

# Securities Account Agreement Margin Account (Individual or Joint or Fiduciary Account)

(For Office Use Only)

Sub Firm #	BR Code	FA Code

Account Number

**BY SIGNING THIS AGREEMENT THE UNDERSIGNED CONSENT(S) AND AGREE(S) TO ALL THE TERMS AND CONDITIONS APPEARING BELOW AND ACKNOWLEDGE(S): 1. THE SECURITIES IN THE UNDERSIGNED'S MARGIN ACCOUNT MAY BE LOANED TO YOU OR LOANED OUT TO OTHERS AND; 2. THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE ON PAGE 3, UNDER THE HEADER "ARBITRATION", AND A MARGIN DISCLOSURE ON PAGE 4, AND THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.**

Street Address			Mailing Address (if different)		
City	State	Zip Code	City	State	Zip Code
Signature _____			Signature Second Party if Joint Account _____		
Ownership % _____			(Date) _____		
Print Name _____			Print Name _____		
			Social Security Number or Taxpayer Identification Number _____		

To: \_\_\_\_\_ ("Introducing Firm")

In consideration of Introducing Firm and its clearing agent ("Clearing Agent") accepting and agreeing to carry my account(s), and extend credit on margin accounts of the undersigned, I agree to the following with respect to any of my accounts with you, in which I currently or in the future may have an interest, for the extension of credit for the purchase or sale of securities, options or other property. Throughout this Agreement, "I", "me", "my", "we", and "us" and "the undersigned" refer to the person(s) whose signature(s) appear(s) below and all others who are legally obligated on this account. "You" and "your" refer to Introducing Firm and Clearing Agent, their subsidiaries and affiliates, their officers, directors, agents and employees. Where the context requires, the singular shall be the plural and the plural shall be the singular.

**JOINT AND SEVERAL OBLIGATIONS**—If there's more than one individual signer, our obligations and ownership under this Agreement shall be (check only one box):

- (a) We are tenants in common ("TIC"), each having an undivided interest therein unless a different tenancy percentage interest is indicated by our signature above.
- (b) We are joint tenants with right of survivorship and not tenants in common, so that in case of the death of any of us, the entire account shall become the property of the survivor or survivors.
- (c) We are tenants by the entirety if married and permitted under state law so that in the case of the death of one of us, the entire account shall become the property of the survivor.

(If neither (or both) of the above boxes are marked, the provisions of (b) shall be effective.)

Whether we are joint tenants or tenants in common, our liability hereunder shall be joint and several and our liability and all other obligations and agreements hereunder shall be binding upon our heirs, successors and assigns.

We ratify and confirm all transactions heretofore entered into for the said account by any of us.

We hereby authorize and instruct you to accept from any one of us any and all orders and instructions for and concerning the said account, as though all of us so ordered or instructed you jointly in regard to the following:

- 1) The purchase or sale (long or short) of securities, options, and/or commodities contracts.
- 2) The payment of money.
- 3) The registration and delivery of securities, options, and/or commodities contracts.
- 4) Any other action with respect to this account.

Payment of money may be made from time to time by delivering or sending to any one of us a check made payable in accordance with the registration of the account.

Confirmations, notices, statements of account and communications of every kind with reference to said account may be sent or given by you to any one of us.

In the event that you shall receive conflicting or inconsistent instructions from any of us, you may follow any of such instructions at your will or you may refrain from executing any of such instructions until they shall have been reconciled in writing to your satisfaction, all without liability therefor to you.

We will give you immediate notice in writing of the death of any one of us. The estate of any of us who shall have died shall be liable, and the survivor or survivors shall continue to be liable, jointly and severally, for any existing debit balance or loss in the account, or which you may later sustain, by reason of the completion of transactions initiated prior to the receipt by you of written notice of death of any one of us, or incurred in the liquidation of the account.

This Agreement shall inure to the benefit of your successors and assigns and shall remain in effect until an authorized member of your firm shall acknowledge in writing the receipt of a written statement from one of us that he or she wishes to terminate the account, at which time the party giving such notice will not be bound for any further transactions made for the account thereafter. However, he or she shall remain bound for all prior transactions and for all further deliveries to any of us of any assets, in the account, and all communications regarding the account.

**RESTRICTED SECURITIES**—I agree that all securities (the "Transferable Securities") I deposit in my margin account as collateral for any margin loan that I may obtain are freely transferable and are not subject to any restrictions on resale under any applicable federal or state securities laws or otherwise, and are not "restricted", "Legend", or affiliate's "control" stock. Any securities subject to such restrictions are referred to as "Restricted Securities". If I deposit Restricted Securities in violation of this Agreement and I do not, upon demand, immediately replace such Restricted Securities with Transferable Securities satisfactory to you, or pay in full the margin loan secured by such Restricted Securities, I agree that I will be in default under this Agreement and you may take any and all of the following actions:

- 1) Liquidate Collateral. Liquidate any Transferable Securities or, to the extent permitted by law, any Restricted Securities held in my margin account, or any other account with you in which I have an interest, to satisfy the debit balance secured by the Restricted Securities;
- 2) Set Off. Set off against the debit balance secured by such margin loan any amounts held in any other accounts I maintain with you;
- 3) Default Rate of Interest. Until such time as the default is cured and in substitution for any other rate of interest specified in this Agreement, charge interest at the default rate of **24%** per annum on the debit balance of all margin accounts which I maintain with you and debit such accounts from time to time for such interest (provided, however, that I acknowledge that in no event do you intend to charge a rate of interest in excess of the maximum rate permitted by applicable law and, in the event such rate of interest is in excess of the permitted rate, you agree that any excess interest so charged shall at your option either be returned to me or applied to my account);
- 4) Demand Immediate Payment. Demand immediate payment in full of the margin loan secured by such Restricted Securities; or
- 5) Other Remedies. Assert any other remedies available to you under applicable law to collect all amounts that I owe you. To the extent permitted by law, I also agree to pay your costs of collection, including reasonable attorney's fees incurred in enforcing any of your rights or collecting any amounts I owe you.

The provisions of the foregoing paragraph shall not apply to any Restricted Securities that have been approved for deposit in my margin account.

**NON-INDIVIDUAL CERTIFICATION**—If this is an agreement for a trust, other fiduciary account, or other non-individual account, I hereby certify and represent the use of a margin account and specifically the borrowing, lending, pledging of assets as described herein is in accordance with and authorized by the provisions of the trust or other instrument and/or applicable law governing the trust or entity.

**RULES AND REGULATIONS**—All transactions in my account shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed. Transactions shall also be subject to the provisions of the federal and state securities laws, as amended, and to the rules and regulations of the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

**DEFINITION**—Under this Agreement "securities commodities and other property" includes, but is not limited to, money, securities and commodities of every kind and nature and all contracts, investments and options relating thereto, whether for present or future delivery.

**LIEN**—Whenever there is any existing or forthcoming indebtedness to you on my part, all orders, securities commodities and other property now or hereafter held, carried or maintained by you in your possession and control for any purpose, in or for any of the accounts in my name now or hereafter opened, including any accounts in which I may have an interest, shall be subject to a lien for the discharge of all my indebtedness and other obligations to you in any of the said accounts. You shall have the right to cancel orders or transfer securities, commodities and other property held by you from or to any of the said accounts whenever you consider such a transfer necessary for your protection. In enforcing your lien, you shall have the discretion to determine which securities, commodities and property are to be sold and which contracts or orders are to be closed or cancelled, all without liability therefor to you.

**MARGIN MAINTENANCE AND DISCLOSURE REGARDING LIQUIDATION**—I agree to maintain such positions as required by all applicable statutes, rules, regulations, procedures and custom, or as you deem necessary or advisable. I agree to promptly satisfy all margin and maintenance calls. I understand that you are not obligated to request additional collateral from me in the event my account falls below minimum margin requirements and there may be circumstances where you will liquidate securities and/or other property in the account without notice to me to ensure that minimum maintenance requirements are satisfied. I agree that you may under certain circumstances charge interest at different rates including higher rates than those currently used for standard margin accounts; such rates will be disclosed separately to me.

**LIQUIDATION**—You shall have the right, in accordance with your discretion regarding your margin maintenance requirements, which may be modified, amended or supplemented from time to time, or whenever you consider it necessary for your protection: to require additional collateral at an earlier or later point in time than called for by your general policies; to sell any or all securities, commodities and other property in the accounts with you, whether carried individually or jointly with others; to buy any or all securities commodities or other property which may be short in my accounts, to cancel any open orders; and/or to close any or all outstanding contracts without demand for margin or additional margin notice of sale or purchase or other notice or advertisement. Any such sales or purchases may be made at your discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, and you may be the purchaser for your own account. It is understood that a prior demand or call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of your right to sell or buy without demand or notice as herein provided. No Introducing Firm or branch personnel has the authority to waive or modify margin calls or postpone sell-outs or buy-ins.

**PAYMENT OF INDEBTEDNESS UPON DEMAND**—Debit balances represent money loaned to me. I shall at all times be liable for the full payment of debit balances or other obligations owing in my accounts with you, and I shall be liable to you for any deficiency remaining in any such accounts in the event of the liquidation thereof, in whole or in part, by you or by me; and I shall make payment of such obligations and indebtedness promptly upon demand.

The reasonable costs and expenses of collection of the debit balance and any unpaid deficiency in my accounts with you, including attorneys' fees incurred and payable or paid by you, shall be payable to you by me promptly upon demand.

**PLEDGE OF SECURITIES, COMMODITIES AND OTHER PROPERTY**—All securities, commodities and other property held, carried or maintained by you in your possession in any of my accounts may be pledged and repledged by you from time to time, without notice to me, either separately or in common with other such securities, commodities and other property for any amount due in my accounts or for any greater amount, and you may do so without retaining in your possession or control for delivery a like amount of similar securities, commodities and/or other property.

**ACCOUNTS CARRIED BY CLEARING AGENT**—Clearing Agent shall not be responsible or liable to us for any acts or omissions of Introducing Firm, its employees, or agents.

**COMMUNICATIONS**—Communications may be sent to me at the mailing address on file with you, or at such other address I may thereafter give in writing, and all communications so sent whether written by mail, telegraph, or otherwise shall be deemed to be given to me personally. The information set forth on all documents sent to me by you will be deemed conclusive unless objected by me within 10 days of its being provided.

**LIABILITY**—You shall not be liable in connection with the entering, execution handling, selling or purchasing of securities or orders for my account except for gross negligence or willful misconduct on your part nor shall you be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes, failure of the mails or other communications systems, mechanical or electronic failure or failure of third parties to follow instructions or other conditions beyond your control. I hereby grant to you and all your affiliates a security interest in all securities and other property in your possession, or in the possession of any affiliate, in which I have an interest in order to secure any and all indebtedness or any other of my obligations to you or an affiliate. All such securities and other property shall be held as security for the payment of any such obligations or indebtedness in any account with you in which I have an interest and you may, at your discretion, at any time and without prior notice, sell and/or transfer any or all securities and other property in order to satisfy such obligations. In enforcing this lien, you shall have the discretion to determine which securities and property are to be sold and/or which contracts are to be closed. In the event of a breach or default under this Agreement, you shall have all rights and remedies available to a secured creditor under applicable law as then in effect in addition to the rights and remedies provided herein. I authorize you to obtain reports concerning my credit standing at your discretion. I also authorize you and any affiliate to share such information and any other confidential information you and such affiliate(s) may have about me and my account(s).

**BANKRUPTCY OR ATTACHMENT**—In the event that: (a) you are advised of my voluntary or involuntary application for protection under the applicable bankruptcy laws or the appointment of a receiver for me, or (b) you are served with any lien, levy, garnishment or similar process with respect to me or my account then you may, but are not required to, immediately take any action which you, in your sole discretion, shall deem necessary for your own protection, including, without limitation, selling out any positions in my account to satisfy any obligations I have to you, with or without notice to me and without liability therefore.

#### **ARBITRATION.**

##### **Arbitration Disclosures:**

**This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:**

- **All of the parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which the claim is filed.**
- **Arbitration awards are generally final and binding; a party's ability to reverse or modify an arbitration award is very limited.**
- **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- **The arbitrators do not have to explain the reason(s) for their award.**
- **The panel of arbitrators typically will 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.**

**No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:**

- (i) **the class certification is denied; or**
- (ii) **the class is decertified; or**
- (iii) **the client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

##### **Arbitration Provision:**

**It is agreed that all controversies or disputes which may arise between you and Introducing Firm, Clearing Agent and any Sub-Advisor (and/or any other agent), (collectively, "us") concerning any transaction or the construction, performance or breach of this Agreement or any other agreement between us, whether entered into prior to, on, or subsequent to the date of this Agreement, including any controversy concerning whether an issue is arbitrable, shall be determined by arbitration conducted before, and only before, an arbitration panel set up by either the Financial Industry Regulatory Authority ("FINRA") or the New York Stock Exchange, Inc. ("NYSE") in accordance with their respective arbitration procedures. Any of us may initiate arbitration by filing a written claim with the FINRA or the NYSE. Any arbitration under this Agreement will be conducted pursuant to the Federal Arbitration Act and the Laws of the State of New York.**

**JURISDICTION**—The laws of the State of New York, as applied to agreements signed and to be performed in New York, shall apply and bind the parties in any and all questions arising under this Agreement, including questions of validity, interpretation and performance.

**REPRESENTATIONS**—I represent that I have attained the age of majority under the laws of the state in which I reside, and if I am an employee of any exchange, or of any corporation which any exchange controls, or of a member of any firm registered on any exchange, or of a bank, trust company, insurance company or any corporation, firm or individual engaged in the business or dealing in securities either as broker or principal, that I will abide by the rules of the regulatory agencies and your policies. If at any future time, I become so employed, I will notify you promptly. No one other than the signed has or will have an interest in my account except as I shall advise you in writing.

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

**CROSS LIEN**—I hereby grant to you and all your affiliates as security interest in all securities and other property in your possession or in the possession of any of your affiliates in which I have an interest in order to secure any and all indebtedness or any other of my obligations to you or any affiliate. All such securities and other property shall be held as security for the payment of any such obligations or indebtedness in any account with you in which I have an interest and you may, in your discretion, at any time and without prior notice, sell and/or transfer any or all securities and other property in order to satisfy such obligations. In enforcing this lien, you shall have the discretion to determine which securities and property are to be sold and/or which contracts are to be closed.

**CREDIT CHECK**—I authorize you to obtain reports concerning my credit standing and business conduct at your discretion.

**ELIGIBLE SECURITIES**—I understand that you may from time to time declare certain securities as ineligible for margin that you reserve the right, at your sole discretion, not to extend margin on any security for any reason, or that you may change your margin requirements at any time without notice to me.

**IMPORTANT - SEE MARGIN DISCLOSURE**

## MARGIN DISCLOSURE

### MARGIN REQUIREMENTS AND INTEREST CHARGES

Clearing Agent will charge interest on any credit extended to or maintained for our accounts carried by Clearing Agent for the purchasing, carrying, or trading in any securities or otherwise. The interest charge made to our account at the close of a charge period will be added to the opening balance for the next charge period unless paid. An annual rate of interest is charged on the daily adjusted debit balance in all of our accounts carried by Clearing Agent. It is computed at a selected rate above the prime lending rate or the actual cost of borrowing money, whichever is higher.\*

Please note that a divisor of 360 days is used in determining the interest charged as described in number 7 below. The use of this divisor will affect the actual interest charged on an annualized basis and will result in a slightly higher rate on such an annualized basis than that selected rate described above and quoted in our Statement of Interest Charged (described below).

The prime rate and/or cost of borrowing money will fluctuate periodically and will result in an automatic change (increase or decrease) in the interest rate without prior notice. If there is a change in the interest rate due to a change in the cost of money during any interest period, separate charges will be shown for each period under each different rate. "Cost of borrowing money" shall be the higher of (a) the interest charged Clearing Agent by a bank doing business in New York on loans collateralized by securities; or (b) the interest rate charged Clearing Agent by a bank doing business in New York on loans for business purposes. When we maintain a cash account, interest may be charged for an extension of credit which is not directly related to purchases on margin. Examples of such extensions of credit include, but are not limited to, prepayments on securities sold and late payments received in cash accounts. Interest charged shall be determined by the rate applied on the margin accounts.

### CALCULATION OF INTEREST CHARGES

Interest is calculated monthly on the Daily Adjusted Debit balance in our account. The Daily Adjusted Debit Balance is arrived at by the calculations described in numbered paragraphs 2, 3, and 4 below. Each month we will receive with our regular monthly statement a Statement of Interest Charged. This statement will show the interest period. Our monthly statement will show each transaction on the date of trade; however, interest as shown on the Statement of Interest Charged is calculated on settlement date basis. In order to check the calculation of interest charged to our account, it may be necessary to refer to both our prior and current months' statements.

The monthly Statement of Interest Charged will show:

1. The current selected rate used in the calculation and any changes in such rate during the interest period.
2. The daily net balance of all transactions. This figure is obtained by adding the daily closing settlement balances in our accounts. The net balance in any given account will be determined by adding the opening balance, if any, to any debits created by purchases by us or payment to us and subtracting any credits created by sales or payments by us.
3. Any free credit balance in our cash account (which reduces the daily net debit balance).
4. Any mark-to-the-market as result of a short position, i.e. any credit that appears in our statement due to short sales (including short sales against the box) will be used to reduce any debit balances. Since Clearing Agent must borrow the same security in order to deliver it to the buying broker, this credit is not available to us. Therefore, on a daily basis, the market value of a short sale is debited against our margin balance in order to arrive at an adjusted debit balance for interest purposes. The daily closing price is used to determine any appreciation or depreciation of a security sold short which will, in turn, adjust our daily net balances. This practice is known as "marking-to-the-market."
5. The number of days our account had a debit balance.
6. The adjusted daily debit balance on which interest is charged.
7. The amount of interest, based upon the following formula:

$$\frac{\text{Daily Adjusted Debit Balances}}{1} \times \frac{\text{Rate}}{100} \times \frac{\text{Number of Days}}{360}$$

8. Total interest charge for the period.

Credit Extended by FIRST CLEARING, LLC

**\*Please contact your Financial Advisor for current margin interest rates. Rates and calculations are subject to change.**