

**ProTracker Software, Inc.
Compliance Manual, Version 5
July 2009**

SUMMARY OF CHANGES BETWEEN VERSION 4.2 AND VERSION 5

| Section | Section Title | Sub-Section | Change | Comment |
|----------------|----------------------|--|--|---|
| TOC | Table of Contents | G. Policies and Procedures | Added new Section G-10 Information Security Program | Required by Massachusetts and other states |
| A-01 | Company Organization | Compliance Budget | Compensation of CCO explicitly stated | SEC has asked about compensation of CCO to determine company commitment to compliance |
| A-01 | Company Organization | Information Security Program Coordinator (new) | Paragraph added designating CCO as Information Security Officer (ISO) | Proposed SEC changes to Regulation S-P requires designation of responsible individual for Information Security Program. |
| A-01 | Company Organization | Compliance Budget | Strengthened wording about compliance budget | Suggested regulatory change. |
| A-01 | Company Organization | Duties | Changed to TD Ameritrade Compliance News; Added SEC Compliance Alerts | Company name change; publication name change; new compliance publication. |
| A-01 | Company Organization | Independence of the Chief Compliance Officer (added) | Added new section | Suggested regulatory change. |
| A-01 | Company Organization | Information Security Program Coordinator (added) | Added Information Security Program Coordinator | Compliance with various state Information Security Program regulations. |
| A-02 | Code of Ethics | Conflicts of Interest | Added bulleted list of prohibitions | Strengthen requirements |

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|----------------|-------------------------------|--|--|--|
| A-02 | Code of Ethics | Related Compliance Manual Sections (added) | Added | Better cross-referencing |
| A-02 | Code of Ethics | Code of Ethics Receipt | Added several paragraphs | Strengthen requirements |
| A-02 | Code of Ethics | CFP Code of Ethics | Updated CFP Code of Ethics to current Principles. | Updated |
| A-02 | Code of Ethics | Financial Planning Practice Standards | Updated to current terminology | Updated |
| A-02 | Code of Ethics | CFP Rules of Conduct | Added new CFP Rules of Conduct. | Updated |
| A-02 | Code of Ethics | CFA Institute Code of Ethics | Added new CFA Institute Code and Standards of Professional Conduct | Updated |
| A-03 | Company History & Tax Returns | Location | Added section to locate information | Updated |
| A-04 | Internal Procedures Overview | Subsidiary Manuals and Documents | Added Trade Log and investment-related manuals: Performance Composites Manual; Benchmark Analysis binder; Quarterly Mutual Fund Searches binder; Stock Holdings binder; Mutual Fund Holdings Binder | Regulatory requirements |
| A-04 | Internal Procedures Overview | Subsidiary Manuals and Documents | Added Safety Plan | Required by Workers Comp Laws in many states |
| A-05 | Compliance Risk Assessment | Requirements (new) | Added requirements section | Cross-reference to other manual sections |
| A-05 | Compliance Risk Assessment | 8. Marketing Advisory Services | Added paragraph about using web-based marketing services | Disclose on Form ADV |

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| A-05 | Compliance Risk Assessment | 10. Safeguards for privacy and protection of client records and information | Added sentence to E.1) about encrypting laptop hard drives Added new paragraph G. referencing Section G-10 Information Security Program | Increased compliance requirements. |
| A-05 | Compliance Risk Assessment | Page A-05-12, Compliance Risk Assessment Matrix, Risk Assessment Section 10 | Added reference to new Section G-10 under Compliance Manual Sections | G-10 Information Security Program |
| A-06 | Internal Controls | Accounts Payable | Added paragraph | President review Check Register monthly.. |
| A-06 | Internal Controls | Client Accounts | Change of Address Policy enhanced to a new section | Added section with procedure for changing address information on client accounts/records. |
| A-06 | Internal Controls | Accounts Payable | Added paragraph | |
| A-06 | Internal Controls | Office Cleaning | Allowed for outside contractor, if supervised | Address Information Security Program rules |
| B-01 | Prospecting Letters | Comments | Added discussion of e-mail templates | Increased use of e-mail templates needed to be referenced |
| B-02 | Advertisements | Social Networking Sites (new) | Added new section prohibiting testimonials | Caution urged in this gray area |
| B-03 | Newsletters | Location | Added paragraph specifying electronic location of newsletter lists | Required to produce list of recipients to whom newsletters were sent |
| C-01 | Communications | Comments | Eliminated statement that client records are retained indefinitely. Allows for destruction of records after required retention period. | Allows for destruction of client records and recognizes electronic archiving as an acceptable storage medium |
| C-02 | Agreements With Clients: renamed as Advisory Contracts | Title | Added duration to agreements. Revised descriptions and added scanning policies. | Conforms to new CFP Rules of Conduct. Paperless office documentation. |

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| C-02 | Advisory Contracts | Outside Accounts Online Access Limited Power of Attorney (new) | Added new section and referenced Chapter D-01 for details. | Documents Company permission to access outside client accounts |
| C-03 | Client Lists | Compliance Method, Services paragraph | Provided greater specificity | Added several additional common service types |
| D-01 | Discretionary Accounts and Powers of Attorney | Outside Accounts Online Access Limited Power of Attorney (new) | Added new page to provide new OAOA LPOA for clients to sign | Documents Company permission to access outside client accounts |
| D-02 | Investment Recommendations | Investment Approach, last paragraph | Removed statement that clients are called prior to investment implementation. Added blanket trading authority. | More flexible trading permissions |
| D-02 | Investment Recommendations | Investment Committee | Added two new paragraphs about the <i>Mutual Fund Holdings</i> binder and the <i>Stock Holdings</i> binder. | Clarity |
| D-03 | Trading | Discretion | Added blanket trading authority to first paragraph | More flexible trading authority |
| D-03 | Trading | Global Reports | Updated Centerpiece to PortfolioCenter. More clearly specified specific reports to run. | Software name change. Better preparation for examination. |
| D-03 | Trading | Reconciliation of Trades (new) | Added new section to add a forensic testing component. | Better preparation for examination. |
| D-03 | Trading | Page D-03-4 | Added specificity to archiving of Trading Error Reports | Requires scanning Trading Error Reports before archiving |
| D-04 | Performance Reporting To Clients | Overview | Removed AIMR Performance Presentation Stds. Replaced with Global Investment Performance Standards (GIPS). Added paperless archiving provisions. | Updated to reflect changing world effort at transparency in investment performance reporting. Added paperless office record archiving. |

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| D-05 | Personal Securities Transactions | Exchange-Traded Funds (new) | Added section on trading of ETFs. Added section on Inside Information. | Compliance exams have highlighted ETF trading in employee accounts on same day as trading in client accounts. |
| D-05 | Personal Securities Transactions | Inside Information (new) | Added section on Inside Information. | Improved compliance |
| D-07 | Custody | Form ADV Custody Disclosure | Revised section regarding Form ADV custody disclosure. | Reflects changes to Form ADV and SEC guidance. |
| E-01 | Cash Receipts & Billing | Fee Audits (new) | Added new section to document forensic testing method | Better preparation for examination. |
| E-02 | Accounts Payable | Both sections | Reorganized into separate sections for bill payment policy and credit card policy. | Improved clarity. |
| E-04 | Accounting Reports | Comments | Documented electronic archiving process for accounting records. | Paperless office. |
| F-02 | Form ADV Disclosure Statement – Current Copy | Comments | Added comment regarding uploading to IARD annually and upon any material change. | Improved clarity. |
| F-03 | Regulatory Registrations | End of article | Added article on 13F filings related to properly counting AUM when sub-advisers and hedge fund managers are used. | Useful guidance. |
| F-05 | Complaint & Litigation Files | Minimizing the Possibility of Litigation | Added path to Investment Policy Statement summary reports to ensure all clients have them. | Good internal policy to perform internal IPS audit each year. |
| F-05 | Complaint & Litigation Files | Contracts | Added path to reports of Contract Reviews to ensure all clients have them. | Good internal policy to perform internal client review each year. |
| F-06 | Regulatory Inspections | Document Development | Added mock audit guide from SEC. | F-06 Regulatory Exam SEC 2389 (7-04). |
| F-06 | Regulatory Inspections | SEC or State Inspection Guidelines | Added table at bottom of form to log arrival and departure of examiners. | Documents who was looking at client documents. |

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| F-06 | Regulatory Inspections | SEC or State Inspection Guidelines | Added Freedom of Information Act Letter template to avoid public disclosure of client information obtained by SEC during examination. | Letter requests exemption under the Freedom of Information Act during a regulatory inspection |
| F-07 | Compliance Review | Requirements and Attachments sections | Added sentence to require transactional, periodic and forensic tests. | Improved compliance |
| F-07 | Compliance Review | F-07-5 Spreadsheet | Added specificity to archiving | Added paperless office record archiving location. |
| F-07 | Compliance Review | F-07-5 Spreadsheet | Added line for E-01-3 Annual Fee Audit | Improve forensic testing |
| F-07 | Compliance Review | F-07-5 Spreadsheet | Added line for E-04-2 Scan Prior-Year Records in PDF Format | Improve records archiving |
| F-07 | Compliance Review | F-07-5 Spreadsheet | Added line for G-10 Information Security Program | New regulatory requirements |
| G-03 | E-Mail Policy | Security | Added reference to new Section G-10, Information Security Program. | Email must follow Information Security Program requirements. |
| G-03 | E-Mail Policy | Security | Added paragraph to discourage clients from approving trades in emails. | Email is an unreliable communication method due to spam filters. |
| G-03 | E-Mail Policy | E-Mail Encryption (new) | Added new section directing employees to follow provisions of new Section G-10, Information Security Program. | Emails and attachments to emails must be encrypted if they contain personal information, as defined in Section G-10. |
| G-03 | E-Mail Policy | E-Mail Encryption (new) | Added new paragraph regarding the adoption of ZixMail as the encryption technology of choice. | Emails and attachments to emails must be encrypted if they contain personal information, as defined in Section G-10. |
| G-03 | E-Mail Policy | Electronic Archiving of Encrypted Emails (new) | Provided procedures for encrypting and decrypting emails so that they may be read in a CRM. | Encrypted emails cannot inherently be read by regulatory examiners, so the procedures resolve that problem. |

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| G-03 | E-Mail Policy | Hard-copy Archiving | Broadened wording to allow scanning of emails. | Emails may be scanned as a means of archiving if the situation so dictates. |
| G-03 | E-Mail Policy | Contemporaneous E-Mail Reviews (new) | Require staff to copy Chief Compliance Officer on client communications. | Facilitates close monitoring of all client emails. |
| G-03 | E-Mail Policy | Text Messaging | Added section to prohibit text messaging and use of www.twitter.com and similar text messaging systems. | Unable to archive communications through these media. |
| G-03 | E-Mail Policy | Training & Indoctrination | Added paragraph requiring annual review of E-Mail Policy with employees. | Increased compliance by checking for disallowed words, e.g., guaranteed, sure winner, can't lose, etc. |
| G-03 | E-Mail Policy | Training & Indoctrination | Added log sheet to document annual E-Mail Training. | Increased compliance requirements. |
| G-03 | E-Mail Policy | Related Policies (new) | Added reference to Section G-10, Information Security Program. | Increased compliance requirements. |
| G-04 | Privacy Policy | Various | Moved the following sections to new Chapter G-10: Physical Access; Client Identification; Hardware Firewall; Software; Server Access; Remote Access to Server; E-Mail; U. S. Mail; Online Client Account Access; Credit Card Numbers; Computer Inventory; Laptop Computers; USB Flash Drives; Personal Digital Assistants (PDAs); Data Loss Response | Many provisions of the Information Security Program were in the Privacy Policy since 2006. |

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| G-04 | Privacy Policy | Regulations | Specifically referenced SEC Regulation S-P, Privacy of Consumer Financial Information, issued as a result of the Gramm-Leach-Bliley Act of 1999. | Citation and cross reference added. |
| G-04 | Privacy Policy | All | Replaced "Security Officer" with "Information Security Officer" | Conform to the assignment of an Information Security Officer in Section G-10, Information Security Program. |
| G-04 | Privacy Policy | Definitions (new) | Defined Personal Information and Confidential Information | Confidential Information includes more information than the very narrow Personal Information definition. |
| G-05 | Anti-Money Laundering | Testing | Added description of electronic archiving procedure for quarterly AML reports. | Increased compliance. |
| G-07 | Soft Dollars | Gift & Entertainment Log | Added log to document gifts received from vendors | Increased transparency. |
| G-09 | Record Retention | Five years | Added "Trading records, trade tickets, order tickets, mutual fund trade lists | Increased compliance. |
| G-09 | Record Retention | Destruction Records (new) | Added "Records Destruction Log" to document records destruction | Increased compliance requirements. |
| G-10 | Information Security Program | Added new Section | New Section | Compliance with various federal and state Information Security Program regulations. |
| G-10 | Information Security Program | Testing | Moved from G-04. Added Gibson Research Corp. as resource for intrusion detection testing | Increased requirements for electronic privacy mandates intrusion detection testing |
| G-10 | Information Security Program | Data Loss Response | Moved from G-04. Allowed outside cleaning person into offices if escorted | Allow for outside contractor to clean offices if escorted. |
| G-10 | Information Security Program | Physical Access | Moved from G-04. Added bullet listing SEC as an agency to be notified | Notify SEC, as appropriate |

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| G-10 | Information Security Program | Laptop Computers (new) | Moved from G-04. Added section requiring encryption of hard drives. | Increased requirements for electronic privacy. |
| G-10 | Information Security Program | USB Flash Drives (new) | Moved from G-04. Added section requiring encryption of flash drives. | Increased requirements for electronic privacy. |
| G-10 | Information Security Program | References | Added Massachusetts law 201 CMR 17.00. | Increased requirements for electronic privacy, effective January 1, 2010. |