Margin Risk Disclosure Statement

This Margin Risk Disclosure Statement is part of the Account Agreement. Broker is required, pursuant to NASD Rule 2341, to furnish the following Margin Risk Disclosure Statement to its customers, to provide some basic facts about purchasing securities on margin, and to alert customers to the risks involved with trading securities in a margin account:

Before trading securities in a margin account, you should carefully review this Margin Risk Disclosure Statement. You should call your Broker representative regarding any questions or concerns you may have with your margin accounts at Broker. 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's clearing firm. If you intend to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by Clearing Firm. The securities purchased in such an account are Clearing Firm's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including your margin account carried by Clearing Firm. These risks include the following:

- **You can lose more funds than you deposit in your margin account.** If you purchase securities on margin and the value of those securities decline, Broker or Clearing Firm may require additional funds from you. Otherwise Broker or Clearing Firm may be required to liquidate the securities that you purchased on margin or other securities or other assets in your account in accordance with applicable regulations.

- **Broker or Clearing Firm can force the sale of securities or other assets in your account.** If the equity in your account falls below the regulatory maintenance margin requirements, or Broker's or Clearing Firm's higher "house" requirements, Broker or Clearing Firm can sell the securities or other assets in any of your accounts carried by Clearing Firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

- **Broker or Clearing Firm can sell your securities or other assets 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 or other assets in their accounts to meet a margin call unless the firm has contacted them first. This is not the case. A brokerage firm may attempt to notify introduced customers of margin calls, but is not required to do so. However, even if Broker or Clearing Firm has contacted you and provided a specific date by which you can meet a margin call, Broker or Clearing Firm can take steps to protect their financial interests prior to such date, including immediately selling assets in your account without notice to you.

- **You are not entitled to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call**. Because the securities are collateral for the margin loan, Broker or Clearing Firm have the right to decide which security or other asset to sell in order to protect their interests.

- **Clearing Firm may move securities held in your cash account to your margin account and pledge or rehypothecate the transferred securities**. Any such pledge or rehypothecation may result in a benefit to your brokerage firm and result in your becoming a general unsecured creditor of your brokerage firm with respect to the securities so pledged or rehypothecated.

- **Clearing Firm can increase its "house" maintenance margin requirements at any time and are 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 Clearing Firm to liquidate or sell securities or other assets in your account.

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