

## 1. Parties

The parties to this agreement are you and TradeStation Securities, Inc. and all present or future subsidiaries or affiliates of TradeStation Securities, Inc. that provide any trade execution, clearing, settlement or reporting or other securities brokerage services to you (each such entity is referred to individually and collectively, as the context requires, as “TradeStation Securities”). You agree that each entity, other than TradeStation Securities, Inc. (which is a direct party to this agreement), which is part of TradeStation Securities, as well as any affiliate of TradeStation Securities, and each independent or unaffiliated clearing agent, custodian or other service provider that TradeStation Securities may use for, or in connection with, the execution, processing, clearing, settlement or reporting of your trades or other brokerage services, is an express third-party beneficiary of this agreement. However, you understand that no entity other than TradeStation Securities, Inc., or one that has individually entered into a contract with you (such as the Subscription Agreement between you and our TradeStation Technologies, Inc. affiliate), is making any representation, obligation or covenant in your favor, or may in any manner modify or amend this agreement or waive or excuse any of your obligations. No third-party beneficiary of this agreement may directly enforce any of its rights against you unless TradeStation Securities, Inc. expressly consents in writing to such right of enforcement by such third-party beneficiary, which TradeStation Securities, Inc. may do or not do in its sole and absolute discretion.

## 2. Laws, Rules, Regulations and Indemnification

All of your transactions shall be subject to all applicable laws, rules and regulations (collectively, “Applicable Laws”) of any state, federal, regulatory or self-regulatory statutory authority, agency, association, commission or other body, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, the rules and regulations of the Securities and Exchange Commission, the Financial Industry Regulatory Authority (“FINRA”, <http://www.finra.org/>), the Board of Governors of the Federal Reserve System, and any exchanges, markets, associations, or clearing houses or agencies where any transaction is executed, or which have jurisdiction over the transaction or any of the parties involved in the transaction. TradeStation Securities shall not be liable to you as a result of any action taken by TradeStation Securities to comply with such rules. TradeStation Securities’ violation of any law, rule, exchange or other self-regulatory organization’s regulations shall not provide you with either a defense to a claim by TradeStation Securities or the basis of a claim against TradeStation Securities. In the event that you are a regulated institution or entity, you recognize and acknowledge that you may be required to comply with regulations including, but not limited to, those regulations promulgated pursuant to the Federal laws referenced above, and that TradeStation Securities has no obligation to insure that you abide by the rules and regulations pertaining to you. You agree to indemnify TradeStation Securities and its employees, agents and affiliates from and against all claims (including claims brought by you or on your behalf), including reasonable attorneys’ fees and costs, arising out of your use of any products or services provided by TradeStation Securities or its affiliates or other acts or omissions by you or on your behalf which violate, or conflict with, any of such Applicable Laws.

## 3. Service Commissions, Fees and other Costs

TradeStation Securities agrees to provide you with securities brokerage services which generally include providing you with one or more automated or electronic execution systems (an “EES”) and other services (collectively, the “Services”) pursuant to the terms and conditions of this agreement, your agreement with our affiliate that provides TradeStation® trading software technology and Internet-based market data services, and any other term and condition that is incorporated in the Account Application and Agreement of which this agreement is a part. Your account(s) will be charged brokerage commissions and other fees in connection with the execution of transactions (“Execution Fees”) and will or may be charged certain other fees for all other products and services furnished to you (“Service Fees”). Execution Fees may be changed from time to time without prior notice to you and Service Fees with respect to any short sale transactions in securities, your Account(s) may be subject to Short Debit Fees equal to the sum of (i) the costs and expenses incurred by any clearing facility and (ii) a Service Fee in connection with

the establishment and/or maintenance of your short positions in that security. Short Debit Fees may be disclosed to you at the time a short position is established or may be imposed or increased from time to time in light of changing market conditions and you agree to pay such Short Debit Fees at the clearing facility's then-prevailing rates. Service Fees may be changed from time to time upon thirty (30) days' prior written notice to you and, in each case, you agree to be bound thereby. You understand and agree that notice may be given by modifying the fees and rates published on the TradeStation Securities web site and that such modification shall constitute written notice to you on the date such modifications first appear on the web site. You also agree that e-mails to you constitute written notice to you on the date sent as long as the e-mails are sent to an e-mail address provided by you. There are also other ways we may modify this agreement and our business relationship, as well as other ways we may notify you, which are discussed later in this agreement under the heading "Amendment by TradeStation; Presumptive Receipt of Communications."

#### **4. Assumption of Risk/Your Discretion**

TradeStation Securities is not a full-service brokerage. We do not engage in discretionary trading, render investment or trading advice, financial planning services, perform or share investment research or analysis, participate in private placements or make markets or deal in individual securities. TradeStation Securities is an agency-only brokerage firm the services of which consist mainly of the provision to you of a sophisticated EES which you, as a self-directed or professional trader, may use to make and execute your own trading decisions. Accordingly, TradeStation Securities will not provide you with any legal, tax, accounting, investment, trading, planning or other advice of any kind. TradeStation Securities' employees and agents are not authorized to give you any such advice, and you agree that you will not solicit or rely upon any such advice or purported advice from any such employee or agent of TradeStation Securities, whether in connection with transactions in or for any of your accounts, or otherwise. You acknowledge and agree that if you receive any such advice or purported advice from any employee or agent of TradeStation Securities or any of its affiliates, it was improperly given to you, should not be relied upon, you will totally disregard it, and, if you do not, you fully assume the risk of following or relying upon any such advice or purported advice. You further acknowledge and agree that you have independently evaluated any EES or other Services you intend to use. You agree and acknowledge that any trading or execution strategies or transactions designed, programmed or implemented through any EES or any other Services provided by TradeStation Securities or its affiliate shall be at your sole discretion and risk, regardless of any information, examples, tutorials, user education documentation, training, consulting services, comments, guidance, charts, indicators, graphs, simulated performance reports, strategy techniques, or other analyses obtained in any form from TradeStation Securities or any of its officers, directors, employees or agents, or from accessing or using any EES or web site. You acknowledge and agree that the sole purposes of any of the foregoing tools and services are to help you learn how better to use TradeStation® trading software or to help you correctly program, test and/or automate or otherwise implement your trading strategies or ideas. You further acknowledge and agree that while you may be able to access through an EES investment research reports, examples of strategies, and market data services, the availability of such information does not constitute a recommendation to buy or sell any particular securities or the likelihood of success of using any trading strategy tools. Any investment or trading decisions you make will be based solely on your own evaluation of your financial circumstances and investment or trading objectives.

#### **5. Limitations and Restrictions**

You are authorized to use the EES and other Services and materials provided by or through TradeStation Securities for your own needs only, and you are not authorized to resell access to any such services or materials or to make copies of any such materials for sale to, or use by, others. You shall not delete any copyright or other intellectual property rights notices from any such materials. Your right to use any EES or other Services provided by TradeStation Securities is limited to executing your own proprietary trades. You shall be the only authorized user of any Services provided by TradeStation Securities. All orders executed through any EES or other Services provided to you shall be deemed authorized by you and executed with the understanding that an actual purchase or sale is intended

and that you are unconditionally and irrevocably accepting a valid and binding legal obligation. You agree that all purchases and sales shall be for your account in accordance with your oral, written or electronic orders or instructions; provided, however, you acknowledge and understand that the only valid way to place an order using the Services is to place it through your EES or to phone-in your order live to TradeStation Securities' trade desk. You hereby waive any and all defenses that any such order or instruction was not in writing as may be required by the Statute of Frauds or any Applicable Laws.

## **6. Disclaimer of Warranties**

You acknowledge and agree that neither TradeStation Securities nor its employees or agents or affiliates make any warranties or representations with respect to any EES or other Services provided by TradeStation Securities or its affiliates, including any related hardware, software, communication system or any charting, technical analysis or other trading strategy tool products, services or platforms. TRADESTATION SECURITIES' SERVICES AND ANY INFORMATION, DATA, CHARTING, TECHNICAL ANALYSIS OR OTHER TRADING STRATEGY TOOL PRODUCTS, SERVICES OR PLATFORMS ARE PROVIDED ON AN AS-IS, WHERE-IS, AS-AVAILABLE BASIS AND WITHOUT WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, TIMELINESS, TRUTHFULNESS, SEQUENCE, COMPLETENESS, ACCURACY, OR FREEDOM FROM ERROR OR INTERRUPTION), OR ANY IMPLIED WARRANTIES ARISING FROM TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE, OR THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. YOU AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, TRADESTATION SECURITIES SHALL NOT HAVE ANY LIABILITY TO YOU FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR INDIRECT DAMAGES OR LOSSES OF ANY KIND, EVEN IF YOU HAVE INFORMED TRADESTATION SECURITIES OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES OR LOSSES. IN ALL MATTERS YOU HEREBY AGREE THAT ANY CLAIM FOR PUNITIVE DAMAGES SHALL BE LIMITED TO THE FULLEST EXTENT, IF ANY, PERMITTED BY THE RULES OF THE FINRA AND/OR THE RULES OF THE ARBITRATION FORUM WHERE THE CLAIM IS HEARD AND OTHER APPLICABLE LAWS.

## **7. Assumption of Risk; Technical Issues or Extraordinary Events**

You agree that TradeStation Securities shall not be liable for, and you fully and knowingly assume all risks of, and shall indemnify and hold TradeStation Securities and its employees, officers, directors, shareholders, affiliated companies and agents harmless from and against, any and all claims (including claims by or through you) or loss(es) or other negative results, actual or perceived, caused directly or indirectly by any equipment or software failure, software design limitation or flaw, software bug or virus, failure of any Internet service provider, operator error, failure of any electronic or mechanical equipment, hardware, communication system or other system, or any component thereof, telephone or other interconnect problems, unauthorized access, theft, security breach, government restriction, exchange or market regulation, suspension of trading, war, terrorism, cyberterrorism, strike or other labor dispute. Without limitation of the foregoing, this includes any of the foregoing conditions, items, events or occurrences that might prevent you from utilizing, or that may limit or corrupt the use of, any EES or other Services provided by TradeStation Securities, including, without limitation, conditions, items, events or occurrences that cause or result in an inability or failure to initiate, execute, cancel or modify an order or transaction or that cause other unintended results. You further acknowledge and agree that, except as expressly set forth in this agreement, you will not be compensated by TradeStation Securities for any "lost opportunity" (e.g., an increase in the value of a stock you wished to purchase, or a decrease in value of a stock you wished to sell, or transactions you may make based on information shown or not shown to you by your computer which was incorrect or omitted or otherwise inaccurate or delayed in its delivery to you), even if such difficulty could have been prevented by TradeStation Securities. To the fullest extent permitted by Applicable Laws, you fully assume all risks related to each and every one of the foregoing items, conditions, events and occurrences.

## **8. Termination, Trading Restrictions, Liquidation**

You acknowledge and agree that TradeStation Securities may, at any time, in its sole discretion and without prior

notice, terminate your account or restrict or prohibit trading of securities or other property in your account for any reason. Without limitation of the breadth of the foregoing rights, TradeStation Securities may in its sole discretion restrict trading in your account to closing transactions only. You shall, in all such events, nevertheless remain responsible and liable for all of your obligations and liabilities to TradeStation Securities and its affiliates under this agreement and all other agreements, terms and conditions that are part of the Account Application and Agreement.

## **9. Automated Trading**

Automated trading functionality is designed to help you follow or track more securities simultaneously and to assist in removing emotions from, and to increase efficiencies in, your trading. Automated trading functionality is not designed to allow you to leave your computer unattended. If you, or any person you have authorized to trade your account, uses any automated trading functionality, you hereby acknowledge and agree that there are numerous factors that may cause the automated trading functionality to send orders that you do not want, and/or fail to send orders that you do want (including, without limitation, ISP failure, power failures or surges, erroneous, delayed or out-of-sequence data, improperly designed strategies, and software or system design limitations, flaws or errors). You hereby acknowledge and assume all risks, both known and unknown, associated with using any automated trading functionality, and agree that it is your responsibility to understand precisely how it works before using it, to monitor the trading activity in your account at all times, and to immediately take corrective action when necessary.

## **10. Monitoring and Review**

It shall be your responsibility to monitor your orders and transactions and review all confirmations, statements, notices, reports, proxy materials or other communications related to any transaction ordered or executed through any EES or other Services provided by TradeStation Securities. It shall be your obligation to make prompt written demand to TradeStation Securities for any such item not received.

## **11. Short and Long Sales**

In placing any sell order for a short account, you will designate the order as such and hereby authorize TradeStation Securities to mark the order as being "short." In placing any sell order for a long account, you will designate the order as such (which may mean, simply, that it is not expressly marked "short") and hereby authorize TradeStation Securities to mark the order as being "long." The designation by you of a sell order as being for a long account shall constitute a representation by you that you own the security with respect to which the sell order has been placed, that such security may be sold without restriction in the open market and that, if TradeStation Securities does not have the security in its possession at the time you place the sell order, you shall deliver the security by settlement date in good deliverable form or pay to TradeStation Securities any losses and expenses it may incur or sustain as a result of your failure to make delivery on a timely basis. You expressly authorize TradeStation Securities to liquidate your account assets, in whole or in part, in its sole and absolute discretion, for the purpose of recovering any losses or expenses TradeStation Securities will or may suffer or incur as a result of your failure to timely make such delivery or following you making any indication to TradeStation Securities that you may not timely make such delivery.

## **12. Market or Other Data**

You acknowledge and agree that each national or regional securities exchange or association asserts a proprietary interest in all of the market or other data it furnishes to parties that disseminate its data. YOU ACKNOWLEDGE AND AGREE THAT NEITHER TRADESTATION SECURITIES, NOR ANY SECURITIES EXCHANGE OR ASSOCIATION OR ANY SUPPLIER OF MARKET OR OTHER DATA, GUARANTEES THE TIMELINESS, SEQUENCE, ACCURACY, COMPLETENESS, RELIABILITY OR CONTENT OF MARKET OR OTHER INFORMATION OR MESSAGES DISSEMINATED TO, BY OR THROUGH ANY PARTY, INCLUDING ANY INTERNET SERVICE PROVIDER. YOU ACKNOWLEDGE AND AGREE THAT NEITHER TRADESTATION SECURITIES NOR ANY SECURITIES EXCHANGE OR ASSOCIATION OR ANY OTHER SUPPLIER OF MARKET OR OTHER DATA REPRESENTS OR WARRANTS THAT THE SERVICE WILL BE UNINTERRUPTED OR ERROR FREE. YOU AGREE THAT YOUR USE OF ANY MARKET OR OTHER DATA IS SOLELY AT YOUR RISK. NEITHER

TRADESTATION SECURITIES NOR ANY EXCHANGE OR DATA PROVIDER SHALL BE LIABLE FOR ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF, ANY SUCH DATA, INFORMATION OR MESSAGE, OR THE TRANSMISSION OR DELIVERY OF ANY SUCH DATA, INFORMATION OR MESSAGE, OR ANY LOSS OR DAMAGE ARISING OR OCCASIONED THEREFROM, REGARDLESS OF THE SOURCE, CAUSE OR REASON THEREFOR. You understand that these terms of this agreement may be enforced directly against you by the securities exchanges and associations or other parties providing market or other data. You shall use any such data or information (including quotes) only for your individual use and shall not furnish such data to any other person or entity.

### **13. Stop Orders**

All Stop Orders are handled on a “NOT HELD” basis. The stop order functionality provided by the EES for listed and Nasdaq stocks has been designed to help provide benefits such as increased anonymity (by seeking to eliminate reliance on specialists and market makers) and the ability to place stop market and stop limit orders for specific routes you choose as well as through the EES’s “Intelligent” order routing. However, placing stop orders using the EES has risks that regular market and limit orders do not. A stop order is held by the EES’s stop order server and then automatically released to the appropriate avenue of execution when the EES recognizes information which indicates that the stop order price condition has been met. The price information comes from the exchanges and/or data providers and there are often “bad ticks” (inaccurate, out-of-sequence, etc.) or ticks that appear to be bad but are not (they may simply look irregular, unusual or problematic). The EES is designed to filter as many “bad ticks” as reasonably possible. However, there are times that bad ticks will not be filtered, and other times when the stop order server will mistakenly filter good ticks that looked unusual at the time. This may result in your stop order being executed at a price different than the one you specified, or not being released for execution when your price condition has been met. IF YOU USE THE EES’S STOP ORDER FUNCTIONALITY, YOU FULLY ASSUME THESE RISKS AND ALL OTHER RISKS THAT EES DESIGN LIMITATIONS OR EXCHANGE OR VENDOR DATA SERVICE INACCURACIES OR FLAWS MAY PRESENT.

### **14. GTC and GTD Orders**

Good-til-Cancel (GTC) and Good-til-Date (GTD) orders placed through an EES are resubmitted as day orders each day until filled. Accordingly, time priority of your GTC or GTD order is established anew each morning. Also, as a precautionary measure, the EES will likely cancel any GTC or GTD order if the EES is sent or perceives signals or information that the security in question has been affected by a corporate reorganization or other corporate action. Conversely, there may be times when a GTC or GTD order should be cancelled because of a corporate action, but it is not. Also, your GTC and GTD orders are stored on the EES’s server network, and there is no guarantee that the EES will, at the appropriate time, automatically and successfully place the order or implement its execution. IF YOU USE THE EES’S GTC OR GTD ORDER FUNCTIONALITY, YOU FULLY ASSUME THESE RISKS AND ALL OTHER RISKS THAT EES DESIGN LIMITATIONS OR EXCHANGE OR VENDOR DATA SERVICE INACCURACIES OR FLAWS MAY PRESENT.

### **15. Program Trading**

You understand and acknowledge that TradeStation Securities offers neither arbitrage accounts nor proprietary systems for Program Trading (or any other purpose).

### **16. Use of Investment Advisors**

If you have an agreement with an investment or trading advisor or manager (an “investment advisor”) whom you have engaged to invest and trade your funds and assets on your behalf, and whom you have authorized to trade your account with TradeStation Securities, you represent, warrant, acknowledge and agree that: (a) as between you and TradeStation Securities, solely you are fully responsible for all acts, omissions and decisions made by your investment advisor with respect to your account, and you shall fully indemnify and hold harmless TradeStation Securities, and its affiliates, employees and agents, from and against any and all claims, damages, liabilities, losses, costs and expenses (including reasonable attorneys’ fees and costs) that arise from, or relate to, any of such acts,



omissions or decisions, including, but not limited to, claims, damages, liabilities, losses, costs or expenses assertible or suffered by you or your trading account, and claims which others may assert by or through you or on your behalf, or on their own behalves; and (b) your investment advisor has given us instructions, which may be changed by your investment advisor from time to time, concerning amounts that are to be withdrawn from your account(s) and paid to your investment advisor (or your investment advisor's account with us) as and for your investment advisor's fees, charges or costs payable by you pursuant to your agreement with your investment advisor, and TradeStation Securities is authorized by you to rely fully and completely upon your investment advisor's instructions with no obligation or responsibility to verify the authenticity, validity or accuracy of such instructions either with you or any other person or entity, or any document or other material or potential source of such information.

#### **17. Confirmation Reports and Account Statements**

Confirmation reports of the execution of orders shall be conclusive if not objected to in writing by you within the shorter of (a) the applicable settlement cycle of the subject transactions or (b) three (3) business days after such documents have been transmitted to you. Statements of account(s) shall be conclusive if not objected to in writing by you within ten (10) days after transmission. In all cases, TradeStation Securities reserves the right to challenge your objections.

#### **18. Margin and Other Collateral Requirements**

(a) You hereby agree to deposit and maintain such margin in your margin account(s), if any, as TradeStation Securities may in its sole discretion require, and you agree to pay on demand any debit balance owing with respect to any of your margin accounts. Margin calls may be communicated orally, without subsequent written confirmation. (b) You further agree to deposit promptly and maintain such other collateral with TradeStation Securities as is required by Applicable Laws or any other agreement or open transaction you may have with TradeStation Securities, or as required by TradeStation Securities at any time or from time to time in its discretion. (c) No demands, calls, tenders or notices that TradeStation Securities may have made or given in the past shall obligate TradeStation Securities to make or give the same in the future, and no failure to make or give any such demand, call, tender or notice shall constitute a waiver or limitation of any kind of any of TradeStation Securities' rights or remedies under this agreement or otherwise.

#### **19. Truth-In-Lending; Debit Balances**

You hereby acknowledge receipt of TradeStation Securities Truth-in-Lending disclosure statement, which is posted on our web site. Interest will be charged on any debit balances in your account(s) in accordance with the methods described in such statement or in any amendment or revision thereto which may be provided to you. Any debit balance which is not paid at the close of an interest period will be added to the opening balance for the next interest period.

#### **20. Satisfaction of Your Liabilities; Security Interest and Lien**

(a) You agree to satisfy, upon demand, any and all indebtedness to TradeStation Securities, and to pay any debit balance in any of your accounts, and, in the event of a sell order by you, to deliver the applicable security in good deliverable form, no later than the deadline set by TradeStation Securities; such deadline may and shall be determined or modified by TradeStation Securities, subject only to limitations imposed by Applicable Laws, in TradeStation Securities' sole and absolute discretion. (b) All of your property held by or under the control of TradeStation Securities is subject to a lien to secure the payment and performance of your indebtedness, liabilities and obligations to TradeStation Securities, and you hereby grant to TradeStation Securities a lien on, and a valid and first priority, perfected, continuing security interest in, the following: (i) all property, including all investment property, held, carried or controlled by or through, or on our behalf by, TradeStation Securities in which you presently have or in which you acquire an interest in the future, including all property in each account in your name, and (ii) any and all rights, claims or causes of action you may now or hereafter have against TradeStation Securities or its affiliates,

employees or agents, and (iii) all other assets and property, tangible or intangible, fixed, contingent or mixed, of any kind or nature owned by you that are held, carried or controlled by or through, or on our behalf by, TradeStation Securities or any of its affiliates, or which TradeStation Securities or any of its affiliates has the power to access, possess or control, and (iv) all proceeds of, or distributions on, any of the foregoing (collectively, (i) through (iv) are referred to in this agreement as "Collateral"). (c) Any and all Collateral is held by TradeStation Securities as secured party, and as agent and bailee for TradeStation Securities and any other entity that is part of TradeStation Securities. TradeStation Securities, holding Collateral, may, without your further consent, give, comply with and implement (i) entitlement orders or instructions with respect to the Collateral and (ii) if the TradeStation Securities entity holding Collateral is a commodity broker, any instructions to apply any value distributed on account of a commodity contract. Additionally, TradeStation Securities, holding Collateral, has the right not to comply with (x) any entitlement order or instruction from you or a third party with respect to the Collateral and (y) any instruction from you to apply any value on account of any commodity contract, if TradeStation Securities decides or instructs that such order or instruction not be complied with in order to maintain security for the payment and performance of your obligations and liabilities to it. You agree that the actions of TradeStation Securities in not complying with orders or instructions as allowed in the preceding sentence satisfy any duties it may have under the Uniform Commercial Code of any state or jurisdiction ("UCC"), and you further agree that TradeStation Securities' rights and remedies against you as debtor and in its favor as secured party are, and shall be, the broadest possible rights under the applicable UCC, and all notices and elections necessary to have those broadest possible rights are hereby deemed specifically given. (d) You agree that this agreement, and your execution of this agreement by signing the Account Application and Agreement of which this is a part, shall constitute notice of the security interest granted to TradeStation Securities to any and all entities to whom giving notice is appropriate or required. (e) The reasonable costs and expenses of collection of any of your indebtedness, obligations, liabilities or debit balances, including but not limited to attorneys' fees and expenses, shall be payable by you to TradeStation Securities. (f) In order more fully to secure the payment and performance of any of your outstanding liabilities and obligations to TradeStation Securities, it may, to the fullest extent permitted by law, without prior notice to you, use, apply or transfer Collateral as it determines. Unless otherwise agreed in writing, TradeStation Securities may register and hold Collateral in its name or the name of one or more designees. (g) You appoint TradeStation Securities with full power as your true and lawful attorney-in-fact, to the fullest extent permitted by law, for the purpose of perfecting the security interest granted in this agreement and taking any action and executing any instrument that TradeStation Securities deems necessary or advisable to accomplish the purposes of this agreement, including, but not limited to, the full exercise and enforcement by it of its rights as secured party hereunder. (h) Notwithstanding anything to the contrary contained in this paragraph, anywhere else in this agreement, or in any other agreement between you and TradeStation Securities (or any of its affiliates), and to clarify the purpose, meaning and intent of this paragraph and any other provisions relating to security interests in any of your assets, in no event are any assets in any ERISA plan account or IRA account you may have with TradeStation Securities collateral or security for any of your obligations to TradeStation Securities or any of its affiliates, and in no event are any assets of yours in any account you have with TradeStation Securities or any of its affiliates collateral or security for any of your obligations under any type of ERISA plan account or IRA account you may have with TradeStation Securities, and, in all such cases, no such security interest has ever been created.

## **21. Free Credit Balances**

You hereby authorize TradeStation Securities to use any free credit balance in any of your accounts in accordance with all Applicable Laws and to pay interest thereon at such rate or rates and under such conditions as are established from time to time by TradeStation Securities for such account(s) and for the amounts of cash so used. Free credit balances are carried in customers' accounts pending, and with a view towards, reinvestment. TradeStation Securities may determine not to pay interest on free credit balances including, by way of example but not limited to, free credit balances representing either (a) uncollected funds or (b) funds that are deposited and subsequently withdrawn prior to the expiration of the minimum time period required by TradeStation Securities, or (c) amounts under a minimum threshold (such as, for example, \$10,000) that needs to be met before any interest is paid (and any interest paid may

be only on the excess amount over such threshold).

## **22. Authority to Pledge Collateral**

You represent, warrant and covenant that (a) you have the right to pledge and assign the Collateral to TradeStation Securities and (b) all Collateral is and shall at all times be free and clear of any liens, claims or encumbrances, except in favor of TradeStation Securities.

## **23. Deposits on Transactions**

TradeStation Securities may require you to deposit cash or other property acceptable to TradeStation Securities as Collateral in your account(s) in such amounts as TradeStation Securities determines in its sole discretion, and you agree to comply with any such request by no later than the deadline set by TradeStation Securities.

## **24. Consent to Loan, Pledge or Use of Securities in Margin Accounts**

To the greatest extent permitted under Applicable Laws, you hereby authorize TradeStation Securities to lend either to itself or to others and to otherwise use, sell or pledge any securities held by TradeStation Securities in your margin account(s), to convey therewith all attendant rights of ownership (including voting rights) and to use all such property as collateral for loans and other obligations made to TradeStation Securities. Any such property, together with all attendant rights of ownership, may be pledged, repledged, hypothecated, rehypothecated, sold or otherwise used either separately or in common with other property for any amounts due to TradeStation Securities thereon or for a greater sum. You hereby acknowledge that, as a result of such activities, (a) TradeStation Securities may receive and retain certain benefits to which you will not be entitled and will not share, and (b) the securities in your margin account(s) may be used as collateral by TradeStation Securities for loans made to it in excess of your indebtedness to TradeStation Securities. In certain circumstances, such loans may limit, in whole or in part, your ability to exercise voting and other attendant rights of ownership with respect to the loaned or pledged securities.

## **25. Breach, Bankruptcy or Default**

(a) TradeStation Securities may, in its sole and absolute discretion, elect to consider you in default of any or all agreements you may then have with it if (i) you do not pay any liability or indebtedness or perform any obligation to TradeStation Securities by the time you are obligated to do so; (ii) you otherwise breach, repudiate or default under this agreement or any other agreement you may have with TradeStation Securities or any of its affiliates or service providers; (iii) you commence a proceeding in bankruptcy or insolvency or one is commenced against you; (iv) any guarantor, co-signer or other party (a "Responsible Party") liable, or providing security for, any of your indebtedness, liabilities or obligations to TradeStation Securities or any of its affiliates or service providers defaults in an obligation or commences a proceeding in bankruptcy or insolvency or one is commenced against it; (v) an attachment is made against your or a Responsible Party's account(s) with TradeStation Securities; (vi) a receiver is appointed with respect to you, any of your assets or the assets of a Responsible Party; (vii) if you are a natural person, you die or become incompetent, or, if you are an entity, you merge, liquidate, sell a material portion of your assets (directly or indirectly) or dissolve; or (viii) an event, circumstance or condition occurs that, in TradeStation Securities' judgment (which shall be conclusive unless it is exercised totally arbitrarily or capriciously), materially impairs your creditworthiness, your ability to timely perform any of your obligations or otherwise causes TradeStation Securities to view itself (or any entity that is a part thereof) as insecure. The occurrence of any of the foregoing is referred to as an "Event of Default." (b) Upon the election by TradeStation Securities to consider you in default, TradeStation Securities shall have all of the rights and remedies of a secured party upon default under the UCC and other Applicable Laws and may, without notice to you, among other things, (i) foreclose, collect, sell or otherwise liquidate any Collateral TradeStation Securities selects in its sole discretion, in any order and at any time, and apply, in a manner determined by TradeStation Securities, in its sole discretion, the proceeds to satisfy any of your obligations or liabilities to TradeStation Securities or any of its affiliates and (ii) buy any property that may have been sold short. At any sale of Collateral or other sale or purchase permitted hereunder or otherwise, TradeStation Securities may sell or purchase



to or from itself or third parties, and you hereby acknowledge and agree that the securities subject to such sale or purchase are instruments traded in a recognized market. You will pay TradeStation Securities for any losses and costs incurred by TradeStation Securities as a result of any default by you. You waive marshalling of assets and any similar doctrine dealing with the application of collateral.

## **26. Collection and Other Account-Related Costs**

You hereby agree to pay, on demand, all reasonable costs, fees, expenses, liabilities and damages incurred by TradeStation Securities, as the case may be ("Costs"), in connection with (a) enforcing its rights hereunder, or (b) any investigation, litigation or proceeding involving your account(s) or any property therein, or (c) the use or access by you, or any other person authorized to act on your behalf, of an EES or other Services, or (d) any breach or failure by you to perform any term or provision of this agreement, any other agreement between you and TradeStation Securities or its affiliates or any agreement governing your use of or access to any EES, or (e) TradeStation Securities acting in reliance upon your instructions or the instructions of any person authorized to act on your behalf. In each case, and whether or not demand has been made therefor, you hereby authorize TradeStation Securities to charge your account(s) for any and all such Costs.

## **27. Control or Restricted Securities**

Prior to placing an order in connection with any securities subject to Rule 144 or 145(d) of the Securities Act of 1933, you shall advise TradeStation Securities of the status of the securities and furnish us with the necessary documents to clear legal transfer. You acknowledge that there may be delays involved with the processing of control or restricted securities and that TradeStation Securities will not be liable for any losses caused directly or indirectly by such delays. TradeStation Securities may, in its sole discretion, require that control or restricted securities not be sold or transferred until such securities clear legal transfer.

## **28. Waiver; Assignment**

Neither TradeStation Securities' failure to insist at any time upon strict compliance with the terms of this agreement, nor any continued course of such conduct on its part, shall constitute or be considered a waiver by TradeStation Securities of any of its rights or privileges hereunder. Except as specifically permitted in this agreement or the Account Application or Agreement of which it is part, no provision or condition of this agreement can be, or should be deemed to be, waived, altered, modified or amended unless specifically agreed to in writing by a duly authorized officer of TradeStation Securities (President, Vice President of Finance, General Counsel, and Chief Compliance Officer are the only officers duly authorized for this purpose). TradeStation Securities' failure to enforce any provision or condition of this agreement shall not be deemed a waiver of the requirements of said provision or condition or any other provision or condition. Any assignment of your rights and obligations hereunder or your interest in any property held by or through TradeStation Securities without obtaining the prior written consent of an authorized representative of TradeStation Securities shall be null and void. TradeStation Securities reserves the right to assign any of its rights or delegate any of its obligations hereunder without prior notice to you, except as otherwise required by Applicable Laws.

## **29. Legally Binding**

You hereby agree that the terms of this agreement shall be binding upon you and your estate, heirs, executors, administrators, personal representatives, successors and assigns.

## **30. Disclosure of Status**

You agree to promptly notify TradeStation Securities in writing (if you have not done so in your Application and Agreement of which this agreement is a part) if you are now or if you become registered or qualified with: (a) the Financial Industry Regulatory Authority, the National Futures Association, the Securities and Exchange Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association,

or any commodities or futures contract market or association; (b) engaged as an “investment advisor” as that term is defined in Section 201 of the Investment Advisors Act of 1940 (whether or not registered or qualified under that act); (c) a “commodity trading advisor” or “commodity pool operator” as those terms are defined Section 1a of the Commodity Exchange Act; or (d) employed by a bank or other organization exempt from registration under federal and state securities laws to perform functions that would require you to be so registered or qualified if you were to perform such functions for an organization not so exempt. Except as otherwise specifically set forth in your Account Application and Agreement, you represent and warrant that you are not any of the foregoing.

### **31. Amendment By TradeStation; Presumptive Receipt of Communications**

Communications may be sent to you at your postal or electronic mail address or at such other address as you may hereafter specify in writing in any form. Modifications and amendments of or to this agreement (including changes in Execution Fees and Service Fees) may be posted on TradeStation Securities’ web site and shall be effective as of the date posted. All communications so sent, whether by posting, mail, e-mail, telegraph, messenger or otherwise, shall be deemed received on the earliest date sent or published, whether or not actually received or reviewed. You acknowledge and agree that TradeStation Securities may, at any time, in its sole discretion, modify or amend the terms of this agreement or your access to any EES or other Services provided by TradeStation Securities. Your continuing to accept or use any EES or other Services after said modification or amendment is published, posted or sent shall conclusively be deemed your express acceptance of all said modifications or amendments in exchange therefor. In addition to, and without in any way limiting the breadth or scope of any of the foregoing provisions, you acknowledge and agree that notices and other communications (including, without limitation, margin calls) delivered, faxed, sent by express delivery service, e-mailed or mailed to the address (and/or e-mail address) provided by you shall, until TradeStation Securities has received notice in writing of a different address, be deemed to have been personally delivered to you whether actually received or not. Notices and other communications may also be provided to you verbally. Such notices and other communications left for you on your answering machine, or otherwise, including, but not limited to, margin calls and other demands of immediate payment of indebtedness, debit balances, or other obligations, shall be deemed to have been delivered to you, whether actually received or not. None of the foregoing provisions is intended to suggest or imply that any notice is required to be given you as a condition to TradeStation Securities exercising or enforcing any of its rights or remedies under this agreement, as a secured party or otherwise, and you understand and acknowledge TradeStation Securities may act without or before providing you with notice of any kind, in its sole and absolute discretion, to the fullest extent permitted and authorized by this agreement, the applicable UCC and other Applicable Laws. Notices and other communications from you to TradeStation Securities shall be in writing. You hereby authorize TradeStation Securities to accept facsimile copies of this or any other document or instruction as if it were the original, delivered in person, and to accept facsimile signatures as if they were originals delivered in person.

### **32. Ownership and Confidentiality**

You acknowledge and agree that nothing in this agreement or any other agreement with TradeStation Securities or any of its affiliates shall constitute the sale of any equipment, software, hardware, procedure or system utilized by any EES or other Services provided by TradeStation Securities (collectively, the “Technology”). You hereby agree to keep confidential and not disclose, copy, transfer, reverse engineer, or modify any Technology, whether or not said Technology is actually owned by TradeStation Securities, its affiliate or a third party. You expressly agree that, in connection with any dispute, the Technology and TradeStation Securities’ or its affiliates’ other trade secrets or confidential information shall be disclosed, if at all, only upon issuance of protective order(s) effectively limiting disclosure to maintain confidentiality.

### **33. Monitoring and Recording Conversations**

All communications between you and TradeStation Securities by telephone, computer link, “live chat” or any other satellite, cable or telecommunications device or method may or will be monitored, recorded and archived by

TradeStation Securities and may be used and shall be admissible in connection with any investigation, inquiry or dispute that may arise, or for any valid or legitimate business purpose that is not violative of TradeStation Securities' [Privacy Notice](#). You voluntarily and knowingly acknowledge and irrevocably consent to all of such monitoring, recording and archiving of your communications with TradeStation Securities, its affiliates, and their respective agents and employees, and acknowledge and agree that no further notice or consent is necessary.

### **34. Power of Attorney**

You hereby irrevocably appoint TradeStation Securities, with full power as your true and lawful attorney-in-fact, to the fullest extent permitted by Applicable Laws, for the purpose of carrying out the provisions of this agreement and taking any action and executing any instrument that TradeStation Securities deems reasonably necessary or advisable to accomplish the purposes of this agreement.

### **35. Independence**

Nothing in this agreement shall be construed as, or to create, a joint venture, agency, partnership or other similar relationship between the parties.

### **36. Choice of Law**

You acknowledge and agree that this agreement and its enforcement shall be governed by the laws of the State of Florida. Also, see the "Arbitration" paragraph below.

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

- 1. 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.**
- 2. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- 3. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- 4. The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**
- 5. The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**
- 6. 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.**
- 7. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**

### **37. Arbitration**

You agree that any and all controversies which may arise between you and TradeStation Securities or any of its officers, directors, employees, agents, subsidiaries or affiliates and/or the determination of all contractual or other rights and liabilities between the parties may be determined by arbitration conducted before the FINRA in accordance with its arbitration rules then in force. TradeStation Securities may not require you to agree in advance to arbitrate a controversy only in a specific venue. However, you represent to TradeStation Securities that you have

no objection to arbitrating any such controversy before the FINRA's office of dispute resolution in Boca Raton, Florida, and further represent to TradeStation Securities that you believe Boca Raton, Florida would be the most convenient, efficient and fairest venue for any such dispute, and that resolving a dispute in that location creates no material hardship or inconvenience for you. You acknowledge, represent and agree that this agreement has been, and for all purposes shall be deemed to have been, executed, delivered and substantially performed in the State of Florida, and irrevocably consent to personal jurisdiction in the State of Florida. You acknowledge, confirm and represent to TradeStation Securities that you have no objection to TradeStation Securities asserting, referring to or relying upon any of your representations in this paragraph in any proceeding in which appropriate venue for arbitration is an issue or is in dispute, and that you have no objection to the decision-maker who will decide the issue or dispute about appropriate venue placing considerable weight on your representations made in this paragraph or accepting them as your honest beliefs on the issue of venue. Judgment upon any award of the arbitrators may be entered in any court, state or federal, having jurisdiction thereof. No person shall bring a putative or certified class action to arbitration, or 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: (A) the class certification is denied; or (B) the class is decertified; or (C) the person 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. (b) Notwithstanding the provisions of subparagraph (a) above, either party may, at any time prior to the initial arbitration hearing pertaining to a dispute or controversy, seek by application to the U.S. District Court for the Southern District of Florida or the Circuit Court of the 17th Circuit In and For Broward County, Florida any such temporary or provisional relief or remedy ("provisional remedy") provided for by the laws of the U.S. or the laws of the State of Florida as would be available in an action based upon such dispute or controversy in the absence of an agreement to arbitrate. The parties acknowledge and agree that it is their intention to have any such application for a provisional remedy decided by the court to which it is made and that such application shall not be referred to or settled by arbitration. No such application to either said court for a provisional remedy, or any act or conduct by either party in furtherance of or in opposition to such application, shall constitute a relinquishment or waiver of any right to have the underlying dispute or controversy with respect to which such application is made settled by arbitration in accordance with subparagraph (a) above. (c) With respect to any application for a provisional remedy and any application for judgment on an arbitration award, each party irrevocably (i) submits to the jurisdiction of the U.S. District Court for the Southern District of Florida or the Circuit Court of the 17th Circuit In and For Broward County, Florida, and (ii) waives (with respect to provisional remedy proceedings) any objection which it may have at any time to the laying of venue of any proceedings brought in either such court, waives (with respect to provisional remedy proceedings) any claims that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such proceedings, that such court does not have any jurisdiction over such party. (d) You hereby agree to receive service of process in connection with any legal matters or actions or proceedings based upon, arising out of or relating in any way to this agreement by confirmed, return-receipt requested mail and that delivery shall be presumed if such service is mailed to the address maintained by TradeStation Securities in its records and the requested receipt is returned.

### **38. Severability**

If any term, provision or condition ("term") of this agreement shall be held to be invalid or unenforceable by reason of any law, rule, administrative order or decision by any court, or regulatory or self-regulatory agency or body, or in arbitration, said term shall be deemed modified only to such extent as is necessary to correct the invalidity or unenforceability and shall not affect the validity and enforceability of this agreement or any other term of this agreement, and the intent of this agreement and that term shall be honored to the fullest possible extent in the circumstances.

### **39. Headings**

The heading of each paragraph is for descriptive purposes only and shall not be deemed to modify or qualify any of

the rights or obligations set forth in such provision.

#### **40. Trademarks**

TradeStation®, EasyLanguage®, RadarScreen®, OptionStation® and The Leader in Rule-Based Trading™ are registered trademarks of TradeStation Technologies, Inc., an affiliate of TradeStation Securities, and are used by TradeStation Securities pursuant to a trademark license.

#### **41. Consent to Identification Procedures, Credit Reports and Other Information**

You voluntarily and knowingly consent to the following: TradeStation Securities may use your name, address, social security number, date of birth, home telephone number and/or other biographical or personal information about you (collectively, “Personal Information”) to comply with applicable federal, state, local, quasi-governmental, self-regulatory and other laws, rules, regulations, recommendations, interpretations, authorizations, licenses and registrations, and other Applicable Laws, or for any valid or legitimate business purpose. The purposes for the use of Personal Information include, but are not necessarily limited to, verification of your identity and other factual information you present to us, verification that you are not listed as a specially designated national or blocked national by the Department of Treasury’s Office of Foreign Asset Control (OFAC), and to investigate or verify your creditworthiness, business history and your history with legal and administrative authorities. Whatever procedures are used by TradeStation Securities shall not be violative of the terms of its [Privacy Notice](#). You authorize TradeStation Securities, in its sole discretion, to make or obtain reports concerning your credit standing, business conduct and history with legal, regulatory and administrative authorities. You may make a written request for a description of the nature and scope of the credit reports made or obtained by TradeStation Securities and the same will be provided to you within a reasonable period of time. You further agree to provide TradeStation Securities, on request, with such additional information or certifications as may be required by TradeStation Securities or Applicable Laws.

#### **42. Cumulative Rights**

The rights, remedies, benefits and privileges of TradeStation Securities under (a) this agreement, (b) any other written agreement or document executed or delivered by you, and (c) any written agreement with an affiliate of TradeStation Securities (collectively, the “Related Agreements”), whether part of the Account Application and Agreement or otherwise, are cumulative and shall be interpreted to convey to and upon TradeStation Securities and its affiliates the broadest, most expansive, most enforceable rights, remedies, benefits and privileges. Any inconsistencies or conflicts between or among any of the Related Agreements shall be disregarded, as TradeStation Securities may at any time, or from time to time, choose, so that TradeStation Securities may enjoy to the fullest extent possible the right, remedy, benefit or privilege that it, at any time or from time to time, seeks to assert, enforce or avail to itself.

#### **43. Request for Electronic Transmission of Statements and Other Documents and Information**

**You hereby request that all confirmation statements of activity and all periodic account statements, as well as all tax documents, prospectuses, corporate reports, proxy statements and reorganization notices, be delivered to you solely by electronic transmission to the e-mail address indicated by you in the Account Application and Agreement of which this agreement is a part. You represent to us that you do not want to be mailed hard copies of any such statements, documents or information. You warrant and represent that the above-referenced e-mail will promptly print out for you the relevant customer statements, documents and information in the form received by you. You understand that there is a risk of failure of any electronic transmission, and will not hold TradeStation Securities liable directly or indirectly for such failure. If you fail to receive a statement of activity of which you are aware, you will contact a TradeStation Client Service representative at the Brokerage Client Service telephone numbers posted on the TradeStation Securities web site on the business day following the day of any such activity. You acknowledge that if you choose not to accept electronic statements and documents, TradeStation Securities may charge your account a fee for each hard-copy statement and document delivered. This consent shall be effective until revoked**



by you in writing, and delivered to TradeStation Securities. In addition, you acknowledge that, for your protection and the protection of TradeStation Securities, any request to change the e-mail address designated in your Account Application and Agreement must be in writing and must bear the same signature as the one on your Account Application and Agreement. In the event such a request is received from a legal entity, such as a corporation, LLC or partnership, the request must be accompanied by appropriate documentation establishing that the person signing the request possesses the requisite authority to bind the entity. BY SIGNING THE ACCOUNT APPLICATION AND AGREEMENT OF WHICH THIS ACCOUNT AGREEMENT IS A PART, YOU ACKNOWLEDGE THAT: 1. THE SECURITIES IN YOUR MARGIN ACCOUNT(S), IF ANY, AND ANY SECURITIES FOR WHICH YOU HAVE NOT FULLY PAID, TOGETHER WITH ALL ATTENDANT OWNERSHIP RIGHTS, MAY BE USED BY TRADESTATION SECURITIES OR SOLD OR PLEDGED TO TRADESTATION SECURITIES OR TO OTHERS; 2. THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE AT PARAGRAPH 37; AND 3. YOU HAVE REQUESTED, AND CONSENTED TO, THE DELIVERY TO YOU OF YOUR CONFIRMATION AND OTHER ACCOUNT STATEMENTS, AS WELL AS TAX DOCUMENTS, PROSPECTUSES, CORPORATE REPORTS, PROXY STATEMENTS AND REORGANIZATION NOTICES, SOLELY BY ELECTRONIC TRANSMISSION TO YOUR SPECIFIED E-MAIL ADDRESS.