

## 1. Parties

This agreement, which includes your application for an Account (as such term is defined below), the content of this document, and all additional agreements, including the Master Lending Securities Agreement, and separate and supplemental disclosures, disclaimers and other documents contained in the application or later provided to you that relate to your Account and which you have been required to acknowledge and accept (collectively, “**the Agreement**” or “**this Agreement**”), is between you and TradeStation Securities, Inc. (“**TradeStation Securities**,” “**we**,” “**us**” or “**our**”). Your “**Account**” means, individually and collectively, the securities brokerage account or accounts you are opening or have opened or later open with us regarding your interests and transaction in equities, such as stocks and other exchange-traded products (such as ETFs), and, if you have been approved (or if you later request and are approved), equity and index options. You agree that each of TradeStation Securities’ affiliates is an express third-party beneficiary of this Agreement. However, you also understand and agree that no entity other than TradeStation Securities is making any representation, obligation or covenant in your favor under or related to this Agreement or your Account or the Services, and that you have no contractual or other legal right or remedy of any kind or nature against any affiliate of TradeStation Securities by reason of or relating to this Agreement, the Services your Account, or any of the transactions contemplated by this Agreement or relating to your Account.

**THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION AGREEMENT UNDER THE HEADING “ARBITRATION.”**

**ALSO, THERE ARE SEVERAL IMPORTANT RISK DISCLOSURE STATEMENTS, EACH SET FORTH SEPARATELY AT THE END OF THIS DOCUMENT. THESE RISK DISCLOSURE STATEMENTS ARE ALSO POSTED ON THE COMPANY WEBSITE AND CONSTITUTE PART OF THE DOCUMENTS WHICH YOU REPRESENT AND WARRANT YOU HAVE RECEIVED, REVIEWED, UNDERSTOOD AND ACCEPTED AS PART OF YOUR ACCOUNT APPLICATION AND THE ACCOUNT APPLICATION PROCESS.**

## 2. 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 Agreement. **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 company website 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 Agreement must be in writing and must bear the same signature as the one in your Agreement or that we have on file or otherwise satisfy our authentication and verification procedures. 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 ACCEPTING THIS AGREEMENT, YOU ACKNOWLEDGE 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.

### 3. Laws, Rules, Regulations and Indemnification

All of your transactions shall be subject to all applicable laws, rules and regulations 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"), 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 (collectively, "Applicable Laws"). TradeStation Securities shall not be liable to you as a result of any action taken by TradeStation Securities to comply with any such Applicable Laws. 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. The indemnity provided for in the previous sentence shall not be construed as limiting your ability to bring any claim against TradeStation

Securities or receive an award or judgment from TradeStation Securities or any of its associated persons that you would be entitled to bring or receive under any Applicable Laws.

#### 4. Service Commissions, Fees and other Costs

TradeStation Securities agrees to provide you with securities brokerage services in your Account, which 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, as well as your agreement with our affiliate that provides TradeStation® trading software technology and internet-based market data services, and the terms and conditions of use for any EES of a third party provided to you by TradeStation Securities or its affiliate, in connection with your use of your Account. Your Account 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 your Account may be subject to Short Debit Fees equal to the sum of (a) the costs and expenses incurred by any clearing facility and (b) a Service Fee in connection with the establishment and/or maintenance of your short positions in the 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. Any other 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 company website and that such modification shall constitute written notice to you on the date such modifications first appear on the website. 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.**” Any interest accrued in any Account on excess cash balances may be retained by TradeStation Securities. TradeStation Securities shall be under no obligation to pay or account to you for any interest income or benefits that may be derived from or use of client monies, reserves, deposits, cash equivalents or any other property.

#### 5. Assumption of Risk/Your Discretion

(a) TradeStation Securities is not a full-service brokerage, and only serves self-directed online traders. We do not engage in discretionary trading, render investment advice, trading advice or financial planning services, recommend account types, 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 your Account, 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.

(b) 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 affiliates or any third-party provider 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 website. 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® or other EES 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 or other Services 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.

## 6. 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.

## **7. 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, or other third parties, relating to this Agreement or your Account, including any related hardware, software, communication system or any charting, analysis or other trading strategy tool products, services or platforms. TRADESTATION SECURITIES' SERVICES AND ANY INFORMATION, DATA, CHARTING, 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.

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

You agree that you fully and knowingly assume all risks of 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, or 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. 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.

## **9. 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 under this Agreement. *You further agree that, notwithstanding anything in this Agreement to the contrary, in the event that the Account or any part thereof is under-margined (as we, in our sole discretion, determine), has zero equity or an equity deficit at any time, TradeStation Securities shall have the right to liquidate all or any part of your positions through any means available, without prior notice to you.* See, also, the section under the heading “Margin and Other Collateral Requirements.”

## 10. 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, screen or mobile phone 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.

## 11. 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.

## 12. 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.

### 13. Market or Other Data

You acknowledge and agree that each national or regional or other market 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 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 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 the terms of this Agreement may be enforced directly against you by the 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.

### 14. Stop Orders

(a) All Stop Orders are handled on a best efforts basis. The stop order functionality provided by the EES for listed securities 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 an EES's "Intelligent" order routing. However, placing stop orders using an 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 AN 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.

(b) Also, while stop orders may be a useful tool for investors who are unable to regularly monitor the price of their positions, stop orders are not without potential risks. You should be aware of the following risks inherent in the use of stop orders:

(i) Stop prices are not guaranteed execution prices. A “stop order” becomes a “market order” when the “stop price” is reached and firms are required to execute a market order fully and promptly at the current market price. Therefore, the price at which a stop order ultimately is executed may be very different from the investor’s “stop price.” Accordingly, while you may receive a prompt execution of a stop order that becomes a market order, during volatile market conditions the execution may be at a significantly different price from the stop price if the market is moving rapidly.

(ii) Stop orders may be triggered by a short-lived, dramatic price change. You should be aware that during periods of volatile market conditions the price of a security can move significantly in a short period of time and trigger an execution of a stop order (and the security may later resume trading at its prior price level). You should understand that if your stop order is triggered under these circumstances it may sell at an undesirable price even though the price of the security may stabilize during the same trading day.

(iii) Placing a “limit price” on a stop order may help manage some of these risks. A stop order with a “limit price” (a “stop limit” order) becomes a “limit order” when the security reaches the “stop price.” A “limit order” is an order to buy or sell a security for an amount no worse than a specific price (i.e., the “limit price”). The use of a stop limit order instead of a stop market order will provide you with better certainty with respect to the price you receive for the security. You should, however, be aware that because brokers cannot sell for a price that is lower (or buy for a price that is higher) than the limit price selected there is the possibility that the order will not be executed at all. You should strongly consider the use of stop limit orders in cases where they prioritize achieving a desired target price more than getting an immediate execution (irrespective of price) in a liquid market.

## 15. 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, the time priority of your GTC or GTD order is established anew each morning. An order that is GTC or GTD will continue during our “window period” (described

in the next sentence) until the order is filled (GTC) or until the date you have specified (GTD). However, you should be aware that no matter what instruction you input, if the order has been live and remains unfilled for a certain number of days as we have prescribed in the EES (for example, 90 days), which may change from time to time (a "window period"), it will automatically be cancelled if not filled before the expiration of the window period. If you cancel an order and then replace it before the expiration of the window period, a new window period will begin for the order that has replaced the cancelled one. Also, if a GTC or GTD order is partially filled, the unfilled portion of the order will be automatically cancelled, and you would then need to input a new order for the unfilled portion, assuming that is still your intention. Further, 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. Your GTC or GTD order will not be modified to take into account ordinary dividends. 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.

## 16. Program Trading

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

## 17. 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 (or on whom you are otherwise relying in any manner), 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 or advice 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 or advice, including, but not limited to, claims, damages, liabilities, losses, costs or expenses assertible or suffered by you or your Account, and claims which successors, constructive assignees, third parties or others may assert by or through you or on your behalf, or on their own behalves; and (b) your investment advisor may give us instructions, which may be changed by your investment advisor from time to time, concerning amounts that are to be withdrawn from your Account 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.

## 18. 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 and (b) three (3) business days after such documents have been transmitted to you. Statements of account 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.

## 19. Margin and Other Collateral Requirements

(a) ***Margin trading is highly risky and may result in a loss of funds greater than you have deposited in your Account.*** If your Account is a margin account (or becomes a margin account at any time), you hereby agree to deposit and at all times maintain such margin in your Account as TradeStation Securities may in its sole discretion require, and which may change from time to time in TradeStation Securities' sole discretion, and you agree to pay on demand any debit balance owing with respect to your Account. You agree at all times to maintain such margin in your Account as TradeStation Securities may from time to time (at its sole discretion) require, and will meet all margin calls (if any are given, and none are required to be given) immediately. 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. You agree that, if requested to do so, you will promptly wire transfer such funds.

(b) ***You further agree that, notwithstanding anything in this Agreement to the contrary, in the event that the Account or any part thereof is under-margined (as we, in our sole discretion, determine), has zero equity or an equity deficit at any time, TradeStation Securities shall have the right to liquidate all or any part of your positions through any means available, without prior notice to you. TradeStation Securities does not have to notify you of any failure to meet margin requirements prior to TradeStation Securities exercising its rights under this Agreement. You acknowledge that TradeStation Securities generally will not issue margin calls, generally will not credit your Account to meet intraday or overnight margin deficiencies, and is authorized to liquidate account positions in order to satisfy margin requirements without prior notice.*** Any margin call or other notice we ever do give you is or was solely as a courtesy, and our doing so imposes no obligation on us to ever do so again, and you should not expect or rely on receiving any such notice. Margin calls, if given, may be communicated orally, without subsequent written confirmation. Further, if TradeStation Securities does not, for any reason, liquidate under-margined positions without notice, and issues a margin call,

you must satisfy such margin call in its entirety immediately by depositing funds. You acknowledge that even if a call is issued, TradeStation Securities may still liquidate your positions at any time.

(c) If at any time your Account does not contain the amount of margin determined by TradeStation Securities, in its sole discretion, to be appropriate for any reason (in its sole judgment), *TradeStation Securities may, at its sole discretion, reject any order made by you, close out your positions in whole or part, or limit and/or terminate your right to trade in the Account other than for liquidation, or fully or partially liquidate all or some of the positions in your Account. TradeStation Securities is authorized to take whatever action it deems necessary including, without prior demand or notice to you, selling or otherwise liquidating any property belonging to the you or in which you have an interest, buying or borrowing any property required to make delivery against any sales, including short sales, effected for your Account or otherwise liquidating the positions in your Account, all solely for your Account and solely at your risk.* Any such liquidation, sale or purchase may be public or private and may be made without notice to you and in such manner as TradeStation Securities may, in its sole discretion, determine.

(d) TradeStation Securities may, at its sole discretion, require margin in excess of that required by Applicable Laws, including any exchange or clearinghouse minimums. *We may modify margin requirements for any or all customers, including you, for any open or new positions at any time, in our sole discretion.* All deposits shall be deemed made only when cleared funds are actually received by TradeStation Securities, which may include waiting periods it, in its sole discretion, imposes on ACH or similar electronic transfers. Any failure by TradeStation Securities to call for margin at any time shall not constitute a waiver of TradeStation Securities' right to do so any time thereafter, nor shall such failure create any liability to TradeStation Securities. TradeStation Securities shall not be liable to you for the loss or loss of use of any margin deposits option premiums, or other property, which is the direct or indirect result of bankruptcy, insolvency, liquidation, receivership, custodianship, or assignment for the benefit of creditors of any bank, other clearing broker, exchange, clearing organization or similar entity.

(e) TradeStation Securities may, for any reason, require you to transfer your Account to another firm. If you do not transfer your positions promptly upon demand by TradeStation Securities, TradeStation Securities may liquidate the positions in your Account. TradeStation Securities is under no obligation to offer you the ability or opportunity to transfer your Account to another firm, and we may take any and all actions permitted in this Agreement, including in this section, without doing so.

(f) You acknowledge that TradeStation Securities is hereby specially authorized, for its account and benefit, from time to time and without notice, either separately or with others, to lend, repledge, hypothecate or rehypothecate, either to itself or to others, any and all property (including but not limited to securities) held by you in your Account and TradeStation Securities shall not at any time be required to deliver to you such identical property but may fulfill its obligation by delivery of property of the same kind and amount.

(g) 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.

(h) You represent and acknowledge that you have reviewed and received from TradeStation Securities the *Margin Disclosure Statement*, which is also set forth on a separate page at the end of this document, and have read and understood the *Margin Disclosure Statement*. This *Margin Disclosure Statement* is also available on the TradeStation website. You represent and acknowledge that you have noted particularly those sections of that disclosure document summarizing the risk factors involved in margin trading, and you have determined that, in view of your financial situation and investment objectives, margin trading is not unsuitable for you.

## 20. Truth-In-Lending; Debit Balances

You hereby acknowledge receipt of TradeStation Securities' Truth-in-Lending disclosure statement, which was part of your Account application and is also posted on the TradeStation company website. Interest will be charged on any debit balances in your Account 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.

## 21. 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 your Account, 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 (of any kind or nature) 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, including but not limited to any assets in any futures account you have with TradeStation Securities, owned by you that are held, carried or controlled by or through, or on behalf of, 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) any instructions to apply any value distributed on account of any Collateral. 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 Collateral, 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 that you have acknowledged and accepted this Agreement, shall constitute notice of the security interest granted to TradeStation Securities to any and all persons and 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 Applicable Laws, 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. You authorize TradeStation Securities to instruct any of its affiliates holding Collateral to liquidate such Collateral and deliver the proceeds thereof to TradeStation Securities, and for TradeStation Securities to apply same against and to satisfy your obligations, indebtedness and liabilities to TradeStation Securities, in whole or in part, with or without notice to you, and you shall hold TradeStation Securities and any such affiliate harmless with respect to any such instruction, liquidation, delivery and application, and you consent that such affiliate has the right to engage in the foregoing actions no differently than if such affiliate was the creditor and secured party.

(g) You 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 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 section, or in this Agreement, and to clarify the purpose, meaning and intent of this section 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, and for the avoidance of doubt, no such security interest has ever been created.

## **22. Free Credit Balances**

You hereby authorize TradeStation Securities to use any free credit balance in your Account in accordance with all Applicable Laws and to pay interest thereon (if any) at such rate or rates and under such conditions as are established from time to time by TradeStation Securities for your Account 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 (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 set by TradeStation Securities (and any interest paid may be only on the excess amount over such threshold). Notwithstanding any of the foregoing to the contrary, TradeStation Securities is under no obligation to pay you any interest or other compensation on any free credit balance in your Account.

## **23. 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.

## **24. Deposits on Transactions**

TradeStation Securities may require you to deposit cash or other property acceptable to TradeStation Securities as Collateral in your Account 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.

## 25. 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 Account (if it is a margin account), 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 Account (if a margin account) 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.

## 26. 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 (whether or not related to your Account), including this Agreement, 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.

(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.

## **27. 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 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 for any and all such Costs.

## **28. 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.

## **29. 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 by this Agreement, 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.

### **30. 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.

### **31. Disclosure of Status**

You agree to promptly notify TradeStation Securities in writing (if you have not already done so) if you are now or if you become registered or qualified with: (a) FINRA, the National Futures Association, the Securities and Exchange Commission, the Commodity 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, you represent and warrant that you are not any of the foregoing.

### **32. 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 the TradeStation company website and shall be effective as of the date posted. All communications so sent, whether by posting, mail, e-mail, other electronic messaging, 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, electronically messaged, 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, and 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, scanned or electronic copies or versions of this or any other document or instruction as if it were the original, delivered in person, and to accept facsimile or electronic signatures or acknowledgments, or other electronic equivalents, as if they were originals delivered in person.

### 33. 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 or through 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.

### 34. 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 electronic or digital 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**, which you acknowledge you have received and read. 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.

### 35. 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.

### 36. Independence

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

### 37. Choice of Law

All matters relating to the Services, your Account or this Agreement and any dispute or claim arising therefrom or related thereto (in each case, including, but not limited to, non-contractual disputes or claims), shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction). You agree that this Agreement has been executed and delivered, and that the performance of the transactions contemplated by this Agreement will be, or will have been performed, in the State of Florida. **Also, see the "Arbitration" section directly below.**

### 38. Arbitration

**THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE, WHICH IS SET FORTH BELOW IN THIS SECTION. 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 a judge or 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 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 hearing date.
- The panel of arbitrators may 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.

(a) You agree that any and all controversies, claims or disputes relating to your Account, the Services, and/or the determination of any contractual or other rights and liabilities under this Agreement, which may arise between you and TradeStation Securities (and/or any of its officers, directors, employees, agents) shall be determined by arbitration conducted before FINRA in accordance with its arbitration rules then in force. Judgment upon any award of the arbitrators may be entered in any court, state or federal, having jurisdiction thereof.

(b) 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: (i) the class certification is denied; or (ii) the class is decertified; or (iii) 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 expressly stated herein.

(c) Notwithstanding the provisions of subsection (a) above, either party may, at any time prior to the initial arbitration hearing pertaining to a dispute or controversy, seek by application to any court of competent jurisdiction 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 subsection (a) above.

(d) With respect to any application for a provisional remedy and any application for judgment on an arbitration award, each party irrevocably (i) submits to any court of competent jurisdiction.

(e) 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.

### 39. Estate Issues

You agree that, in the event of your death, the survivor(s) or the estate shall immediately give TradeStation Securities written notice of your death, and TradeStation Securities may, before or after receiving such notice, take such actions, require such papers, inheritance or estate tax waivers or federal transfer certificates, retain such portion of the Account and restrict financial transactions, transfers and withdrawals in the Account as required by law, TradeStation Securities' policies or as TradeStation Securities deems advisable to protect TradeStation Securities against any tax, liability, penalty or loss under any present or future laws or otherwise. Your estate and the Account shall be jointly liable for all costs (including reasonable attorneys' fees and costs) TradeStation Securities may incur in connection with the disposition of the Account and related assets and liabilities in the event of your death, disability or dissolution.

### 40. Options Trading

If your Account has been approved, or is later approved, for options trading (whether you have requested such approval at the time of your Account application, or you request to be permitted to trade options and are approved, at any level, at any time in the future), the following provisions apply:

(a) All options transactions shall be subject to the constitution, rules, regulations, customs and usages of the Options Clearing Corporation and any exchange or other marketplace where executed. You will not, alone or in concert with others, violate the position or exercise limits of the exchanges, which may change from time to time.

(b) You agree that TradeStation Securities may take such steps as it considers necessary or appropriate to protect itself against loss with respect to any open options contract positions, and refuse to accept orders for the establishment of any new options positions.

(c) You represent and acknowledge that you have received from TradeStation Securities the *"Characteristics and Risks of Standardized Options"* disclosure document, as well as the *"Margin Disclosure Statement"* disclosure documents (both of which you acknowledge having read and understood as part of your Account application process, **and both of which are set forth as separate risk disclosure statements at the end of this Agreement**). You represent and acknowledge that you have noted particularly those sections of the disclosure documents summarizing the risk factors involved in options trading, and you have determined that, in view of your financial situation and investment objectives, options trading is not unsuitable for you.

(d) You have read and understood the sections of the disclosure documents concerning exercise and assignment. You are aware that if you fail to give instructions to the contrary by the expiration date, any option you may hold which is in the money by one (1) cent or more at expiration will be exercised automatically by the Options Clearing Corporation. You are also aware that you may not receive actual notice of an exercise or assignment until the week following the expiration date.

(e) TradeStation Securities shall have no responsibility to notify you when an option in your Account is nearing expiration, and you will have no claim for damage or loss arising out of the fact that an option in your Account was not exercised unless you have properly instructed TradeStation Securities to exercise such option at or before the time established by TradeStation Securities

(f) If you engage in uncovered option writing, you agree to maintain adequate cash reserves to meet reasonably foreseeable margin calls and will, upon TradeStation Securities' request, immediately deposit cash reserves in your Account that TradeStation Securities deems to be required under the circumstances. See the disclosures under the heading **"Special Statement for Uncovered Options Writers"** set out as a separate disclosure statement at the end of this Agreement, which you affirm you have already read and acknowledged as part of your Account application process.

(g) If your Account is an Individual Retirement Account or Qualified Plan account (as the case may be, a **"Retirement Account"**), you hereby authorize TradeStation Securities to accept instructions for the purchase and sale, in your Retirement Account, of certain put and call options and certain other options strategies including American Style option spreads permitted by the terms of your Retirement Account and other agreements governing your Retirement Account. You understand and acknowledge, however, that TradeStation Securities will not allow you to borrow funds or allow you to maintain any debit balance which may have resulted from an option exercise or assignment in your Retirement Account and that you may not sell naked (uncovered) calls or sell naked (uncovered) puts, excluding cash covered puts, in your Retirement Account. You hereby represent and warrant that engaging in options transactions is suitable for your Retirement Account. You hereby confirm that you have discussed engaging in options transactions in your Retirement Account with your professional tax advisor and that your professional tax advisor has advised you that, although options transactions may be conducted in a margin account within your Retirement Account, engaging in options transactions will not result in a prohibited pledge of the assets of your Retirement Account and therefore will not result in a deemed distribution from your Retirement Account under the Internal Revenue Code. You also hereby confirm that you have consulted with your professional tax advisor concerning whether engaging in options transactions in your Retirement Account could give rise to any prohibited transactions within the meaning of § 4975(c)(1) of the Internal Revenue Code, and that your professional tax advisor has advised you that engaging in options transactions in your Retirement Account will not give rise to any prohibited transaction. You acknowledge and accept that you must closely monitor your Retirement Account and your trading in it to avoid adverse tax consequences.

(h) You are aware that exercise assignment notices for option contracts are allocated among customer short positions pursuant to a procedure which randomly selects from among all customer short option positions, including positions established on the day of assignment, those contracts which are subject to assignment. All short option positions are liable for assignment at any time. A more detailed description of the random allocation procedure is available upon request.

#### 41. Futures and Futures Options Accounts

If you have opened an account to trade futures and/or futures options with TradeStation Securities (a "**Futures Account**"), you acknowledge and agree that your Futures Account is separate from your Account and is not covered by this Agreement (other than as Collateral), but rather solely by your TradeStation Securities, Inc. Customer Account Agreement for Futures, and the agreements, disclosures and other documents supplemental to that agreement, and the rights, obligations, remedies and defenses set forth therein (the "**TSS Futures Account Agreement**"), which you confirm you agreed to and accepted before or at the time your Futures Account was approved and opened. Without limiting the breadth of the foregoing acknowledgment and agreement by you, you understand and agree that the *pre-dispute arbitration agreement and other dispute resolution provisions of this Agreement* cover disputes relating only to your Account (under this Agreement), and do not cover disputes in any way relating to your Futures Accounts or the TSS Futures Account Agreement, whatever the basis or nature of such disputes, which are covered solely by the *pre-dispute arbitration agreement and other dispute resolution provisions of the TSS Futures Account Agreement*. You understand and accept that the arbitration forum requirements and choices (if any), and related procedures and mechanisms, as well as regulatory jurisdiction and rules of arbitration that apply, are significantly *different* in this Agreement (for Account disputes) compared to what they are in the TSS Futures Account Agreement (for Futures Account disputes). You represent, acknowledge and agree that you will not initiate any arbitration for any dispute (or component of any dispute) that in any manner relates to a Futures Account under any provision of this Agreement (including but not limited the *pre-dispute arbitration agreement and other dispute resolution provisions of this Agreement*), and that you are estopped from asserting that any provision of this Agreement, including its *pre-dispute arbitration agreement and other dispute resolution provisions*, should be applied to or govern any part of any dispute which relates to a Futures Account. Similarly, you represent, acknowledge and agree that you will not initiate any arbitration for any dispute (or component of any dispute) that in any manner relates to your Account under any provision of the TSS Futures Account Agreement (including but not limited the *pre-dispute arbitration agreement and other dispute resolution provisions of the TSS Futures Account Agreement*), and that you are estopped from asserting that any provision of the TSS Futures Agreement, including its *pre-dispute arbitration agreement and other dispute resolution provisions*, should be applied to or govern any part of any dispute which relates to your Account. You are making these representations, acknowledgements and agreements with the full understanding that if a dispute arises between you and TradeStation Securities that you believe relates to both your Account and your Futures Account to any extent or degree, such dispute will, unless you and TradeStation Securities at that time otherwise agree, likely be adjudicated in two separate dispute-resolution proceedings in two separate forums, and possibly two separate venues, under two separate sets of arbitration rules and procedures.

## 42. Crypto Accounts with Affiliated Company

If you have or later open a cryptocurrency investment or trading account with TradeStation Securities' affiliate, TradeStation Crypto, Inc., these provisions apply to you. For the purposes of this section, the following capitalized terms have the respective meanings set forth below:

**"TCI"** means TradeStation Crypto, Inc., a separate legal corporate entity (separate and distinct from TradeStation Securities), which offers to its customers Digital Asset brokerage services.

**"TCI Account"** means the self-directed, online Digital Asset brokerage account between TCI as the broker, principal, dealer or counterparty, and you, as the customer, in which you may be enabled by TCI, under the TCI Customer Agreement, to purchase or sell Digital Assets.

**"TCI Customer Agreement"** means your customer agreement (and related agreements and acknowledged disclosures) with TCI with respect to your TCI Account, which is separate from, and independent of, this Agreement and your Account.

**"TCI Fee" or "TCI Fees"** mean the amounts that TCI charges you in your TCI Account for processing or otherwise dealing with your purchase, sale and exchange transactions for Digital Assets or other TCI Services.

**"TCI Services"** means the services available for you to receive using TCI's online web application, mobile-based version of such web application, and any future or other online charting, analysis and/or order placement platforms, applications, "apps" or desktops that TCI may provide (and which may be proprietary software technology of TCI or one of its affiliates, or of a software technology licensor which provided it to TCI for your use), and internet website(s) of TCI, and all other services regarding Digital Assets transactions provided by TCI.

**"Digital Asset"** means a digital asset (also sometimes referred to as a "cryptocurrency," "virtual currency," or "digital currency") that may be purchased, sold or traded via the TCI Services.

**"Legal Tender"** means, unless and until this definition is changed in this Agreement, solely U.S. Dollars.

(a) You hereby represent and warrant to TradeStation Securities that, under the TCI Customer Agreement, you have consented and agreed to, and where applicable irrevocably authorized, all of the following:

(i) That, in order to use the TCI Services, including Digital Asset brokerage and related services, you must (A) have applied and been approved for your TCI Account, and (B) concurrently have applied and been approved for, and opened, your Account (or had an Account at the time of application for your TCI Account);

(ii) That you understand, acknowledge and agree that TCI does not accept deposits of Legal Tender to fund your TCI Account, or permit your TCI Account to retain Legal Tender credited to your Account

from the sale of Digital Assets in your TCI Account, and that TCI and TradeStation Securities share technology (licensed to each of them from another affiliated company and/or third-party application service providers) designed to seamlessly permit you (A) to make withdrawals of Legal Tender from your Account for deposit and credit (as journal entries) to your TCI Account so that you can pay for your purchase of Digital Assets in your TCI Account and pay TCI the related TCI Fees, and (B) to withdraw from your TCI Account for deposit and credit to your Account (as journal entries) the Legal Tender you have received from sales in your TCI Account of Digital Assets.

(iii) That, as a condition to your TCI Account being approved and opened by TCI, you irrevocably and unconditionally have acknowledged and agreed that any time you place an order in your TCI Account to purchase a Digital Asset using Legal Tender, you are simultaneously giving instructions to TradeStation Securities, pursuant to this Agreement, (A) to put a hold on the estimated amount of Legal Tender in your Account required to purchase the Digital Asset in your TCI Account (including to cover the TCI Fees), and (B) upon TradeStation Securities being notified that such transaction has been executed, to withdraw from and debit to your Account, and transfer for deposit and credit to your TCI Account (all as journal entries), the amount of Legal Tender required to complete the purchase of such Digital Asset (including payment to TCI of Fees).

(iv) That, also as a condition to your TCI Account being approved and opened by TCI, you irrevocably and unconditionally have acknowledged and agreed that any time you place an order in your TCI Account to sell a Digital Asset in exchange for Legal Tender, you are simultaneously giving instructions (A) to TCI, pursuant to the TCI Customer Agreement, upon TCI recording receipt of such Legal Tender, immediately to debit from your TCI Account the amount of such Legal Tender (less the Fees to be retained by TCI) and transfer such amount for deposit and credit to your Account (all as journal entries); and (B) to TradeStation Securities, pursuant to this Agreement, to accept such deposit and credit in your Account (as a journal entry).

*You hereby authorize and instruct TradeStation Securities to do all of the acts described above relating to Legal Tender debit withdrawals from, and Legal Tender credit deposits to, your Account.*

*(b) You understand and agree that in no manner is or will TradeStation Securities be part of, in the business of, or otherwise involved in, the processing of Digital Asset transactions (as a principal, agent, intermediary, or otherwise), including but not limited to the purchase, sale, deposit, withdrawal, transfer or custody of Digital Assets or the receipt or retention of TCI Fees from your TCI Account transactions. Any and all cash withdrawals initiated from, and cash deposits accepted in, your Account, are and will be transactions solely in your Account (and in no manner in your TCI Account), and subject to and covered solely by this Agreement, which should be read and understood by you as an agreement that is separate from, and independent of, the TCI Customer Agreement. In addition, your Account and your TCI Account are likewise separate and independent accounts in all respects, and are between you and two separate and distinct legal entities (your Account being solely with TradeStation Securities and your TCI Account being solely with TCI).*

(c) Without limiting the breadth of the foregoing acknowledgments and agreements by you concerning the separateness and independence from one another of your Account and your TCI Account, you understand and agree that the *pre-dispute arbitration agreement and other dispute resolution provisions of this Agreement* cover disputes relating only to your Accounts (under this Agreement), and do not cover disputes in any way relating to your TCI Accounts or the TCI Customer Agreement, whatever the basis or nature of such disputes, which are covered solely by the *pre-dispute arbitration agreement and other dispute resolution provisions of the TCI Customer Agreement*. The arbitration forum requirements, and related procedures and mechanisms, as well as regulatory jurisdiction and rules that apply, are significantly *different* in this Agreement (for Account disputes with TradeStation Securities) compared to what they are in the TCI Agreement (for TCI Account disputes with TCI). You represent, acknowledge and agree that you will not initiate any arbitration for any dispute (or component of any dispute), that in any manner relates to a TCI Account, under any provision of this Agreement (including but not limited to the *pre-dispute arbitration agreement and other dispute resolution provisions of this Agreement*), and that you are estopped from asserting that any provision of this Agreement, including its *pre-dispute arbitration agreement and other dispute resolution provisions*, should be applied to or govern any part of any dispute which relates to a TCI Account. Similarly, you represent, acknowledge and agree that you will not initiate any arbitration for any dispute (or component of any dispute), that in any manner relates to your Account, under any provision of the TCI Customer Agreement (including but not limited to the *pre-dispute arbitration agreement and other dispute resolution provisions of the TCI Customer Agreement*), and that you are estopped from asserting that any provision of the TCI Customer Agreement, including its *pre-dispute arbitration agreement and other dispute resolution provisions*, should be applied to or govern any part of any dispute which relates to your Account. You are making these representations, acknowledgements and agreements with the full understanding that if a dispute arises that you believe relates to both your Account and your TCI Account to any extent or degree, such dispute will, unless you, TradeStation Securities and TCI at that time all otherwise agree, likely be adjudicated in two separate arbitration proceedings in two separate forums, and possibly two separate venues, under two separate sets of arbitration rules and procedures, and all of your claims to the extent they relate to your TCI Account will be against solely TCI, and all of your claims to the extent they relate to your Account will be against solely TradeStation Securities.

### 43. Clearly Erroneous Trades

TradeStation Securities is subject to the any “clearly erroneous” policies which exist today for, or may be established in the future by, any exchange or other market center to which your orders are routed. A clearly erroneous trade occurs when you have entered an order with an obvious error in any term, such as the security identification, the price, or the number of shares. Any exchange or market center that has a “clearly erroneous” policy may review a transaction to determine if the trade was clearly erroneous and may reverse or “break” such a trade in its sole discretion. You acknowledge that if you have benefited from an erroneous transaction, TradeStation Securities, under the terms of the

exchanges' or market centers' policies, may be forced to break the trade. This could have the effect of placing you in the position you were before the transaction. You also acknowledge that if you have been adversely affected by an erroneous transaction, TradeStation Securities may not be able to break the trade, and is under no obligation to break the trade. There is also no guarantee or assurance that an exchange or market center will identify or reverse a "clearly erroneous" trade, or that it will not designate a trade order you intended "clearly erroneous." You expressly assume all risks relating to all orders entered by you, including "clearly erroneous" trades (or trades designated "clearly erroneous") and the consequences of how they are dealt with.

#### 44. Severability

If any term, provision or condition 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, provision or condition 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, provision or condition of this Agreement, and the intent of this Agreement and that term, provision or condition shall be honored to the fullest possible extent in the circumstances.

#### 45. Headings

The heading of each section or 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 section or paragraph.

#### 46. Trademarks

TradeStation®, EasyLanguage®, RadarScreen®, OptionStation®, ActivityBar®, Portfolio Maestro®, PositionGraphs®, ProbabilityMap® Test Before You Trade® and TradingApp® are registered trademarks, and ShowMe and PaintBar are unregistered trademarks, of TradeStation Technologies, Inc., an affiliate of TradeStation Securities, and are used by TradeStation Securities pursuant to a trademark license. You have no right to use any of such trademarks in any context without the express prior written consent of the owner of such trademarks.

#### 47. 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.

#### 48. 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 this 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.

#### 49. TradeStation Technologies, Inc. Subscription Agreement

(a) You acknowledge that you have received and accepted, in connection with your Account application, a subscription agreement ("**TST Subscription Agreement**") with our affiliate, TradeStation Technologies, Inc., ("**TST**"), for a subscription ("**TST Subscription**") for Software and Data (as those terms are defined in the TST Subscription Agreement).

(b) We are authorized to offer to you the TST Subscription and the TST Subscription Agreement with your Account application, and permit you to use the Software and Data in connection with your Account in accordance with the terms and conditions of the TST Subscription Agreement as it relates to the Software and Data, and this Agreement as it relates to your Account and the Services, including EES.

(c) You authorize TradeStation Securities to debit your Account the full amount of any fees owed for your permission to use the TST Subscription in connection with your Account. Any such fees are for permitted access to the Software and the Data as connected to your Account, and those fees do not change, and are not reduced or prorated, based on your actual login to, or use of, the Software or the Data, or your Account, even if you rarely or never use them. TradeStation Securities may decide not

to charge you any fee amounts for use of your TST Subscription in connection with your Account, but may charge your Account fees which relate to your level of Account transaction activity in a month, quarter or year, or the size of your Account balances, and any such type of fee or charge is, regardless of what it is called or referred to as, an inactivity or low-activity fee being charged to you by TradeStation Securities incidental to the Services, and not a fee or charge for the TST Subscription, or the Software or the Data.

(d) You acknowledge and agree that TradeStation Securities is an intended and express third-party beneficiary of the TST Subscription Agreement, and may enforce and assert against you all of the rights, remedies, benefits, defenses and counterclaims of TST thereunder to the same extent and degree as TST may or could so do (except only to the extent prohibited by Applicable Laws), and we, in any arbitration or other dispute-resolution proceeding with you, or anyone acting by or through you, may assert against you any or all of the disclaimers, assumptions of risk, limitations of liability and other provisions of the TST Subscription Agreement, as rights, remedies, benefits, defenses and counterclaims against you, no differently than had you made them directly to TradeStation Securities in this Agreement. You acknowledge and agree that neither the express beneficiary designation of TradeStation Securities under the TST Subscription Agreement, nor any other provision of the TST Subscription Agreement, creates in your favor any express or implied right or remedy, of any kind or nature, against TradeStation Securities under the TST Subscription Agreement or this Agreement.

(e) You further acknowledge and agree that your TST Subscription is separate from your Account and is not covered by this Agreement, but rather solely by your TST Subscription Agreement, and, as stated above, TradeStation Securities being a third-party beneficiary under the TST Subscription Agreement creates no rights of any kind or nature for you against TradeStation Securities under the TST Subscription Agreement or this Agreement. Without limiting the breadth of the foregoing acknowledgment and agreement by you, you understand and agree that the ***pre-dispute arbitration agreement and other dispute resolution provisions of this Agreement*** cover disputes relating only to your Account and the Services (under this Agreement), and do not cover disputes in any way relating to your TST Subscription, the Software or the Data or the TST Subscription Agreement (and that TST has not consented to arbitration jurisdiction of FINRA or any similar regulatory agency or industry forum) , whatever the basis or nature of such disputes, which are covered solely by the ***dispute resolution provisions of the TST Subscription Agreement***, and that you are estopped from asserting that any provision of this Agreement, including its ***pre-dispute arbitration agreement and other dispute-resolution provisions***, should be applied to or govern any part or aspect of any dispute which relates to your TST Subscription, the Software, the Data or the TST Subscription Agreement. You are making these acknowledgements and agreements with the full understanding that if a dispute arises between you and TradeStation Securities and/or TST that you believe relates to both your Account and your TST Subscription to any extent or degree, such dispute will, unless you, TradeStation Securities and TST at that time otherwise agree, likely be adjudicated in two separate dispute-resolution proceedings in two separate forums, and possibly two separate venues, under two separate

sets of rules and procedures.

## SEPARATE RISK DISCLOSURE STATEMENTS

(on following pages)

- Day Trading Risk Disclosure
- Extended Hours Trading Risk Disclosure
- Penny Stock Disclosure
- Characteristics and Risks of Standardized Options
- Special Statement for Uncovered Options Writers
- Margin Disclosure Statement

## DAY TRADING RISK DISCLOSURE

You should consider the following points before engaging in a day-trading strategy. For purposes of this notice, a “day trading strategy” means an overall trading strategy characterized by the regular transmission by a customer of intra-day orders to effect both purchase and sale transactions in the same security or securities.

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

***Be cautious of claims of large profits from day trading.*** You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.

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

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

***Day trading will generate substantial commissions, even if the per trade cost is low.*** Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs \$5.00 and an average of 30 transactions are conducted each trading day, an investor would need to generate an annual

profit of approximately \$38,000 just to cover commission expenses.

***Day trading on margin or short selling may result in losses beyond your initial investment.***

When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.

***Potential Registration Requirements.*** Persons providing investment advice for others or managing securities accounts for others may need to register as either an investment adviser under the Investment Advisers Act of 1940 or as a broker or dealer under the Securities Exchange Act of 1934. Such activities may also trigger state registration requirements.

## EXTENDED HOURS TRADING RISK DISCLOSURE

You should consider each of the following risks prior to engaging in extended hours trading. Extended hours trading means trading outside of regular trading hours. Regular trading hours means, in general, between 9:30 a.m. and 4:00 p.m., Eastern Time, on days when markets are open.

### *Risk of Lower Liquidity*

Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities and, as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, if at all.

### *Risk of Higher Volatility*

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

### *Risk of Changing Prices*

The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading that is inferior to the one you would receive during regular market hours.

### *Risk of Unlinked Markets*

Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system that is inferior to the one you would in another extended hours trading system.

### *Risk of News Announcements*

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

### *Risk of Wider Spreads*

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

### *Risk of Lack of Calculation or Dissemination of Underlying Index Value*

Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (IIV): For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during extended hours trading sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during regular trading hours or may not be trading at all. This may cause prices during extended trading hours to not reflect the prices of those securities when they open for trading.

## PENNY STOCK DISCLOSURE

The term “penny stock” generally refers to low-priced (below \$5), speculative securities of very small companies. While penny stocks generally are quoted over-the-counter, such as on the OTC Bulletin Board or in the Pink Sheets, they may also trade on securities exchanges, including foreign securities exchanges. In addition, penny stocks include the securities of certain private companies with no active trading market.

### *Risks*

Investing in low-priced securities is speculative and involves considerable risk. Low-priced securities often exhibit high price volatility and erratic market movements. Often, when investors buy or sell these securities, they significantly affect the quoted price. In some cases, the liquidation of a position in a low-priced security may not be possible within a reasonable period of time and is subject to additional fees.

It may be difficult to properly value an investment in a low-priced security. Reliable information regarding issuers of low-priced securities, their prospects, or the risks associated with investing in such securities may not be available. Certain issuers of low-priced securities have no obligation to provide information to investors. Some issuers register securities with the Securities and Exchange Commission (SEC) and may provide regular reports to investors. Others, however, may not be required to maintain such registration or provide such reports. Securities may continue to be traded if issuers are delinquent in their reporting obligation to the SEC or other federal or state regulatory agencies.

Penny stocks have not been approved or disapproved by the Securities and Exchange Commission (SEC). The SEC has not passed upon the fairness, the merits, the accuracy or adequacy of the information contained in any prospectus or any other information provided by an issuer or a broker or a dealer of penny stocks.

Trading low-priced securities is subject to significant risks, increasing regulatory requirements and oversight, and additional fees.

Generally, a penny stock is a security that:

- (1) Is priced under five dollars;
- (2) Is not traded on a national stock exchange;
- (3) May be listed in the “pink sheets” or on the Over The Counter (OTC) Bulletin Board; or

- (4) Is issued by a company that has less than \$5 million in net tangible assets and has been in business less than three years, by a company that has under \$2 million in net tangible assets and has been in business for at least three years, or by a company that has revenues of \$6 million for 3 years.

### *Settlement Fees for Non-DTC Eligible Securities*

For various reasons, certain low-priced securities are not DTC-eligible or have had their eligibility revoked. As a result, the settlement of these physical positions can carry significant pass-through charges including execution fees, DTC fees, deposit fees, New York window fees, and transfer agent fees. These fees, which can vary and may be substantial, increase the cost of clearing and execution. Customers who trade non-DTC eligible securities are responsible for these charges, which can be as high as 10 times the value of the trade. Orders that require executions with multiple contra-parties will result in settlement fees for each separate transaction. TradeStation Securities does not mark up any of these fees before they are passed through to customers. The Firm may not receive notice of such fees until several weeks following the trade, so pass-through charges may not be immediately charged to a customer account following a trade in non-DTC eligible securities. TradeStation reserves the right to withhold funds in a customer account pending potential assessment of fees associated with trading in low-price securities. It is your responsibility to investigate the eligibility status of a low-priced security before trading it. It is strongly recommended that you contact the specific company whose equity you intend to trade to confirm eligibility.

### *Can you trade non-DTC eligible securities at TradeStation Securities?*

Yes. However, please be aware that trading such securities can result in large fees in excess of ten times the value of the trade. If your order requires multiple contra parties to execute, your account will be assessed a separate set of fees for each of these transactions.

### *Does TradeStation inform customers of non-DTC eligible securities prior to trading?*

TradeStation receives a list of non-DTC eligible securities; however, the list does not encompass the entire market of non-DTC eligible securities. ***It is up to you to determine the eligibility of these securities prior to trading OTC Bulletin Board, Pink Sheet, and other low-priced securities.***

## CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS

Options trading is not suitable for all investors. Please click the links below to download the disclosures.

Characteristics and Risks of Standardized Options

<https://www.theocc.com/components/docs/riskstoc.pdf>

March 2022 (PDF, 95 pages)

For additional information, please visit [The Options Clearing Corporation](#).

## SPECIAL STATEMENT FOR UNCOVERED OPTIONS WRITERS

There are special risks associated with uncovered option writing, which exposes the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

(a) The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.

(b) As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

(c) Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock of options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement.

(d) For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.

(e) If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration of assignment.

(f) The writer of an American-style option is subject to being assigned an exercise at any time after the writer has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

Neither these statements, nor the statements and disclosures contained in *Characteristics and Risks of Standardized Options*, a document you have acknowledged you have read and accepted in your Account application, are intended to enumerate all of the risks entailed in writing uncovered options.

## MARGIN DISCLOSURE STATEMENT

Your brokerage firm 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 securities in a margin account, you should carefully review the margin agreement provided by your firm. Consult your firm 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 your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities in any of your accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These 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 the firm that has made the loan to avoid the forced sale of those securities or other securities in your account(s).

The firm can force the sale of securities in your account(s). If the equity in your account falls below the maintenance margin requirements under the law, or the firm's higher "house" requirements, the firm can sell the securities in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

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

You are not entitled to choose which securities in your account(s) are liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.

The firm can increase its “house” maintenance margin requirements at any time 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 the member to liquidate or sell securities in your 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 customers under certain conditions, a customer does not have a right to the extension.