

Margin Account Agreement

Example 1

MARGIN AGREEMENT

KEEP A COPY FOR YOUR RECORDS. This is a copy of your Margin Agreement with [REDACTED]

TO: [REDACTED]

In consideration of your accepting and carrying for the undersigned one or more accounts introduced to you by my broker, bank, or other introducing firm ("Introducing Firm"), which Introducing Firm is intended to have the benefit and is a third party beneficiary of this agreement, the undersigned agrees as follows:

ROLE OF [REDACTED]

I understand that [REDACTED] is the carrier of the accounts of the undersigned as clearing broker pursuant to a clearing agreement with the Introducing Firm. Until receipt from the undersigned of written notice to the contrary, [REDACTED] may accept from the Introducing Firm, without inquiry or investigation, (i) orders for the purchase or sale of securities and other property on margin or otherwise, and (ii) any other instructions concerning said accounts. Notices to the undersigned concerning margin requirements or other matters related to the undersigned's accounts usually will go through the undersigned's Introducing Firm although direct notice to the undersigned with duplicate notice to the undersigned's Introducing Firm may occur if market conditions, time constraints, or other circumstances require it. [REDACTED] shall not be responsible or liable for any acts or omissions of the Introducing Firm or its employees. I understand that [REDACTED] provides no investment advice, nor does [REDACTED] give advice or offer any opinion with respect to the suitability of any transaction or order. I understand that my Introducing Firm is not acting as the agent of [REDACTED] and I agree that I will in no way hold [REDACTED], its other divisions, and its officers, directors, and agents liable for any trading losses incurred by me.

1. APPLICABLE RULES AND REGULATIONS

All transactions for the undersigned shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market and its clearing house, if any, where executed by [REDACTED] or its agents, including its subsidiaries and affiliates.

2. DEFINITIONS

For purposes of this agreement "securities, commodities, and other property," as used herein shall include, but not be limited to money, securities, and commodities of every kind and nature and all contracts and options relating thereto, whether for present or future delivery.

3. LIEN

All securities, commodities, and other property of the undersigned, which [REDACTED] may at any time be carrying for the undersigned, or which may at any time be in [REDACTED] possession or under [REDACTED] control, shall be subject to a general lien and security interest in [REDACTED] favor for the discharge of all the undersigned's indebtedness and other obligations to [REDACTED], without regard to [REDACTED] having made any advances in connection with such securities and other property and without regard to the number of accounts the undersigned may have with [REDACTED]. In enforcing its lien, [REDACTED] shall have the discretion to determine which securities and property are to be sold and which contracts are to be closed.

4. LIQUIDATION

If, in its discretion, [REDACTED] considers it necessary for protection to require additional collateral, or in the event that a petition in bankruptcy is filed, or the appointment of a receiver is filed by or against the undersigned, or an attachment is levied against the accounts of the undersigned, or in the event of the death of the undersigned, [REDACTED] shall have the right to sell any or all securities, commodities, and other property in the accounts of the undersigned with [REDACTED] whether carried individually or jointly with others, to buy any or all securities, commodities, and other property which may be short in such accounts, 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. Any such sales or purchases may be made at [REDACTED] discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, and [REDACTED] may be the purchaser for its own account. It being understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of [REDACTED] right to sell or buy without demand or notice.

5. PAYMENT OF INDEBTEDNESS UPON DEMAND AND LIABILITY FOR COSTS OF COLLECTION

The undersigned shall at all times be liable for the payment upon demand of any debit balance or other obligations owing in any of the accounts of the undersigned with [REDACTED], and the undersigned shall be liable to [REDACTED] for any deficiency remaining in any such accounts in the event of the liquidation thereof, in whole or in part, by [REDACTED] or by the undersigned; and, the undersigned shall make payments of such obligations and indebtedness upon demand. The reasonable cost and expense of collection of the debit balance, recovery of securities, and any unpaid deficiency in the accounts of the undersigned with [REDACTED] including, but not limited to attorney's fees, incurred and payable or paid by Pershing shall be payable to [REDACTED] by the undersigned.

6. PLEDGE OF SECURITIES

All securities, commodities, and other property now or hereafter held, carried, or maintained by [REDACTED] in its possession in any of the accounts of the undersigned may be pledged and repledged by [REDACTED] from time to time, without notice to the undersigned, either separately or in common with other such securities, commodities, and other property for any amount due in the accounts of the undersigned, or for any greater amount, and [REDACTED] may do so without retaining into its possession or control for delivery, a like amount of similar securities, commodities, or other property.

7. MARGIN REQUIREMENTS, CREDIT CHARGES, AND CREDIT INVESTIGATION

The undersigned will at all times maintain such securities, commodities, and other property in the accounts of the undersigned for margin purposes as [REDACTED] shall require from time to time via a margin call or other request, and the monthly debit balances or adjusted balances in the accounts of the undersigned with [REDACTED] shall be charged, in accordance with [REDACTED] practice, with interest at a rate permitted by laws of the State of New York. It is understood that the interest charge made to the undersigned's account at the close of a charge period will be added to the opening balance for the next charge period unless paid.

I acknowledge receipt of the Disclosure Statement from my Introducing Firm, which explains the conditions under which interest can be charged to my account, the annual rate of interest, how debit balances are determined, and the methods of computing interest. I further acknowledge receipt of the separate Margin Disclosure Statement, which provides some basic facts about purchasing securities on margin and alerts me to the risks involved with trading securities in a margin account.

In regard to margin calls, whether for maintenance or any other margin call, in lieu of immediate liquidations, [REDACTED] through my Introducing Firm, may permit me a period of time to satisfy a call. This time period shall not in any way waive or diminish [REDACTED] right in its sole discretion, to shorten the time period in which I may satisfy the call, including one already outstanding, or to demand that a call be satisfied immediately. Nor does such practice waive or diminish the right of [REDACTED] and/or my Introducing Firm to sell out positions to satisfy the call, which can be as high as the full indebtedness owed by me. Margin requirements may be established and changed by [REDACTED] in its sole discretion and judgement without notice to me. I will contact my Introducing Firm for the latest information on margin requirements.

[REDACTED] may exchange credit information about the undersigned with others. [REDACTED] may request a credit report on the undersigned and upon request, [REDACTED] will state the name and address of the consumer reporting agency that furnished it. If [REDACTED] extends, updates, or renews the undersigned's credit, [REDACTED] may request a new credit report without telling the undersigned.

8. COMMUNICATIONS

Communications may be sent to the undersigned at the current address of the undersigned, which is on file at [REDACTED] office, or at such other address as the undersigned may hereafter give [REDACTED] in writing, or through my Introducing Firm, and all communications, so sent, whether by mail, telegraph, messenger, or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

9. SCOPE AND TRANSFERABILITY

This agreement shall cover individually and collectively all accounts that the undersigned may open or reopen with [REDACTED] and shall inure to the benefits of its successors and assigns, whether [REDACTED] merger, consolidation, or otherwise, and [REDACTED] may transfer the accounts of the undersigned to its successors and assigns, and this agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

10. NO PROFESSIONAL ADVICE

The undersigned acknowledges that [REDACTED] will not provide the undersigned with any investment, legal, tax, or accounting advice, that its employees are not authorized to give any such advice, and that the undersigned will not solicit or rely upon any such advice from [REDACTED] or its employees whether in connection with transactions in or for any of the accounts of the undersigned or otherwise. In making investment, legal, tax, or accounting decisions with respect to transactions in or for the accounts of the undersigned or any other matter, the undersigned will consult with and rely upon its own advisors and not [REDACTED] and [REDACTED] shall have no liability therefore.

11. EXTRAORDINARY EVENTS

[REDACTED] shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, or other conditions beyond its control.

12. REPRESENTATIONS AS TO CAPACITY TO ENTER INTO AGREEMENT

The undersigned, if an individual, represents that he or she is of full age, that unless otherwise disclosed to [REDACTED] in writing the undersigned is not an employee of any exchange; or an employee of any corporation of which any exchange owns a majority of the capital stock; or an employee of a member firm or member corporation registered on any exchange; or an employee of a bank, trust company, insurance company; or an employee of any corporation, firm, or individual engaged in the business of dealing either as a broker or as principal in securities, bills of exchange, acceptances, or other forms of commercial paper. The undersigned further represents that no one except the undersigned has an interest in the account or accounts of the undersigned with [REDACTED]

13. JOINT AND SEVERAL LIABILITY

If the undersigned shall consist of more than one individual, their obligations under this agreement shall be joint and several. The undersigned have executed the Joint Account Agreement and made the election required therein. Pursuant to that agreement, Pershing may, but is not required to, accept instructions from either joint party.

14. OPTION TRANSACTIONS

If at any time the undersigned shall enter into any transaction for the purchase or resale of an option contract, the undersigned hereby agrees to abide by the rules of any national securities association, registered securities exchange, or clearing organization applicable to the trading of option contracts and, acting alone or in concert, will not violate the position or exercise limitation rules of any such association, exchange, the Options Clearing Corporation, or other clearing organization.

15. SEPARABILITY

If any provision or condition of this agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

16. HEADINGS ARE DESCRIPTIVE

The heading of each provision hereof is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

17. ASSIGNMENT OF [REDACTED] RIGHTS UNDER THIS AGREEMENT TO THE INTRODUCING FIRM

The undersigned agrees that any rights that [REDACTED] has under this agreement, including but not limited to the right to collect any debit balance or other obligations owing in any of the accounts of the undersigned, may be assigned to the Introducing Firm of the undersigned so that the undersigned's Introducing Firm may collect from the undersigned independently or jointly with [REDACTED] or enforce any other rights granted to [REDACTED] under this agreement.

18. NO WAIVER

This Agreement cannot be modified by conduct and no failure on the part of [REDACTED] at any time to enforce its rights hereunder to the greatest extent permitted shall in any way be deemed to waive, modify, or relax all of the rights granted [REDACTED] herein, including those rights vested in [REDACTED] to deal with collateral on all loans advanced to me.

19. ENTIRE AGREEMENT

This agreement constitutes the full and entire understanding between the parties with respect to the provisions herein, and there are no oral or other agreements in conflict herewith. Any future modification, amendment, or supplement to this Agreement or any individual provision herein can only be in the form of a writing signed by a representative of [REDACTED]

20. ARBITRATION DISCLOSURES:

THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

- 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 FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD.
- THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- 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.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

21. ARBITRATION AGREEMENT

ANY CONTROVERSY BETWEEN YOU AND US SHALL BE SUBMITTED TO ARBITRATION BEFORE THE NEW YORK STOCK EXCHANGE, INC., ANY OTHER NATIONAL SECURITIES EXCHANGE ON WHICH A TRANSACTION GIVING RISE TO THE CLAIM TOOK PLACE (AND ONLY BEFORE SUCH EXCHANGE), OR THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PREDISPUTE 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; (II) THE CLASS IS DECERTIFIED; 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.

22. THE LAWS OF THE STATE OF NEW YORK GOVERN

This agreement and its enforcement shall be governed by the laws of the state of New York without giving effect to its conflicts of laws provisions.

23. LOAN CONSENT

By signing this agreement, the undersigned acknowledges that securities not fully paid for by the undersigned may be loaned to [REDACTED] or loaned out to others.

24. SHAREHOLDER VOTE OF LOANED SECURITIES

In the event the undersigned's securities have been loaned by [REDACTED] on the record date of a shareholder vote involving those securities, the undersigned agrees that the undersigned's vote may be reduced to reflect the total amount of the undersigned's securities loaned by [REDACTED]

MARGIN AGREEMENT ACKNOWLEDGEMENT FORM

BY SIGNING THIS ACKNOWLEDGEMENT FORM, YOU ACCEPT THE TERMS OF THE ENCLOSED AGREEMENT, AND YOU ACKNOWLEDGE YOU HAVE READ AND UNDERSTOOD THE MARGIN DISCLOSURE STATEMENT WHICH DETAILS THE RISKS ASSOCIATED WITH A MARGIN ACCOUNT, AND YOU HAVE READ AND UNDERSTOOD THE CREDIT TERMS EXPLAINED IN THE DISCLOSURE STATEMENT. PLEASE BE SURE THAT ALL ACCOUNT OWNERS SIGN THIS ACKNOWLEDGEMENT FORM.

THE MARGIN AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN PARAGRAPHS 20 AND 21 ON THIS PAGE. I ACKNOWLEDGE RECEIVING A COPY OF THIS AGREEMENT AND ACCEPT ITS TERMS PER MY SIGNATURE BELOW.

ACCOUNT OWNER(S) SIGNATURE(S)
(Please provide all account owners' signatures.)

[Signature lines]

MARGIN ACCOUNT NUMBER

PRIMARY ACCOUNT OWNER (Sign name here)

PRIMARY ACCOUNT OWNER (Print name here)

JOINT ACCOUNT OWNER (Sign name here)

JOINT ACCOUNT OWNER (Print name here)

(Please complete if a corporation, partnership, or other entity.)

NAME OF ENTITY

ACCOUNT OWNERS(S) SIGNATURE(S)

TITLE

SEAL

DATE



A NYF Securities Group Co.
Solutions from The Bank of New York
One Pershing Plaza
Jersey City, New Jersey 07399

Pershing LLC, member NASD, NYSE, SIPC. Trademark(s) of Pershing Investments LLC.



MARG

Margin Account Agreement

Example 2

Margin Application Agreement

Disclosure of Credit Terms and Policies

The following Disclosure of Credit Terms and Policies is required by the Securities and Exchange Commission and is part of your Account Agreement. It describes the terms under which we extend credit and charge interest and how your obligations are secured by property in your Account.

1. Interest Charges

We will charge interest on a daily basis on the credit we extend to you. The daily interest charges are calculated by multiplying your "daily adjusted debit balance" by the "daily margin interest rate." Generally speaking, your daily adjusted debit balance is the actual settled debit balance in your Margin and Short Account, increased by the value of securities held short and reduced by the amount of any settled credit balance carried in your Cash Account.

We calculate your daily adjusted debit balance each day by adjusting your previous day's balance by any debits and credits to your Account and by changes in the value of short positions. If your daily adjusted debit balance is reduced because you deposit a check or other item that is later returned to us unpaid, we may adjust your Account to reflect interest charges you have incurred.

We reserve the right to charge interest on debit balances in the Cash Account. Periodically, we will send you a comprehensive statement showing the activity in your Account, including applicable interest charges, interest rates and adjusted daily debit balances.

2. Daily Margin Interest Rate

The "daily margin interest rate" is based on a 360-day year. It is calculated for each day by dividing the applicable margin interest rate by 360. Note that the use of a 360-day year results in a higher effective rate of interest than if a year of 365 days were used. The applicable margin interest rate is set at an offset from Base Rate according to a tiered interest schedule based on your margin debit balance. We set the Base Rate at our discretion with reference to commercially recognized interest rates, industry conditions relating to the extension of margin credit, and general credit market conditions. To obtain the interest schedule, refer to your Account Agreement, or call us toll-free at [REDACTED]. The current Base Rate is also available by calling [REDACTED].

Your margin interest rate will be adjusted automatically and without notice to reflect any change in the Base Rate. If your interest rate increases for any reason other than a change in the Base Rate, we will give you written notice at least 30 days prior to that change.

3. Compounding Interest Charges

We compound interest on a daily basis. Interest charges will accrue to your Account each day. We will include the charges in the next day's opening debit balance and charge interest accordingly. The interest rates described in Section 2 above do not reflect compounding of unpaid interest charges; the effective interest rate, taking into effect such compounding, will be higher.

4. Initial Margin Requirements

The Federal Reserve Board and various stock exchanges determine margin loan rules and regulations. We will not extend credit unless your equity in the Securities and Other Property in your Margin and Short Account is at least \$5,000, or such greater amount as may be required by applicable rules or regulations or by our house policies.

The maximum amount we currently may loan for common stock (equity) securities is 50% of the value of marginable securities purchased in your Margin and Short Account; different requirements apply to nonequity securities, such as bonds or options. If the market value of stock held as collateral increases after you have met the initial margin requirements, your available credit may increase proportionately. Conversely, if the market value decreases, your available credit may proportionately decrease.

Initial margin requirements may change without prior notice. We may impose anytime and without prior notice more stringent requirements on positions that in our sole discretion involve higher levels of risk; for example, higher limits may apply for thinly traded, speculative or volatile securities, or for concentrated positions of securities.

You may purchase only certain securities on margin or use them as collateral in your Margin and Short Account. Most stocks traded on national securities exchanges, and some over-the-counter (OTC) securities, are marginable. At our discretion, we reserve the right not to extend credit on any security.

If the market value of a security drops below [REDACTED] per-share minimum, the margin maintenance requirement will be 100%. Please call [REDACTED] or visit our website for our current margin requirements.

5. Margin Maintenance Requirements

You must maintain a minimum amount of equity in your Account to collateralize your outstanding loans and other obligations. Margin maintenance requirements are set:

- By the rules and regulations of the NASD and other regulatory agencies under whose jurisdiction we are subject; and
- According to our sole discretion and judgment. Margin maintenance requirements may change without prior notice.

We may issue a "margin call" (that is, a notification to deposit additional collateral) if your Account equity falls below the margin maintenance requirement. This can happen for various reasons. The most common reason is a decrease in the value of long securities held as collateral or an increase in the value of securities held short.

As a general guideline and when it is practicable to do so, we may (but are not required to) issue a margin call when the equity in your Margin and Short Account falls below [REDACTED] minimum maintenance requirement. The amount of additional collateral we require usually is an amount sufficient to raise your equity to [REDACTED] minimum maintenance requirement.

Please call [REDACTED] or visit our website for our current margin requirements.

We retain absolute discretion to determine whether, when and in what amounts we will require additional collateral. In some situations, we may find it necessary to require a higher level of equity in your Account. For example, we may require additional collateral if an Account contains:

- Only one security or a large concentration of one or more securities; or
- Low-priced, thinly traded or volatile securities; or
- Low minimum liquidating account net worth; or if

Some of your collateral is or becomes restricted or non-negotiable or non-marginable.

We also may consider market conditions and your financial resources.

6. Short Option Positions

If you hold put or call option contracts deemed by us to be uncovered, your Account is subject to both initial margin and margin maintenance requirements. For more detailed information on how we calculate these equity requirements, call us toll-free at [REDACTED].

7. Short Sales

A short sale is a margin transaction subject to initial margin and margin maintenance requirements. In most cases, the initial equity requirement for the short sale of an equity security is 150% of the sales proceeds of the security, plus commissions. Proceeds obtained from the short sale will be applied against the initial margin equity requirement. Equity securities selling for \$5.00 or less and odd lots usually may not be sold short. Different requirements apply to nonequity securities.

Generally, current margin maintenance rules require you to maintain equity in your Account equal to at least [REDACTED] minimum maintenance requirement for the market value of each stock "short" in your Account. Please call [REDACTED] or visit our website for our current margin requirements. The value of securities held short in your Account is "marked to the market" each day.

Increases in the market value will increase your daily adjusted debit balance (on which interest is charged) by the same amount, while decreases in the market value will decrease your daily adjusted debit balance by the same amount.

As a result of increases in your daily adjusted debit balance, the collateral held in your Account may become insufficient. Short sale proceeds are part of the collateral securing our loan of the security to you, and you may not withdraw these proceeds from your Account. You are liable for all dividends paid on securities you have borrowed for the purpose of short sales.

For our protection, we may, at our discretion and without notice, immediately cover your short security positions by purchasing for your Account securities to replace those sold short.

Disclosure of Credit Terms and Policies (Continued)

We may cover your position because:

- The lender of the securities recalls them;
- We anticipate an inability to borrow or reborrow these securities; or
- For any other reason.

If several Accounts hold short positions in a security and not all of the positions are to be covered, we may select the positions to be covered on a random basis.

In covering a short position, we may, at our discretion, purchase securities for your Account either on a normal settlement, next-day or cash settlement basis. The price of securities purchased on a next-day or cash settlement basis is usually higher than that of those purchased on a normal settlement basis. The price of covering the short position may be higher than the price at which you sold short; therefore, you may sustain a loss on that transaction.

You are liable for commissions and other costs of short sale transactions and for any debit balance that remains after we cover or close out a short position.

When we borrow securities for your Account, we are obligated to return the securities to the lender on demand. If you are unable to cover a short position (either through delivery of the security or through our "buying in" your position) in enough time for us to deliver the security to its lender, you agree to pay us for the losses we sustain as a result of the failure to deliver. For instance, if you have a short position in a security that is subject to a tender offer and you

are unable to cover the position in time for us to deliver the security to its lender, we may hold you responsible for the economic value of the tender offer.

8. Liens and Liquidation

At our election, all debit balances in your Account, including those resulting from extensions of margin credit, will be immediately due and payable. In the Account Agreement, you granted us a lien on all Securities and Other Property held or maintained for any purpose, including safekeeping, in your Account or in any other present or future Account in which you have an interest, regardless of whether there are other Account Holders on any of the accounts. This lien secures the full performance of obligations owed to us by you or any Additional Account Holder of your Account, whether those obligations are incurred in connection with your Account or any other account with us, and extends to property that may not be acceptable as margin collateral under Federal Reserve Board regulations. If your equity falls below the applicable maintenance requirement, we may (but are not obligated to) notify you by mail, telegram, telephone, or electronic or other means of a margin call for an amount sufficient to bring your Account up to the equity level we require. Margin calls require prompt delivery according to our instructions of either additional funds or acceptable securities. Failure to make a required deposit may result in the liquidation of part or all of the Securities and Other Property in your Account.

Notwithstanding any oral communications between you and us, we reserve the right to liquidate anytime if the equity in your Account falls below minimum requirements.

You will continue to be held liable on demand for any debit balance remaining after liquidation of assets in your Account. It may not be possible to notify you of a margin call or allow any time to deposit additional collateral. Therefore, we reserve the right to initiate immediate liquidation procedures without notice.

You are responsible for monitoring the status of your Account, for ensuring that sufficient collateral is maintained in the Account and for liquidating positions to minimize losses. Any action we take or do not take to issue a margin call or liquidate collateral is undertaken solely to protect our interest as a creditor. You agree that we do not have any responsibility to issue a margin call, to liquidate positions in your Account, or to select the securities to be liquidated or the manner or timing of the liquidation in order to prevent or minimize losses to you.

9. Verification

I authorize to inquire from any source, including a consumer reporting agency, as to my identity (as required by federal law), creditworthiness and ongoing eligibility for the Account (and that of my spouse, if I live in a community-property state) at account opening, at any time throughout the life of the Account, and thereafter for debt collection or investigative purposes.

Margin and Short Account Agreement Terms and Conditions

When you buy securities on margin, or enter into short sales or short options, you are borrowing money from for part of your transactions. All securities and other assets in your Accounts are pledged as collateral to secure this loan. These margin transactions are riskier and involve the possibility of greater loss than transactions in which you are not borrowing money. If the value of your securities and other assets falls, you may be required to deposit more assets (a "margin call") to secure your loan or your securities, and other assets may be sold to pay down or pay off your loan without prior notice and at a loss or at lower prices than under other circumstances.

You agree to carefully consider your own financial condition, tolerance for risk and investment objectives, as well as market conditions, before you decide to use margin credit or short account features. By applying for a Margin and Short Account and/or placing an order on margin, you acknowledge that you have carefully considered all of these factors, along with the terms of the margin agreement, and have decided that margin financing is appropriate for you.

All securities and other assets now or hereafter held in this Account may be pledged, repledged or otherwise used.

1. Payment for Transactions

You agree that you are responsible for paying for all transactions you make and all authorized transactions in your Margin and Short Account.

When you purchase securities on margin, you agree to deposit the required initial equity by the settlement date and to maintain your equity at the required levels. However, reserves the right to liquidate at any time (including on or before settlement date) depending on market conditions. In addition, you agree to pay any debit remaining in your Account if your positions are liquidated to satisfy a margin call. We may extend credit to you according to applicable laws and regulations and our Disclosure of Credit Terms and Policies. You agree to use this credit primarily for business and investment purposes.

2. Disclosure of Credit Terms and Policies

All transactions in the Margin and Short Account are subject to our Disclosure of Credit Terms and Policies. You agree not to enter an order in your Margin and Short Account until you have read and understood the Disclosure of Credit Terms and Policies.

3. Maintenance of Collateral

You agree to maintain in your Margin and Short Account collateral of the type and amount required by:

- Applicable Exchange rules and federal regulations,
- Our Disclosure of Credit Terms and Policies, or
- at our discretion.

4. Liquidation

Whenever it is necessary for our protection or to satisfy a margin call, deficiency, debit or other obligation owed us, we may (but are not required

to) sell, assign and deliver all or any part of the Securities and Other Property securing your obligations, or close any or all transactions in your Account.

It is our policy to attempt to contact you, when practicable, before taking any action described in this section. However, we reserve the right to take any such action without prior notice or demand for additional collateral, and free of any right of redemption. Any prior demand, call or notice will not be considered a waiver of our right to sell or buy without demand, call or notice.

We may choose which Securities or Other Property to buy or sell, which transactions to close, and the sequence and timing of liquidation. We may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that we choose in the exercise of our business judgment. You agree not to hold us liable for the choice of which Securities or Other Property to buy or sell, or of which transactions to close, or for the timing or manner of the liquidation.

We may transfer Securities and Other Property from any brokerage account in which you have an interest to any other brokerage account in which you have an interest, regardless of whether there are other Account Holders on either Account, if we determine that your obligations are not adequately secured or to satisfy a margin deficiency or other obligation. You agree to pay on demand any account

Margin and Short Account Agreement Terms and Conditions (Continued)

deficiencies after liquidation, whether liquidation is complete or partial.

We are entitled to exercise the rights described in this section in our sole discretion, including whenever any of the following occurs:

- The equity level in your Account falls below required minimums;
- A petition of bankruptcy or for the appointment of a receiver is filed by or against you;
- An attachment is levied against any of your brokerage Accounts with us;
- You die or become incapacitated or incompetent; or
- Your Account is closed.

5. Short Sales

You agree to designate a sell order as a short sale if, at the time you place the order, you either do not own the security being sold or are unable to deliver the security in a timely manner. You agree that short sale transactions are subject to certain regulatory rules and cannot be executed under certain market conditions. In addition, depending on market conditions, we cannot guarantee that it will have shares available to facilitate a short sale.

You agree that we may, at our discretion and without notice, "buy in" securities to cover any short security position in your Account at your expense. We may take this action either on a regular settlement, cash or next-day settlement basis.

If you are unable to cover a short security position (either through delivery of the security or through our "buying-in" the security) in enough time so we can deliver the security to its lender (to whom we're obligated), you agree to reimburse us for the losses we sustain as a result of your failure to deliver the security.

6. Interest on Debit Balances

We will charge interest on your debit balance according to our Disclosure of Credit Terms and Policies. We post accrued but unpaid interest charges to your Account each month. We compound the interest as described in our Disclosure of Credit Terms and Policies.

7. Pledge of Securities and Other Property

We may pledge, repledge, hypothecate or rehypothecate, either separately or together with Securities of other customers, all Securities and Other Property that you, now or in the future, carry, hold or maintain in your Margin and Short Account. The value of the Securities and Other Property we pledge or repledge may be greater than the amount you owe us, and we are not obligated to retain in our possession and control for delivery the same amount of similar Securities and Other Property.

8. Loan Consent

You agree that Securities and Other Property held in your margin account, now or in the future, may be borrowed (either separately or together with the property of others) by us (acting as principal) or by others. You agree that

we may receive and retain certain benefits (including, but not limited to, interest on collateral posted for such loans) to which you will not be entitled. You acknowledge that in certain circumstances, such borrowings could limit your ability to exercise voting rights or receive dividends, in whole or in part, with respect to the Securities and Other Property lent. You understand that for Securities and Other Property that are lent by us, the dividends paid on such Securities and Other Property will go to the borrower. No compensation or other reimbursements will be due to you in connection with such borrowings. However, if you are allocated a substitute payment in lieu of dividends, you understand that such a payment may not be entitled to the same tax treatment as may have been applied to the receipt of a dividend. You agree that we is not required to compensate you for any differential tax treatment between dividends and payments in lieu of dividends. We may allocate payments in lieu of dividends by any mechanism permitted by law, including by using a lottery allocation system.

9. Account Agreement

All transactions in your Margin and Short Account are subject to the Account Agreement in its entirety and any other written agreements between you and us, all as amended from time to time.

Margin Account Agreement

Example 3



MARGIN AGREEMENT LOAN CONSENT

Account # _____

Advisor # _____

Account Title: _____

In consideration of _____ accepting a Margin Account of the undersigned, I understand and agree that, in addition to the provisions of the Client Agreement with _____, the introducing broker, the following provisions apply:

DEFINITIONS

The words "I," "me," and "my" mean each applicant subject to this Margin Agreement, both individually and jointly. The words "you" and "your" mean _____ which handles margin lending and carries the account.

MARGIN REQUIREMENTS

I shall at all times maintain such securities and other property in the accounts of the undersigned for margin purposes as you shall require from time to time.

INTEREST CHARGES ON DEBIT BALANCES

I agree to pay interest on all debit balances on any of my accounts with you. Interest shall be computed and charged in accordance with your standard methods and procedures as in effect at that time, and may be changed without prior notice. In no event shall such interest rate exceed the maximum rate permitted by applicable law.

PLEDGE OF SECURITIES AND OTHER PROPERTY

All securities and other property now or hereafter held, carried, or maintained by you in or for any of my accounts individually or jointly with others, may be pledged, repledged, hypothecated, or re-hypothecated by you from time to time without notice to me either separately or in common with other securities and other property for any amount due in my accounts or for any greater amount, and you may do so without retaining in your possession or under your control for delivery a like amount of similar securities or other property.

SHORT SALES

I agree that any "short" sale by me shall be so designated to you at the time such order is placed and I hereby authorize you to mark any such order as being "short." I understand that acceptance of orders to sell securities short is subject to the ability to borrow an equivalent number of shares of the security that I wish to sell short. I agree that if market conditions change or if you are no longer able to borrow the shares, you may repurchase for my account, at any time, the security that I sold short and I agree to pay any costs relating in any way to the repurchase of that security.

Loan of Securities: You are authorized to lend to yourself or others any securities held by you in my margin account and to carry all securities lent as general loans and you shall have no obligation to retain under your possession and control a like amount of such securities.

In connection with such loans, you may receive and retain certain benefits to which I will not be entitled. In certain circumstances, such loans may limit, in whole or in part, my ability to exercise voting rights of the securities lent.

By signing below, I acknowledge that I have read, understand and agree to be bound by the terms of this Margin Agreement/Loan Consent and the "Client Agreement" that will govern my account and are incorporated by reference. I will not enter an order in my Margin Account until I have read and understood the Margin Requirements.

Signature of Owner: _____ Date: _____

Signature of Joint Owner: _____ Date: _____

NOTE: For rates please see advisorclient.com or call 800-431-3500.

Margin interest is reflected on your monthly statement. (Your margin interest is posted on the last business day of the month.)

MARGIN DISCLOSURE STATEMENT

_____ is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to 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 _____. Please contact your advisor regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from _____. If you choose to borrow funds from _____, you will open a margin account with the firm. The securities purchased are _____ 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, _____ can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with _____ in order to maintain the required equity in the account.



Please note that trading on margin may not be appropriate for all clients. It is important that you fully understand the risks associated with margin trading. The risks include the following:

- 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 [REDACTED] that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).
- [REDACTED] can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements of [REDACTED] higher "house" requirements, [REDACTED] can sell the securities or other assets in any of your accounts held at [REDACTED] to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- [REDACTED] can sell your securities or other assets without contacting you. Some investors mistakenly believe that [REDACTED] must contact them for a margin call to be valid, and that [REDACTED] cannot liquidate securities or other assets in their accounts to meet the call unless [REDACTED] has contacted them first. This is not the case. Most firms will attempt to notify their clients of margin calls, but they are not required to do so. However, even if [REDACTED] has contacted a client and provided a specific date by which the client can meet a margin call, [REDACTED] can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the client.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, [REDACTED] has the right to decide which security to sell in order to protect its interests.
- [REDACTED] can increase its "house" maintenance margin requirements at any time and is not required to provide you 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 [REDACTED] to liquidate or sell securities in you account(s).
- 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 clients under certain conditions, a client does not have a right to the extension.

[REDACTED] 8072 REV. 03/08

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