

A close-up photograph of a middle-aged man with short dark hair and glasses, smiling warmly. He is wearing a light blue collared shirt. The background is softly blurred, suggesting an indoor setting with natural light.

# Individual Retirement Account Agreements



**Boston Merchant Financial Services**

Abstract geometric shapes in shades of light blue and white, located at the bottom of the page. These shapes overlap and create a modern, layered design.

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## NEW ACCOUNT APPLICATION COVER PAGE

Thank you for your interest in opening an account with Boston Merchant Financial Services. The following outlines the information needed by Boston Merchant Financial Services and the steps you must take in order to complete the account paperwork. Please return this page with your account paperwork.

Account Title (applicant name or entity) \_\_\_\_\_

Tax ID Number (SSN) \_\_\_\_\_

Account Type (individual, IRA, etc.) \_\_\_\_\_

Trading Platform \_\_\_\_\_

### Account Opening Steps

**There are 4 steps to opening your account with Boston Merchant Financial Services.**

1. Read and sign all agreements and disclosures
2. Print all applicable account documents, review and complete.
3. Return the signed documents by U.S. Mail or overnight service. Mail all original forms to:
  - Boston Merchant Financial Services  
419 Boylston Street, Boston, MA 02116
4. Fund your account.
  - If you are funding your account by check, please make checks payable to:  
***Person Financial Services.***
  - If you are funding your account by wire transfer or other means, you will have to wait until you are assigned an account number before funding your account.

### Customer Suitability

If you are opening a day trading account with BMFS, do you have \$25,000 in available investment capital? \_\_\_ Yes \_\_\_ No

Is high risk speculation your sole investment objective for the assets in your BMFS account? \_\_\_ Yes \_\_\_ No

If no, please explain your investment objectives: \_\_\_\_\_

Can you afford to lose most, all, or more than all of the capital you intend to invest in your BMFS account? \_\_\_ Yes \_\_\_ No

If no, please explain: \_\_\_\_\_

Have you had any training, education in trading or investment strategies? \_\_\_ Yes \_\_\_ No

If yes, please describe: \_\_\_\_\_

### Fee Acceptance

I acknowledge and agree that Boston Merchant Financial Services will deduct any applicable fees (such as monthly software, exchange, and news service fees) electronically from my trading account. \_\_\_ Yes

## Trading Risk Disclosure

### Day Trading Risk Disclosure Statement (NASD Rule 2361)

**Day trading is extremely risky. Day trading generally is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses. Further, certain evidence indicates that an investment of less than \$50,000 will significantly impair the ability of a day trader to make a profit. Of course, an investment of \$50,000 or more will in no way guarantee success. Be cautious of claims of large profits from day trading. You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.**

**Day trading requires knowledge of securities markets-**Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.

**Day trading requires knowledge of a firm's operations-**You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is the greater likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.

**Day trading will generate substantial commissions, even if the per trade cost is low. Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs \$16 and an average of 29 transactions are conducted per day, an investor would need to generate an annual profit of \$111,360 just to cover commission expenses. Day trading on margin or short selling may result in losses beyond your initial investment. When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day-trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.**

### Extended Hours Trading

**Risk of Lower Liquidity-**Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

**Risk of Higher Volatility-**Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

**Risk of Changing Prices-**The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

**Risk of Unlinked Markets-**Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

**Risks of News Announcements-Normally, issuers make** news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

**Risk of Wider Spreads-**The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

## Understanding Your Risks

Boston Merchant Financial Services would like to inform you of the potential risks of trading online and the inherent risks of trading in an extreme market environment.

When trading online, you should be aware that during periods of high Internet traffic, you might experience delays in accessing account data due to systems capacity limitations. Additionally, system response times may be adversely affected by increased market volatility conditions, quote delays, system performance; and other factors outside the control of Cobra Trading, which may include your computer system and internet service provider. You may also experience system outages or delays as a result of, among other things, power failures, programming failures or heavy trading volume. During periods of increased volatility, you might suffer market losses in the price and share volume of a particular stock when systems problems result in an inability to place buy or sell orders. The risk of financial loss in trading online can be substantial; therefore, you should consider whether such trading is suitable for you in light of your circumstances and financial resources.

In the event system capacity problems prevent our automated routing systems from sending your order(s) to designated market centers for execution, we encourage you to contact our Trading Desk for manual handling of your orders. We ask for your patience, during those times, because the Trading Desk will be experiencing heavy call volume. Please keep in mind that Cobra Trading takes significant measures to improve system capacity and reliability; however, you should have an alternate means of trading your securities including a back-up account at another securities brokerage firm.

During extreme market conditions, you might experience delays in order executions because market making firms will temporarily discontinue normal automatic order execution standards and switch to a manual order process, and/or reduce their size guarantees on individual stocks. You may also experience executions at prices significantly away from the market price quoted or displayed at the time an order was entered, less shares than desired, or losses. To potentially reduce your risk of receiving an execution away from the market, it is a good idea to use limit orders rather than market orders in a fast moving market.

### Choosing the right type of order:

A **market order** is an order to buy or sell a stated amount of a security at the best possible price at the time the order is received in the marketplace. Market orders will definitely be filled; however, you cannot be sure of the price. Stock prices vary based on current conditions, and these conditions are not always reflected on your computer screen. The actual price at which your order is filled may be better or worse than you expected.

A **limit order** is an order to buy or sell a security at a specified price or better. Your order will not be filled unless the stock trades at that level. Placing a limit order, however, is not a guarantee that your trade will be executed at your limit price. It does, however, eliminate the risk that your order will be filled at a price worse than you expected.

A **stop order** is an order to buy or sell a stock at the market price once the price reaches or passes through a specified price, called the "stop price." This type of order is used by investors who own a stock and want to make sure they sell it, if the stock price starts to drop. The stop price placed on a sell stop order must be below the current bid price of the security. Stop orders in volatile issues will not guarantee you an execution at or near the stop price. Once triggered, the order competes with other incoming market orders. Stop orders can be placed for buy orders as well. The stop price specified for a buy order must be above the current asking price.

A **stop limit order** performs like a stop order with one major exception. Once the order is activated (by the stock trading at or "through" the stop price), it does not become a market order. Instead, it becomes a limit order with a limit price equal to the former stop price. The advantage of this order is that you set a specified price at which your order can be filled. The disadvantage is that your order may not be filled in certain fast market conditions. In this case, your exposure to loss will continue until the position is closed.

You should pick the type of order that is best suited for your situation and which considers current market conditions. Your orders are accepted only on an unsolicited basis. You are solely responsible for any and all orders placed in your account(s) and at your own risk. Boston Merchant Financial Services does not make any recommendations whatsoever regarding any security or securities product. Additionally, your account(s) are accepted on a fully disclosed basis and solely at the discretion of Boston Merchant Financial Services and Penson Financial Services, Inc., the company's clearing firm. Penson Financial Services, Inc. provides all clearing, settlement and other related services for your account(s).

## Margin Risk Disclosure

### Margin Trading Risk Disclosure (NASD Rule 2341)

Boston Merchant Financial Services is furnishing this document to you to provide some basic facts about purchasing securities on margin, and alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account you should carefully review the margin agreement provided by Boston Merchant Financial Services. Please consult a Boston Merchant Financial Services representative regarding any questions or concerns you may have with margin account.

When you purchase securities you may pay for the Boston Merchant Financial Services securities in full or may borrow part of the purchase price from Boston Merchant Financial Services. If you choose to borrow funds from BMFS you will open a margin account. The securities purchased are BMFS'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, Boston Merchant Financial Services can take action such as a margin call and/or sell securities in your account 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, including:**

**You can lose more funds than you deposit in the margin account** – A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made a loan to avoid the forced sale of those securities or other securities in your account.

**The firm can force the sale of securities in your account** – If the equity in your account falls below the maintenance margin requirements under the law or the firm’s higher “house” requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

**The firm can sell your securities without contacting you** – Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

You are not entitled to choose which security in your account should be liquidated to meet a margin call because the securities are collateral for the margin loan; the firm has the right to decide which security to sell in order to protect its interests.

**The firm can increase its "house" maintenance margin requirements at any time** – The firm is not required to provide you with advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell the securities in your account.

**You are not entitled to an extension of time on a margin call** – While an extension of time to meet margin requirements may be available to customers under certain conditions a customer does not have a right to the extension.

**Options Trading Risk Disclosure**

Options involve risks and are not suitable for all investors. It is very important that option investors read the Characteristics and Risks of Standardized Options (Optional Disclosure Document) before engaging in options trading. The risk disclosure document explains the characteristics and risks of exchange-traded options. You may also request a copy of the option Disclosure Document by writing to the options supervisor at Boston Merchant Financial Services, 419 Boylston Street, Boston, MA 02116

Boston Merchant Financial Services also would like to inform investors of the inherent risks of trading the following strategies.

1. Bullish strategies have greater risk of loss in falling markets
2. Neutral strategies have greater risk of loss in volatile markets
3. Bearish strategies have greater risk of loss in rising markets

There are many factors that an investor should be aware of when trading options including interest rates, volatility, stock splits, stock dividends, stock distributions, currency exchange rates, etc.

Boston merchant Financial Services or its clearing firm shall reduce any account that exceeds applicable position limits to a level that is in compliance with such limits. Any losses as a result of these actions will be the sole responsibility of the investor.

Typically, the exercise of in-the-money equity options is automatic at expiration if the equity option is \$0.01 or more in the money. For equity options in the money less than \$0.01, or out of the money, it is the obligation of the investor to request exercise. Boston Merchant Financial Services or its clearing firm may, at its own discretion, exercise any open equity option that is \$0.01 or more in the money on the date of expiration. Investors are obligated to monitor their options position(s) especially as the expiration date approaches.

Investors exercising their in-the-money equity options must have sufficient assets in their account to meet margin requirements. Boston Merchant Financial Services or its clearing firm may, at its own discretion, reduce or close-out an investor’s option(s) position prior to the close of business on the last day before exercise, if the account has insufficient assets to meet margin requirements.

Investors should only engage in options trading that is best suited to their financial condition and option experience and which considers current market conditions. Orders are accepted only on an unsolicited basis. Investors are solely responsible for any and all orders placed in their account(s) and at their own risk. Boston merchant Financial Services does not make any recommendations whatsoever regarding any options or options strategies. Additionally, your account(s) are accepted on a fully disclosed basis and solely at the discretion of Boston merchant Financial Services and Pension Financial Services, Inc., the company’s clearing firm.

**Privacy Disclosure**

**Confidential Treatment of Customer Information**

Did You Know a federal law exists that regulates the collection, use, and safeguarding of your nonpublic personal financial information by banks securities industry members, insurance companies, and other financial institutions. “Nonpublic personal financial information” is defined as specific information that is not available to the general public.

Before a company can share your nonpublic personal information that you entrusted with them, they are required to notify you in advance of the sharing arrangement and to give you ample time to opt-out.

It is our desire to keep you informed of changes in federal, state or self-regulatory organization rules and regulations that may have an impact on how we conduct our securities business.

### **Our Commitment to Your Privacy:**

Boston Merchant Financial Services understands the importance of maintaining the privacy of your personal and financial information. By entrusting us with you information, we would like to assure you of our commitment to keeping it private. We have taken measurable steps to protect the confidentiality, security and integrity of your information.

This notice will help you understand the type of information that we collect, use and protect.

### **Private Policy Summary:**

We collect personal and financial information to process your securities transactions, to administer your account, and to carry out your request for other products and services. Examples of information collected from you include securities trading history, total assets, social security number, cash balance, margin information, and securities positions. We have implemented procedures to protect your nonpublic personal and financial information.

Boston Merchant Financial Services does not sell, share, or disclose your nonpublic information to nonaffiliated third parties unless permitted or otherwise required by law. We do share such information with affiliates to facilitate your requests or instructions. Examples of “permitted by law” include our clearing firm (which clears and settles your securities transactions) and credit bureaus. “Required by law” examples include court orders and regulatory investigations.

We do not share or use personally identifiable health information for marketing purposes. Our commitment to privacy protection extends to both current and former customers, except as permitted or required by law.

### **Specific Details of Our Privacy Policy:**

**Boston Merchant Financial Services**, its employees or representatives may collect nonpublic personal information about you from various sources including:

- Information provided on your account application or other forms
- Information about your transactional history with affiliates, nonaffiliated third parties or us
- Information from others, such as credit reporting agencies, employers and federal and state agencies

**The type of nonpublic personal information collected** varies according to the products or services provided and may include, for example: account balances, income, excess margin, assets, trading history, social security number, and margin loan records.

**Information collected** is used to process your securities transactions, update your account records, to inform you of other services that may be of interest, and to ensure compliance with securities regulations.

**It may be necessary** to share some or all of the information described above with affiliates to ensure that your request or instructions are fulfilled. We will not share your information with affiliates for any other reasons.

**We limit access** to only those employees or representatives that need to know the information in order to assist in carrying out your request for products or services. We have policies and procedures that give direction to our employees, and representatives acting on our behalf, regarding how to protect and use nonpublic personal information. Further, we maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to guard your information.

**We do not share** nonpublic personal information about our customers with anyone including affiliates or third parties, otherwise permitted by law, which does not aid in the carrying out of your request or instructions. Additionally, we do not share personally identifiable health information unless the customer or the applicable law authorizes further sharing.

**What are cookies and why must I accept them on your website?** A cookie is a small piece of information that's sent to your browser (along with an HTML page) by our server. When you return, some stored information is sent back to our web server along with your request. A cookie is uniquely yours and can only be read by the server that gave it to you. It cannot read any other part of your files, nor can it be used to send viruses. Boston Merchant Financial Services will use cookies on its trading member website to authenticate valid Boston Merchant Financial Services accounts and grant access to the secure member area. The use of cookies is the simplest, most secure, and most widely accepted form of authentication. At Boston Merchant Financial Services, security will not be compromised. Using a cookie helps ensure that only you have access to your Boston Merchant Financial Services account. Authentication information is valid only for a single session and changes each time you begin a new session. We only require cookies on our secure website, so they will be transmitted using encryption. Your privacy is of the highest priority. We have worked hard to earn your trust and we will

continue to do so. No other company or website can access your Boston Merchant Financial Services cookie. We do not sell your personal information to third parties.

**Our privacy policy applies**, to the extent required by law, to employees and representatives that act on the firm's behalf. Additionally, we regularly review privacy policies of third parties for administrative services and joint marketing agreements to ensure compliance with appropriate federal and state regulations.

**We reserve the right** to change our privacy policies and related procedures at any time, in accordance with applicable federal and state laws. Should our policy change, you will receive notification prior to the sharing of such nonpublic information and you will be provided with an option to opt out of the information sharing arrangement.

If you have any questions regarding our privacy policy, please do not hesitate to contact our Customer Service Department at 617-536-1052.

## **Anti-Money Laundering Notice for Boston Merchant Financial Services**

### **The USA Patriot Act**

The USA Patriot Act, signed by President Bush last year, is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. By April 24, 2002, all brokerage firms were required to have new, comprehensive anti-money laundering programs.

To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA Patriot Act.

### **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. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at \$1 trillion a year.

### **What are we required to do to eliminate money laundering?**

Under the new rules required by the USA Patriot Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transactions and ensure compliance with the new laws.

As part of our required program, we may ask you provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to open an account or effect any transactions for you.

We thank you for your patience and hope you will support our efforts to deny terrorist groups access to America's financial system.

I have enclosed a copy of a photo ID or driver's license with my application: \_\_\_ Yes

I have signed, read and understand the following documents:

- \_\_\_ Customer Suitability
- \_\_\_ Fee Acceptance
- \_\_\_ Trading Risk Disclosure
- \_\_\_ Margin Risk Disclosure
- \_\_\_ Privacy Disclosure
- \_\_\_ Anti-Money Laundering Notice

### **Primary Account Holder:**

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Date \_\_\_\_\_

### **Secondary Account Holder:**

Print Name \_\_\_\_\_

Sign Name \_\_\_\_\_

Date \_\_\_\_\_



**Penson Financial Services, Inc.**

Account Number: \_\_\_\_\_

**NEW ACCOUNT APPROVAL FORM**

Cash \_\_\_\_\_ Mgn. \_\_\_\_\_ Short \_\_\_\_\_ Optn. \_\_\_\_\_ IRA \_\_\_\_\_ Office Code: \_\_\_\_\_ RR# \_\_\_\_\_ Acct. Open Date: \_\_\_\_\_

Is this account for a Foreign Bank? YES / NO. If yes, please list U.S. agent for service of process: \_\_\_\_\_

**Name of Primary Account Holder or Title of Account:** \_\_\_\_\_  
(Write name exactly as it appears on Social Security Card or Fed ID Registration)

**Name of Secondary Acct. Holder:** \_\_\_\_\_

**Primary Account Holder Information:**

**SSN, Fed ID, Cedula, NIT#:** \_\_\_\_\_ Home Telephone: \_\_\_\_\_

Residential Address: (No PO Boxes) \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Drivers License #: \_\_\_\_\_

Employer's Name: \_\_\_\_\_ Occupation: \_\_\_\_\_

Employer's Address: \_\_\_\_\_ Employer's Telephone: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Associated person of a Broker? \_\_\_\_\_ Yes / \_\_\_\_\_ No (If Yes, please name): \_\_\_\_\_

**Secondary Account Holder Information (If Joint Acct.):** \_\_\_\_\_ YES / \_\_\_\_\_ NO – Is Secondary Account holder the Spouse of Primary Account Holder?

**SSN, Fed ID, Cedula, NIT#:** \_\_\_\_\_ Home Telephone: \_\_\_\_\_

Residential Address: (No PO Boxes) \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Drivers License #: \_\_\_\_\_

Employer's Name: \_\_\_\_\_ Occupation: \_\_\_\_\_

Employer's Address Employer's Telephone: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Associated person of a Broker? \_\_\_\_\_ Yes / \_\_\_\_\_ No (If Yes, please name): \_\_\_\_\_

**Citizenship Information:**

**Primary:**

Are you a U.S. Citizen? \_\_\_\_\_ Yes / \_\_\_\_\_ No

Resident Alien? \_\_\_\_\_ Yes / \_\_\_\_\_ No Country of Birth \_\_\_\_\_

Non-Resident Alien?  Yes /  No Country Residing In: \_\_\_\_\_

**Secondary:**

Are you a U.S. Citizen?  Yes /  No

Resident Alien?  Yes /  No Country of Birth \_\_\_\_\_

Non-Resident Alien?  Yes /  No Country Residing In: \_\_\_\_\_

**Investment Objectives:** (\* If more than one, please rank 1-8)

- Long term growth with safety (long term capital appreciation with relative safety of principal) A
- Short term growth with high risk (Appreciation with acceptance of high risk) B
- Speculative (want increase in value of investments – High Risk) C
- Income (want to use proceeds of the acct. as a source of income) H
- Growth and Income (preserve capital as much as possible) I
- Long term growth with greater risk – Aggressive Growth (trade volatile securities that have wide changes in price) J
- Balanced (Diversification of asset classes for equal blend of income and long-term growth) M
- Capital Appreciation (High Risk, capital growth invested primarily in stocks and options) N

**Tax Information:**

# Of Dependents: \_\_\_\_\_

Marital Status:  S /  M /  D /  W

Tax Status: \_\_\_\_\_ %

Initial Deposit: \$ \_\_\_\_\_

Initial Transaction: \_\_\_\_\_

**Signature: Primary** \_\_\_\_\_ **Secondary** \_\_\_\_\_

**Client Information:**

How long has account holder known the Broker? \_\_\_\_\_

Who were you introduced by? \_\_\_\_\_

Is account holder a control person? (Officer, Director or 10% stock owner)  Yes /  No

If Yes, Please list the company(s) controlled & position: \_\_\_\_\_

Is client an employee of Insurance Co., Bank, Fund, Securities firm or Investment Advisor?  Yes /  No

<b>Income:</b>	<b>Net Worth:</b> (Excluding Primary Residence)	<b>Liquid Net Worth:</b>	
<input type="checkbox"/> \$0 - 24,999	<input type="checkbox"/> \$0 - 25,000	<input type="checkbox"/> \$0 - 25,000	<u>A</u>
<input type="checkbox"/> \$25,000 - 39,999	<input type="checkbox"/> \$25,000 - 39,999	<input type="checkbox"/> \$25,000 - 39,999	<u>B</u>
<input type="checkbox"/> \$40,000 - 64,999	<input type="checkbox"/> \$40,000 - 64,999	<input type="checkbox"/> \$40,000 - 64,999	<u>C</u>
<input type="checkbox"/> \$65,000 - 124,999	<input type="checkbox"/> \$65,000 - 124,999	<input type="checkbox"/> \$65,000 - 124,999	<u>D</u>
<input type="checkbox"/> \$125,000 - 249,999	<input type="checkbox"/> \$125,000 - 249,999	<input type="checkbox"/> \$125,000 - 249,999	<u>E</u>
<input type="checkbox"/> \$250,000 - \$499,999	<input type="checkbox"/> \$250,000 - \$499,999	<input type="checkbox"/> \$250,000 - \$499,999	<u>F</u>
<input type="checkbox"/> \$500,000 - \$999,999	<input type="checkbox"/> \$500,000 - \$999,999	<input type="checkbox"/> \$500,000 - \$999,999	<u>G</u>
<input type="checkbox"/> \$1,000,000 - Over	<input type="checkbox"/> \$1,000,000 - Over	<input type="checkbox"/> \$1,000,000 - Over	<u>H</u>

**Payment Instructions:**

Securities:

- Transfer & Ship (1)
- Hold St. Name (2)

Money:

- Pay (1)
- Hold (7)

Dividends:

- Pay Weekly (1)
- Pay Monthly (1)
- Hold (4)

Principal & Maturity:  Credit to Account  Send Payment

Process checks:  Monthly  Weekly

Money Market Sweeps:  Yes /  No – If Yes, List Fund: \_\_\_\_\_

**Investment Experience:**

	Yrs.	Avg. Size	Avg.# P/Yr.
Options:			
Stocks:			
Bonds:			
Commodities:			
Other (Specify):			

**Type of Registration:**

Individual /  Joint Community Property /  Payable on Death (Individual)  
 Joint Tenants In Entirety /  Joint with Rights of Survivorship (except in LA) /  Joint Tenants In Common  
 Joint with Rights of Survivorship & Payable on Death (except in LA) /  Transfer on Death  
 UGMA/  UTMA (Provide DOB & SSN for minor): SSN \_\_\_\_\_ DOB \_\_\_\_\_  
 Retirement Account – Type: \_\_\_\_\_ /  Foreign Non-Resident Alien /  Resident Alien  
 Other (Circle): Corporate, LLC, Trust, Partnership, Estate, Non-Profit, Sole Proprietorship, Investment Club.

**Credit References:**

Bank: \_\_\_\_\_  
 Branch: \_\_\_\_\_  
 Type of Acct: \_\_\_\_\_  
 Broker: \_\_\_\_\_

**Duplicate Confirmations:**

Please send Duplicate confirms to the following address:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Authorized Person:**

If a person, other than the primary and/or secondary account holder will be operating this account, list Name, Address, ID# & Employer:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
**Is this a Discretionary account?  Yes/  No**

**Customer and Authorized Person's Signature:**

Primary Account Holder: \_\_\_\_\_ Date: \_\_\_\_\_  
 Secondary Account Holder: \_\_\_\_\_ Date: \_\_\_\_\_  
 Authorized Person (if Applicable): \_\_\_\_\_ Date: \_\_\_\_\_

**Broker Use Only:**

Registered Rep Signature: \_\_\_\_\_  
 Branch Manager Signature: \_\_\_\_\_  
 Designated Officer Signature: \_\_\_\_\_

**Daytrading:**

Approved for Day Trading Strategy?  YES /  NO  
 Was Daytrading Risk Disclosure Statement Delivered?  YES /  NO  
 Date Daytrading Disclosure was delivered: \_\_\_\_\_



Penson Financial Services, Inc.

## IRA DEPOSIT SLIP

**(For IRA Deposits Only)**

**Instructions:**

1. Fill out the Deposit Slip completely. Make checks payable to: Penson Financial Services Inc. and write your account number(s) on the face of your check.
2. If you are making an IRA contribution, fill out the appropriate section completely.
3. Penson Financial Services Inc. generally does not accept 3rd Party Checks, Credit Card Checks, or Line of Credit Checks. A 3rd Party Check is any check drawn on an account other than that of the owner of the account serviced by Penson Financial Services Inc. All deposits will be held for 10 business days before available to be disbursed.

\_\_\_\_\_  
Penson Account Number Deposit Amount

\_\_\_\_\_  
Deposit Amount

\_\_\_\_\_  
Name on Penson Account

**Check One**

____ <b>Regular Contribution</b>	Contribution for Tax Year ____ (If left blank will be deposited for current year.)
____ <b>Employer Contribution</b>	Contribution for Tax Year ____ (If left blank will be deposited for current year.) Note: All SEP contributions are reported the year of deposit)
____ <b>Employee Contribution</b>	Contribution for Tax Year ____ (If left blank will be deposited for current year.)
____ <b>Direct Transfer</b>	Transferred from another firm where it was held with identical account type and or title.
____ <b>Rollover</b>	Qualifying Direct Rollover from my Employer's Plan ex. 401(k), 403(b), Profit Sharing Plan, Money Purchase Pension Plan, etc or 60 Day Rollover. For 60 Day Rollover, the assets and account type must match as they were distributed less than 60 days ago. Account Owner attests to the following: that the funds deposited as an Irrevocable Qualifying Rollover do not contain any amounts from a Required Minimum Distribution; that these funds are being deposited within the allowable sixty day time period; and that the Account Owner is allowed only one rollover per twelve month period. Account owner further agrees to be bound the election of this deposit as an Irrevocable Qualifying Rollover.
____ <b>Fee Payment</b>	This is to offset fees charged due to administrative fees charged by the trustee only.

Penson Financial Services, Inc.  
 1700 Pacific Ave Ste 1400  
 Dallas Texas 75201-7322



**Penson Financial Services, Inc.  
And/or Broker Dealers  
For which it clears**

**CUSTOMER ACCOUNT AGREEMENT**

<b>Account Number:</b>	<b>Full Name and Address on Account</b>	<b>Social Security Number / Employment Identification Number</b>
_____	_____	_____
	_____	
	_____	

**The TIN provided must match the name given to avoid backup withholding.**

**CERTIFICATION OF TAXPAYER ID NUMBER (SUBSTITUTE W-9)**

*(Please skip this section if you are not a U.S. Person for Tax Purposes)*

\_\_\_\_\_ Individual/Sole Proprietor    \_\_\_\_\_ Corporation    \_\_\_\_\_ Partnership    \_\_\_\_\_ Other    \_\_\_\_\_ Exempt from Backup Withholding

Under penalty of perjury I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me) **and**
- (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement account (IRA), and payments other than interest and dividends).

(3) I am a U.S. person (including a U.S. resident alien).

**Certification Instructions --**You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**DISCLOSURE OF NAME/ADDRESS ON SECURITIES YOU OWN**

Under rule 14b-1(c) of the Securities Exchange Act, we are required to disclose to an issuer the name, address, and securities position of our customers who are beneficial owners of that issuer's securities unless the customer objects. Please check below if you do not want your ownership disclosed. By not checking below, you acknowledge that your ownership information may be transmitted to a third party for the processing and reporting of such information.

\_\_\_\_\_ I object to the disclosure of such information

**AUTHORIZATION TO EARN INTEREST ON FUNDS AWAITING INVESTMENT**

This is to confirm my intention to reinvest cash credit balances held by you in my name, and I further confirm that this cash credit balance is being maintained with you solely for the purpose of reinvestment. I understand that cash balances of up to \$100,000 are protected by the Securities Investor Protection Corporation (SIPC), but that SIPC coverage is not available for funds maintained solely for the purpose of earning interest.

**BY SIGNING BELOW, THE UNDERSIGNED AGREES TO ALL TERMS OF THE CUSTOMER AGREEMENT PRINTED ON THIS SIDE AND THE REVERSE OF THIS DOCUMENT. THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT, THE INFORMATION BROCHURE PREPARED BY PENSON FINANCIAL SERVICES, INC., AND PENSON'S PRIVACY POLICY. THE UNDERSIGNED CERTIFIES THAT THE UNDERSIGNED HAS READ AND UNDERSTANDS ALL PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT BENEFITS PENSON FINANCIAL SERVICES, INC., INTRODUCING BROKERS FOR WHICH IT CLEARS AND PERSONS RELATED TO EACH OF THE FOREGOING. THE REVERSE SIDE OF THIS AGREEMENT, PARAGRAPH 8, CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE.**

**Important information about procedures for opening a new account:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. **What this means to you:** when you open an account, we will ask for your name address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Date of Delivery of Privacy Policy \_\_\_\_\_

BY SIGNING BELOW, THE UNDERSIGNED AGREES TO ALL TERMS OF THE MARGIN AND SHORT ACCOUNT AGREEMENT PRINTED ON THIS SIDE AND THE REVERSE SIDE OF THIS DOCUMENT. THE REVERSE SIDE OF THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE IN PARAGRAPH 8. The undersigned acknowledges that the undersigned's margin account securities may be borrowed by you or loaned to others. The undersigned also acknowledges receipt of a copy of this Agreement and a copy of the Margin Risk Disclosure Statement.

Date of Delivery of Margin Risk Disclosure Statement: \_\_\_\_\_ For use by entity accounts only (i.e. corporations, partnerships, trusts):  
Is this account a foreign bank?  Yes  No – If Yes, please list  
Agent for service of process: \_\_\_\_\_

**For Use by Individuals, including joint accounts:**

Signature: \_\_\_\_\_ Is this account for a foreign shell bank?  Yes /  No  
Does this firm offer services to a foreign shell bank?  Yes/  No  
Print Name: \_\_\_\_\_ **If you answered yes to any of the above questions, Corporation  
will need to complete Certification Regarding Correspondent Accts**  
Signature (Second Party, If Joint Account): \_\_\_\_\_  
Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_  
Date: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Date: \_\_\_\_\_

**1. Applicable Rules and Regulations.** All transactions shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market and its clearing house, if any, upon which such transactions are executed, except as otherwise specifically provided in this Agreement.

**2. Definitions. "Introducing broker"** means any brokerage firm which introduces securities transactions on behalf of the undersigned, which transactions are cleared through you, whether one or more. **"Obligations"** means all indebtedness, debit balances, liabilities or other obligations of any kind of the undersigned to you, whether now existing or hereafter arising. **"Securities and other property"** shall include, but shall not be limited to, money, securities, commodities or other property of every kind and nature and all contracts and options relating thereto, whether for present or future delivery. **"You"** or **"your"** refers to Penson Financial Services, Inc.

**3. Breach; Security Interest.** Whenever in your discretion you consider it necessary for your protection, or for the protection of the undersigned's introducing firm or in the event of, but not limited to; (i) any breach by the undersigned of this or any other agreement with you or (ii) the undersigned's failure to pay for securities and other property purchased or to deliver securities and other property sold, you may sell any or all securities and other property held in any of the undersigned's accounts (either individually or jointly with others), cancel or complete any open orders for the purchase or sale of any securities and other property, and/or borrow or buy-in any securities and other property required to make delivery against any sale, including a short sale, effected for the undersigned, all without demand for deposit of collateral, other notice of sale or purchase, or other notice or advertisement, each of which is expressly waived by the undersigned, and/or you may require the undersigned to deposit cash or adequate collateral to the undersigned's account prior to any settlement date in order to assure the performance or payment of any open contractual commitments and/or unsettled transactions. Any and all securities and other property belonging to the undersigned or in which the undersigned may have an interest held by you or carried in any of the undersigned's accounts with you (either individually or jointly with others) shall be subject to a first and prior security interest and lien for the discharge of the undersigned's obligations to you, wherever or however arising and without regard to whether or not you have made advances with respect to such securities and other property, and you are hereby authorized to sell and/or purchase any and all securities and other property in any of the undersigned's accounts, and/or to transfer any such securities and other property among any of the undersigned's accounts to the fullest extent of the law and without notice where allowed. The costs and expenses of collection of the debit balance and any unpaid deficiency in the accounts of the undersigned with you, including but not limited to reasonable attorneys' fees and expenses, incurred and payable or paid by you shall be payable to you by the undersigned.

**4. Cancellation.** You are authorized, in your discretion, should you for any reason whatsoever deem it necessary for your protection, without notice, to cancel any outstanding order, to close out the accounts of the undersigned, in whole or in part, or to close out any commitment made on behalf of the undersigned.

**5. Payment of Indebtedness Upon Demand.** The undersigned shall at all times be liable for the payment upon demand of any obligations owing from the undersigned to you, and the undersigned shall be liable to you for any deficiency remaining in any such accounts in the event of the liquidation thereof (as contemplated in Paragraph 3 of this Agreement or otherwise), in whole or in part, by you or by the undersigned; and the undersigned shall make payment of such obligations upon demand. If Customer also holds a futures account with Penson GHCO ("PGHCO"), Customer hereby authorizes Penson, without prior notice, to transfer from any account held with Penson to any account held with PGHCO, any assets that PGHCO represents to Penson are reasonably required to avoid the calling of margins for such PGHCO account or the payment of any obligations owed Penson by Customer. Customer also authorizes Penson to request from PGHCO assets held by PGHCO that in Penson's judgment may be reasonably required to avoid the calling of margins for a Penson account or the payment of any obligations owed Penson by Customer.

**6. Accounts Carried as Clearing Broker.** The undersigned understands that you are carrying the accounts of the undersigned as clearing broker by arrangement with the undersigned's introducing broker through whose courtesy the account of the undersigned has been introduced to you. Until receipt from the undersigned of written notice to the contrary, you may accept from and rely upon the undersigned's introducing broker for (a) orders for the purchase or sale in said account of securities and other property, and (b) any other instructions concerning the undersigned's accounts. The undersigned represents that the undersigned understands that you act only to clear trades introduced by the undersigned's introducing broker and to effect other back office functions for the undersigned's introducing broker. The undersigned confirms to you that the undersigned is relying for any advice concerning the undersigned's accounts solely on the undersigned's introducing broker. The undersigned understands that all representatives, employees and other agents with whom the undersigned communicates concerning the undersigned's account are agents of the introducing broker, and not your representatives, employees or other agents. The undersigned understands that you are not a principal of or partner with, and do not control in any way, the introducing broker or its representatives, employees or other agents. The undersigned understands that you will not review the undersigned's accounts and will have no responsibility for trades made in the undersigned's accounts. You shall not be responsible or liable for any acts or omissions of the introducing broker or its representatives, employees or other agents. Notwithstanding the foregoing, in the event that the undersigned initiates a claim against you in your capacity as clearing broker and does not prevail, the undersigned shall be responsible for the costs and expenses associated with your defense of such claim.

**6A. Accounts Carried as Custodian.** In some cases the undersigned's account is being carried by arrangement with the undersigned's Investment Advisor or Investment Manager, who uses Penson as their Broker-Dealer custodian. The undersigned acknowledges that Penson's role as custodian is to hold or custody account assets, distribute or collect funds on behalf of the undersigned's account, execute and clear trades under instruction of the undersigned's Investment Advisor or Investment Manager, generate account statements and provide other custodial services as may be mandated by various regulatory standards and requirements. The undersigned understands that in the capacity as custodian, you will not offer investment advice, review the undersigned's accounts, and will have no responsibility for trades made in the undersigned's accounts. Additionally, in your capacity as custodian, you will not verify the

accuracy of management fees that the undersigned's pays to Investment Advisors or Investment Managers pursuant to the terms of the Investment Management Agreement executed between the undersigned and the Investment Advisor or Investment Manager. Notwithstanding the foregoing, in the event that the undersigned initiates a claim against you in your capacity as custodial broker and does not prevail, the undersigned shall be responsible for the costs and expenses associated with your defense of such claim.

**7. Communications.** You may send communications to the undersigned at the undersigned's address or at such other address as the undersigned may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, or otherwise, shall be deemed given to the undersigned personally, whether actually received or not. Reports of execution of orders and statements of accounts of the undersigned shall be conclusive if not objected to in writing to you, the former within five (5) days and the latter within ten (10) days, after forwarding by you.

**THE FOLLOWING ARBITRATION AGREEMENT SHOULD BE READ IN CONJUNCTION WITH THESE DISCLOSURES:**

**a. ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORM IN WHICH A CLAIM IS FILED;**

**b. ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**

**c. THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS;**

**d. THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD.**

**e. THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**

**f. THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**

**g. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.**

**ARBITRATION AGREEMENT. 8. ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN THE UNDERSIGNED AND YOU, OR THE INTRODUCING BROKER, OR THE AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, OFFICERS OR CONTROL PERSONS OF YOU OR THE INTRODUCING BROKER, ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (a) ANY PROVISIONS OF OR THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENTS, (b) THE RELATIONSHIP OF THE PARTIES HERETO, OR (c) ANY CONTROVERSY ARISING OUT OF YOUR BUSINESS, THE INTRODUCING BROKER'S BUSINESS OR THE UNDERSIGNED'S ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF THE FINRA. ARBITRATION MUST BE COMMENCED BY SERVICE OF A WRITTEN DEMAND FOR ARBITRATION OR A WRITTEN NOTICE OF INTENTION TO ARBITRATE. THE DECISION AND AWARD OF THE ARBITRATOR(S) SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND ANY JUDGMENT UPON ANY AWARD RENDERED MAY BE ENTERED IN A COURT HAVING JURISDICTION THEREOF, AND NEITHER PARTY SHALL OPPOSE SUCH ENTRY.**

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is de-certified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**9. Representations.** The undersigned represents that the undersigned is of majority age, that the undersigned is not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business dealing either as broker or as principal in securities, bills of exchange, acceptances or other forms of commercial paper. If the undersigned is a corporation, partnership, trust or other entity, the undersigned represents that its governing instruments permit this Agreement, that this Agreement has been authorized by all applicable persons and that the undersigned signatory is authorized to bind the undersigned. The undersigned represents that the undersigned shall comply with all applicable laws, rules and regulations in connection with the undersigned's account. The undersigned further represents that no one except the undersigned has an interest in the account or accounts of the undersigned with you.

**10. Joint Accounts.** If the undersigned shall consist of more than one person, the undersigned's obligations under this Agreement shall be joint and several. References to the "undersigned" shall include each of the undersigned. You may rely on transfer or other instructions from any one of the undersigned in a joint account, and such instructions shall be binding on each of the undersigned. You may deliver securities or other property to, and send confirmations; notices, statements and communications of every kind, to any one of the undersigned, and such action shall be binding on each of the undersigned.

Notwithstanding the foregoing, you are authorized in your discretion to require joint action by the joint tenants with respect to any matter concerning the joint account, including but not limited to the giving or cancellation of orders and the withdrawal of money, securities, futures or commodities.

**11. Other Agreements.** If the undersigned trades any options, the undersigned agrees to be bound by the terms of your **Customer Option Agreement**.

The undersigned understands that copies of these agreements are available from you and, to the extent applicable, are incorporated by reference herein. The terms of these other agreements are in addition to the provisions of this Agreement and any other written agreements between you and the undersigned.

**12. Data Not Guaranteed.** The undersigned expressly agrees that any data or online reports is provided to the undersigned without warranties of any kind, express or implied, including but not limited to, the implied warranties of merchantability, fitness of a particular purpose or non-infringement. The undersigned acknowledges that the information contained in any reports provided by you is obtained from sources believed to be reliable but is not guaranteed as to its accuracy or completeness. Such information could include technical or other inaccuracies, errors or omissions. In no event shall you or any of your affiliates be liable to the undersigned or any third party for the accuracy, timeliness, or completeness of any information made available to the undersigned or for any decision made or taken by the undersigned in reliance upon such information. In no event shall you or your affiliated entities be liable for any special incidental, indirect or consequential damages whatsoever, including, without limitation, those resulting from loss of use, data or profits, whether or not advised of the possibility of damages, and on any theory of liability, arising out of or in connection with the use of any reports provided by you or with the delay or inability to use such reports.

**13. Order Flow Disclosure.** Depending on the security traded and absent specific direction from the undersigned, stock orders are routed via an electronic system to a listed, NASDAQ or over the counter broker or dealer. You or your correspondents may receive cash payments for routing such orders to specific brokers or dealers. Because these agents are market makers, they carry inventory in their specific securities, allowing for price improvement to the undersigned by trading through their inventories. Accordingly, the undersigned's orders will always be executed at the "best bid" or "best offer", or at a price superior to either, by virtue of the market maker's inventory positioning capabilities.

**14. Credit Check.** You are authorized, in your discretion, should you for any reason deem it necessary for your protection to request and obtain a consumer credit report for the undersigned.

**15. Miscellaneous.** If any provision of this Agreement is held to be unenforceable, it shall not affect any other provision of this Agreement. The headings of each section of this Agreement are descriptive only and do not modify or qualify any provision of this Agreement. This Agreement and its enforcement shall be governed by the laws of the state of Texas and shall cover individually and collectively all accounts which the undersigned has previously opened, now has open or may open or reopen with you, or any introducing broker, and any and all previous, current and future transactions in such accounts.

Except as provided in this Agreement, no provision of this Agreement may be altered, modified or amended unless in writing signed by your authorized representative. This Agreement and all provisions shall inure to the benefit of you and your successors, whether by merger, consolidation or otherwise, your assigns, the undersigned's introducing broker, and all other persons specified in Paragraph 8. You shall not be liable for losses caused directly or indirectly by any events beyond your reasonable control, including without limitation, government restrictions, exchange or market rulings, suspension of

trading or unusually heavy trading in securities, a general change in economic, political or financial conditions, war or strikes. You may transfer the accounts of the undersigned to your successors and assigns. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned.

**16. Account Protection.** SIPC provides up to a maximum of \$500,000 of securities protection, of which up to \$100,000 may be to satisfy a claim for cash, for each protected account. Additional information regarding SIPC, including a SIPC brochure, is available by contacting SIPC at ([www.sipc.org](http://www.sipc.org)) or by calling 202-371-8300. In addition to SIPC membership, our clearing firm holds "Excess SIPC" Insurance of \$200,000,000 in the aggregate, over all customer accounts, subject to a maximum limit of \$900,000 per Customer in respect to cash. This "Excess SIPC" protection is in addition to the protection provided by the Securities Investors Protection Act, which is administered by SIPC and is subject to certain conditions and limitations. SIPC and Excess SIPC provide coverage against loss of securities and cash, not against market depreciation, fluctuation in market value of your securities or trading loss.

**Additionally, for margin and/or short accounts, the following provisions are also applicable:**

**17. Liquidation.** In the event of the death of the undersigned, or in the event the margin in any account in which the undersigned has an interest shall in either your or the introducing broker's discretion become unsatisfactory to either you or the introducing broker, or be deemed insufficient by either you or the introducing broker, you are hereby authorized; (a) to sell any or all securities or other property which you may hold for the undersigned (either individually or jointly with others); (b) to buy any or all securities and other property which may be short in such accounts; and/or (c) to cancel any open orders and to close any or all outstanding contracts; all without demand for margin or additional margin, notice of sale or purchase, or other notice or advertisement, and that any prior demand or notice shall not be a waiver of your rights provided herein. You may likewise accept and rely upon instructions which you receive from the introducing broker to effect any of the aforementioned transactions (as noted in (a); (b); and (c)). You shall have the discretion to determine which securities and other property are to be sold and which contracts are to be closed. Any such sales or purchases may be made at your discretion on any exchange, the over-the-counter market or any other market where such business is usually transacted, or at public auction or private sale, and you may be the purchaser for your own account.

**18. Hypothecation.** Within the limitations imposed by applicable laws, rules and regulations, all securities now or hereafter held by you, or carried by you in any account for the undersigned (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in your general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to you thereon or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities. The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as in-lieu dividends for 1099 tax reporting purposes. Taxation of substitute dividend payments may be greater than ordinary on qualified dividends. It is understood, however, that you agree to deliver to the undersigned upon demand and upon payment of the full amount due thereon, all securities in such accounts, but without obligation to deliver the same certificates or securities deposited by the undersigned originally. Any securities in the undersigned's margin or short account may be borrowed by you, or lent to others.

**19. Interest.** Debit balances in all the accounts of the undersigned shall be charged with interest in accordance with your established custom, as disclosed to the undersigned in the Customer Information Brochure pursuant to the provisions of Rule 10b-16 of the Securities Exchange Act.

**20. Margin.** The undersigned agrees to maintain in all accounts with you such positions and margins as required by all applicable statutes, rules, regulations, procedures and custom, or as you deem necessary or advisable. The undersigned agrees to promptly satisfy all margin and maintenance calls.

**21. Sales.** The undersigned agrees to specifically designate any order to sell a security which the undersigned does not own as a short sale, and understands that you will mark such order as a short sale. The undersigned agrees that any order which is not specifically designated as a short sale is a sale of securities owned by the undersigned, and that the undersigned will deliver the securities on or before settlement date, if not already in the account. If the undersigned should fail to make such delivery in the time required, you are authorized to borrow such securities as necessary to make delivery for the undersigned's sale, and the undersigned agrees to be responsible for any loss you may thereby sustain, or which you may sustain as a result of your inability to borrow such securities.