an average share price for trades placed in the same security on the same business day.

Brokerage for Client Referrals

NBSL does not consider receipt of client referrals from a broker-dealer or third party in its selection of broker-dealers.

Directed Brokerage

NBSL does not permit a client to direct the Investment Adviser to execute transactions through a specified broker-dealer.

Item 13 – Review of Accounts

At least annually, each Investment Adviser attempts to meet with their clients to perform account reviews to ensure the accounts remain in line with the clients' financial plans and to make any applicable updates or changes. Changes in a client's personal or financial situation may require adjustments to their financial plan. Clients may schedule an appointment with their Investment Adviser at any time to discuss account performance and changes to their financial plan. Material market events or changes in the client's personal situation may cause more frequent reviews.

Item 14 – Client Referrals and Other Compensation

NBSL does not receive economic benefits from non-clients for providing investment advice and other advisory services. NBSL does not compensate for client referrals.

Item 15 – Custody

NBSL does not have custody of client securities, but is deemed to have custody of client funds because clients authorize NBSL to deduct management fees directly from client accounts. All client assets are held at NFS, an unaffiliated qualified custodian.

Each client will receive account statements directly from NFS every calendar quarter (March, June, September, and December), at a minimum, and for any month in which there is activity in their account. Clients should carefully review all account statements to ensure accuracy.

Item 16 – Investment Discretion

Clients grant their Investment Adviser discretionary authority when they sign a managed account agreement. NBSL exercises discretionary authority in the management of client assets and can place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. NBSL's discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell
- determine the amount of the security to buy or sell
- determine when to buy or sell a particular security

Item 17 – Voting Client's Securities

Clients delegate proxy voting of the securities held in their advisory accounts to their Investment Adviser. NBSL's proxy voting policies and procedures require Investment Advisers to vote proxies in the best interest of its clients. Clients may obtain information about how their securities were voted or request a copy of NBSL's proxy voting policies and procedures free of charge by written request to compliance.nbsl@bmonb.com or (855) 328-1136.

Item 18 – Financial Information

NBSL is not required to include a balance sheet for its most recent financial year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

Under no circumstances does NBSL require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered.