

## Contents

Axos Invest Portfolio Plus Package Terms and Conditions .....	2
I. Axos Invest Portfolio Plus Package Overview .....	2
A. Fees .....	2
II. Axos Invest Portfolio Plus Package Features .....	2
A. Creation of Custom Portfolios .....	2
B. Assignment of Custom Portfolios to Milestones .....	3
C. Featured Portfolios .....	3
III. Margin .....	3
IV. Other Terms and Conditions .....	4
Apex Clearing Customer Margin and Short Account Agreement .....	7
Apex IRA Agreement for Limited Margin & Options Capabilities.....	14
MARGIN.....	14
OPTIONS.....	15
OPTION LEVELS .....	17
MISCELLANEOUS.....	17
Margin Disclosure Statement from Apex Clearing .....	20
Apex Credit Terms & Policies.....	21

## Axos Invest Portfolio Plus Package Terms and Conditions

### I. Axos Invest Portfolio Plus Package Overview

The following are the features included in your Axos Invest Inc. (“Axos Invest”) Portfolio Plus Package (“Portfolio Plus Package”): (A) Ability to create Custom Portfolios from a limited list of ETFs and other securities (B) Ability to assign any created Custom Portfolios to any Milestone and (C) Ability to assign and update pre-designed Featured Portfolios to Milestones. By agreeing to join the Axos Invest Portfolio Plus Package, you are agreeing to these terms and conditions.

#### A. Fees

1. The fee for the Portfolio Plus Package is \$3 per month per client. These fees are billed in arrears at the end of the month. You will be billed for each month that the Portfolio Plus Package is turned on for any period of time, even if it was turned on or off (or both) during that month.
2. If you have multiple Axos Invest accounts, the overall Portfolio Plus Package fee will be deducted across all of your Axos Invest investment accounts in proportion to each Axos Invest account balance at the time of billing; however, in the event that funds are unable to be deducted from one of your Axos Invest accounts for any reason, Axos Invest may deduct the entire fee from another one of your Axos Invest investment accounts.
3. Founding Members may apply their promotional discounts toward the Portfolio Plus Package fee. Axos Invest may also, in its sole discretion, choose to credit client accounts for a portion of the Portfolio Plus Package fee.
4. Axos Invest will notify Apex Clearing, the qualified custodian holding your Axos Invest account assets, of the amount of Portfolio Plus Package fee to be paid to Axos Invest.
  - a. If your Axos Invest account does not have enough cash to pay for the Portfolio Plus Package fee, then Axos Invest may liquidate a sufficient portion of the securities in your Axos Invest account to pay the Portfolio Plus Package fee. This liquidation may incur tax consequences.
  - b. Apex Clearing will deduct the fees from your Axos Invest account or accounts and credit Axos Invest for the fees. Axos Invest will notify you of the Portfolio Plus Package fee paid through the Axos Invest website and/or mobile application.
5. You may turn off the Portfolio Plus Package at any time.

### II. Axos Invest Portfolio Plus Package Features

#### A. Creation of Custom Portfolios

1. With Custom Portfolios, you can create Custom Portfolios from a limited number of ETFs, other securities, and Cash.

2. All portfolio components must total 100%.
3. The ETFs and other securities available to you to create Custom Portfolios may change at any time and without notice.
4. No Custom Portfolio is a recommendation by Axos Invest, and any construction of any Custom Portfolio is at your sole discretion.

#### B. Assignment of Custom Portfolios to Milestones

1. In the event that you assign a Custom Portfolio to a Milestone, you are directing Axos Invest to, as necessary, liquidate securities within that Milestone in order to re-allocate such that the holdings of the Milestone to match or are substantially similar those of the Custom Portfolio.
2. By assigning a Custom Portfolio to a Milestone, you are directing Axos Invest to ensure that any Milestone which the Custom Portfolio is maintains the allocation of the Custom Portfolio. This means that you are directing Axos Invest to rebalance your portfolio periodically to ensure that it maintains this allocation.
3. No Custom Portfolio is a recommendation by Axos Invest, and any Custom Portfolio that you create or assign to a Milestone is at your sole discretion.

#### C. Featured Portfolios

1. Featured Portfolios are portfolios with pre-set allocations comprised of the same list of ETFs and other securities from which you are able to create a Custom Portfolio.
2. You can assign one of the Featured Portfolios to one or more of your Milestones.
3. In addition, you can modify the Featured Portfolio by both adjusting the allocations of the ETFs and other securities within the Featured Portfolio and by adding additional ETFs and other securities (from the list of ETFs and other securities available) and cash.
4. In the event that you assign a Featured Portfolio or a modified Featured Portfolio to a Milestone, you are directing Axos Invest to, as necessary, liquidate securities within that Milestone in order to re-allocate such that the holdings of the Milestone match or are substantially similar to those of the Featured Portfolio.
5. By using a Featured Portfolio or a modified Featured Portfolio, you are directing Axos Invest to ensure that any Milestone which the Featured Portfolio is assigned to stays allocated to the portfolio of the Featured Portfolio.
6. No Featured Portfolio or modified Featured Portfolio is a recommendation by Axos Invest, and any Featured Portfolio or modified Featured Portfolio that you choose is at your sole discretion.
7. The list of Featured Portfolios available as well as the underlying securities within Featured Portfolios may change from time to time and without notice.

### III. Margin

1. With Portfolio Plus, you can change your portfolio at any time, and, due to the ability to construct custom portfolios, there are a large number of potential portfolios in which you could choose to

invest. This creates a situation where, if you update your portfolio frequently, Axos Invest will need to buy and sell securities frequently on your behalf.

2. When securities are sold, in a non-margin account the cash must settle for three days before another security can be bought. This means that it can take time for the portfolio to be re-allocated to your directed portfolio.
3. In order to be able to re-allocate your portfolio more efficiently, by creating opting into this service, you are directing Axos Invest to use margin accounts for all brokerage accounts held at the qualified custodian, Apex Clearing. If you have an IRA account, Axos Invest will change that account to a limited margin account in which you do not have to wait three days for security sales to settle.
4. Neither Axos Invest nor its affiliated broker dealer, Axos Invest LLC directly offers margin. Margin is provided by the qualified custodian of the assets, Apex Clearing.
5. By accepting this agreement, you are:
  - a. Directing Axos Invest to convert any non-margin brokerage accounts which you hold to margin accounts, or, in the event of an IRA, to convert all non-margin IRAs to limited margin accounts.
  - b. If you have a taxable individual or joint account, agreeing to the Apex Clearing Customer Margin and Short Account Agreement contained herein.
  - c. If you have an IRA account, agreeing to the Apex IRA Agreement for Limited Margin and Options Capability.
  - d. Acknowledging receipt of the Margin Disclosure contained herein.

#### IV. Other Terms and Conditions

1. Axos Invest may modify these Terms and Conditions at any time in its sole discretion. Axos Invest may advise you of updates to these Terms and Conditions electronically through a notification on your Axos Invest dashboard or via email.
2. This agreement is in addition to your Axos Invest Investment Advisory Agreement executed at the time of account opening.
3. In the event that you change the portfolio composition of an existing Milestone, you are directing Axos Invest, as necessary, to sell securities in order to effect that change, and you may bear substantial tax consequences as a result.
4. In the event that you use Featured Portfolios or Custom Portfolios in tandem with WiseHarvesting, you are directing Axos Invest to, at times, replace investments with similar investments as part of a tax-loss harvesting strategy. There are inherent issues as similar investments may not have exactly the same performance, and this could result in a lower return than if you were to not use WiseHarvesting with our Featured Portfolio(s) or Custom Portfolio(s).
5. If you elect to turn off Portfolio Plus, you will need to select one of Axos Invest's Core Portfolios for each milestone which is invested in either a Featured Portfolio or a Custom Portfolio. Upon turning off Portfolio Plus, your milestone(s) will be reallocated to the chosen portfolio(s). In order

to do this, Axos Invest will purchase and sell securities within your account, and this could incur tax consequences.

6. The sale of securities for rebalancing or any other purposes could incur tax consequences.
7. Both Featured Portfolios and Custom Portfolios are not recommendations by Axos Invest. You acknowledge that:
  - a. Any investment in these portfolios is not recommended or solicited by Axos Invest,
  - b. Axos Invest will using its automated trading system, maintain the Portfolio as allocated by You,
  - c. You are responsible for all investment decisions or investment strategies used within the Portfolio Plus Package, including the decision to hold securities within the account, and those decisions are your own and are your own risk,
  - d. At a minimum, on an annual basis, Axos Invest will contact Client to request for Client to confirm their investment profile is current, and if the Client wishes to impose any reasonable restrictions on their account.
8. Client understands and agrees that Axos Invest will not be liable to Client for any losses incurred by Client that arise out of, or are in any way connected with, any securities transaction or other act or failure to act of Axos Invest under this Agreement, including, but not limited to, any tax liability asserted against Client by any federal, state or local authority with respect to the Account, so long as such recommendation or other act or failure to act does not constitute a breach of Axos Invest's fiduciary duty to Client. Client (and in addition, for entity accounts, Client Representative) shall indemnify and defend Axos Invest and Axos Invest's directors, officers, shareholders, employees, affiliates and agents and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or any Qualified Custodian, broker, agent or other third party, except such as arise from Axos Invest's breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, Client Representative shall further indemnify and defend Axos Invest and Axos Invest's directors, officers, shareholders, employees, affiliates and agents and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this section or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.
9. This agreement supersedes any prior or contemporaneous written or oral negotiations, correspondence, or Terms and Conditions for the Portfolio Plus Package which are hereby cancelled. For clarity, this agreement does not supersede or cancel any Client Account Agreements or other agreements not specifically pertaining to the Portfolio Plus Package. If any provision hereof shall be held or made unenforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid



the remainder of the Agreement and, to that extent, the provisions of this Agreement shall be deemed to be severable.

## Apex Clearing Customer Margin and Short Account Agreement

This Customer Margin and Short Account Agreement (the "Agreement") sets forth the respective rights and obligations of Apex, the Introducing Broker and the Customer (all as defined below) in connection with the Customer's margin account opened with the Introducing Broker for the purchase and sale of securities and/or the borrowing of funds. The Customer understands that Apex has been designated as the clearing firm on the account and the Customer hereby acknowledges and agrees that the margin extended to the Customer hereunder is provided by Apex.

- 1. Applicable Rules and Regulations.** All transactions shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market and its clearing house, if any, upon which such transactions are executed, except as otherwise specifically provided in this Agreement.
- 2. Definitions.** "Introducing broker" means any brokerage firm, which introduces securities transactions on behalf of the Customer, which transactions are cleared through you, whether one or more. "Obligations" means all indebtedness, debit balances, liabilities or other obligations of any kind of the Customer to you, whether now existing or hereafter arising. "Securities and other property" shall include, but shall not be limited to, money, securities, commodities or other property of every kind and nature and all contracts and options relating thereto, whether for present or future delivery. "You", "your", "We", or "Apex" refers to Apex Clearing Corporation. "Customer" refers to the party or parties signing this agreement.
- 3. Breach; Security Interest.** Whenever in your discretion you consider it necessary for your protection, or for the protection of the Customer's Introducing Broker or in the event of, but not limited to; any breach by the Customer of this or any other agreement with you or (ii) the Customer's failure to pay for securities and other property purchased or to deliver securities and other property sold, you may sell any or all securities and other property held in any of the Customer's accounts (either individually or jointly with others), cancel or complete any open orders for the purchase or sale of any securities and other property, and/or borrow or buy in any securities and other property required to make delivery against any sale, including a short sale, effected for the Customer, all without notice or demand for deposit of collateral, other notice of sale or purchase, or other notice or advertisement, each of which is expressly waived by the Customer, and/or you may require the Customer to deposit cash or adequate collateral to the Customer's account prior to any settlement date in order to assure the performance or payment of any open contractual commitments and/or unsettled transactions. You have the right to refuse to execute securities transactions for the Customer at any time and for any reason. Any and all securities and other property now or hereafter held, carried or maintained by you in or for any of the accounts of the Customer (either individually or jointly with others), now or hereafter opened, including any accounts in which the Customer may have an interest, shall be subject to a first and prior lien and security interest for the discharge of all of the obligations of the Customer to you, whenever or however arising and without regard to whether or not you have made advances

with respect to such securities and other property, and you are hereby authorized to sell and/or purchase any and all securities and other property in any of the Customer's accounts, and/or to transfer any such securities and other property among any of the Customer's accounts, to the fullest extent allowed by law and without notice where allowed. You shall have the right to transfer securities and other property so held by you from or to any other of the accounts of the Customer whenever you so determine.

- 4. Liquidation.** In the event of the death of the Customer, or in the event the margin in any account in which the Customer has an interest shall in either your or the Introducing Broker's discretion become unsatisfactory to either you or the introducing broker, or be deemed insufficient by either you or the introducing broker, you are hereby authorized; (a) to sell any or all securities or other property which you may hold for the Customer (either individually or jointly with others); (b) to buy any or all securities and other property which may be short in such accounts; and/or (c) to cancel any open orders and to close any or all outstanding contracts; all without demand for margin or additional margin, notice of sale or purchase, or other notice or advertisement, and that any prior demand or notice shall not be a waiver of your rights provided herein. You may likewise accept and rely upon instructions which you receive from the introducing broker to affect any of the aforementioned transactions (as noted in (a), (b), and (c)). You shall have the discretion to determine which securities and other property are to be sold and which contracts are to be closed. Any such sales or purchases may be made at your discretion on any exchange, the over-the-counter market or any 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.
- 5. Cancellation.** You are authorized, in your discretion, should you for any reason whatsoever deem it necessary for your protection, without notice, to cancel any outstanding order, to close out the accounts of the Customer, in whole or in part, or to close out any commitment made on behalf of the Customer.
- 6. Payment of Indebtedness Upon Demand.** The Customer shall at all times be liable for the payment upon demand of any obligations owing from the Customer to you, and the Customer shall be liable to you for any deficiency remaining in any such accounts in the event of the liquidation thereof (as contemplated in Paragraph 4 of this Agreement or otherwise), in whole or in part, by you or by the Customer; and the Customer shall make payment of such obligations upon demand.
- 7. Liability for Costs of Collection.** The losses, costs and expenses, including but not limited to reasonable attorneys' fees and expenses, incurred and payable or paid by you in the (i) collection of a debit balance and/or any unpaid deficiency in the accounts of the Customer with you or (ii) defense of any matter arising out of the Customer's securities transactions, shall be payable to you by the Customer.



- 8. Accounts Carried as Clearing Broker.** The Customer understands that you are carrying the accounts of the Customer as clearing broker by arrangement with the Customer's Introducing Broker through whose courtesy the account of the Customer has been introduced to you. Until receipt from the Customer of written notice to the contrary, you may accept from and rely upon the Customer's Introducing Broker (a) orders for the purchase or sale of securities and other property, and (b) any other instructions concerning the Customer's accounts. The Customer represents that the Customer understands that you act only to clear trades introduced by the Customer's Introducing Broker and to effect other back office functions for the Customer's Introducing Broker. The Customer confirms to you that the Customer is relying for any advice concerning the Customer's accounts solely on the Customer's Introducing Broker. The Customer understands that all representatives, employees and other agents with whom the Customer communicates concerning the Customer's account are agents of the Introducing Broker and not your representatives, employees or other agents. The Customer understands that you are not a principal of or partner with, and do not control in any way, the Introducing Broker or its representatives, employees or other agents. The Customer understands that you will not review the Customer's accounts and will have no responsibility for trades made in the Customer's accounts. You shall not be responsible or liable for any acts or omissions of the Introducing Broker or its representatives, employees or other agents. Notwithstanding the foregoing, in the event that the Customer initiates a claim against you in your capacity as clearing broker and does not prevail, the Customer shall be responsible for the costs and expenses associated with your defense of such claim. The Customer understands you shall be entitled to exercise and enforce directly against the Customer all rights granted to the Introducing Broker.
- 9. Communications.** You may send communications to the Customer at the Customer's address on the New Account Application or at such other address as the Customer may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to the Customer personally, whether actually received or not. Reports of execution of orders and statements of accounts of the Customer shall be conclusive if not objected to in writing to you, the former within five (5) days and the latter within ten (10) days, after forwarding by you to the Customer by mail or otherwise.
- 10. ARBITRATION AGREEMENT.** THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT, THE PARTIES AGREE AS FOLLOWS:
- a. ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORM IN WHICH A CLAIM IS FILED;
  - b. ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
  - c. THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS;

- d. THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.
- e. THE PANEL OF ARBITRATORS MAY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- f. 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.
- g. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

THE FOLLOWING ARBITRATION AGREEMENT SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURES ABOVE. ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN THE CUSTOMER AND YOU, OR THE INTRODUCING BROKER, OR THE AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, OFFICERS OR CONTROL PERSONS OF YOU OR THE INTRODUCING BROKER, ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (a) ANY PROVISIONS OF OR THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENTS, (b) THE RELATIONSHIP OF THE PARTIES HERETO, OR (c) ANY CONTROVERSY ARISING OUT OF YOUR BUSINESS, THE INTRODUCING BROKER'S BUSINESS OR THE CUSTOMER'S ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). THE DECISION AND AWARD OF THE ARBITRATOR(S) SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND ANY JUDGMENT UPON ANY AWARD RENDERED MAY BE ENTERED IN A COURT HAVING JURISDICTION THEREOF, AND NEITHER PARTY SHALL OPPOSE SUCH ENTRY.

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 customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

**11. Hypothecation.** Within the limitations imposed by applicable laws, rules and regulations, all securities now or hereafter held by you, or carried by you in any account for the Customer (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in your general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to you thereon or for a greater sum and without retaining in your possession or control for delivery a like amount of similar securities. The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as payments received in lieu of dividends for 1099 tax reporting purposes. Taxation of substitute dividend

payments may be greater than ordinary on qualified dividends. It is understood, however, that you agree to deliver to the Customer upon demand and upon payment of the full amount due thereon, all securities in such accounts, but without obligation to deliver the same certificates or securities deposited by the Customer originally. Any securities in the Customer's margin or short account may be borrowed by you, or lent to others.

- 12. Interest.** Debit balances in all the accounts of the Customer shall be charged with interest in accordance with your established custom, as disclosed to the Customer in the Customer Information Brochure pursuant to the provisions of Rule 10b016 of the Securities Exchange Act.
- 13. Margin.** The Customer agrees to maintain in all accounts with you such positions and margins as required by all applicable statutes, rules, regulations, procedures and custom, or as you deem necessary or advisable. The Customer agrees to promptly satisfy all margin and maintenance calls.
- 14. Sales.** The Customer agrees to specifically designate any order to sell a security, which the Customer does not own as a short sale, and understands that you will mark such order as a short sale. The Customer agrees that any order which is not specifically designated as a short sale is a sale of securities owned by the Customer, and that the Customer will deliver the securities on or before settlement date, if not already in the account. If the Customer should fail to make such delivery in the time required, you are authorized to borrow such securities as necessary to make delivery for the Customer's sale, and the Customer agrees to be responsible for any loss you may thereby sustain, or which you may sustain as a result of your inability to borrow such securities.
- 15. Representations.** The Customer represents that the Customer is of majority age, that the Customer is not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or a member corporation registered on any exchange or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business dealing either as broker or as principal in securities, bills of exchange, acceptances or other forms of commercial paper. If the Customer is a corporation, partnership, trust or other entity, the Customer represents that its governing instruments permit this Agreement, that all applicable persons have authorized this Agreement and that the Customer's signatory is authorized to bind the Customer. The Customer represents that the Customer shall comply with all applicable laws, rules and regulations in connection with the Customer's account. The Customer further represents that no one except the Customer has an interest in the account or accounts of the Customer with you.
- 16. Joint Account.** If the Customer shall consist of more than one person, the Customer's obligations under this Agreement shall be joint and several. You may rely on transfer or other instructions from any one of the Customers in a joint account, and such instructions shall be binding on each of the Customers. You may deliver securities or other property to, and send confirmations; notices,

statements and communications of every kind, to any one of the Customers, and such action shall be binding on each of the Customers. Notwithstanding the foregoing, you are authorized in your discretion to require joint action by the joint tenants with respect to any matter concerning the joint account, including but not limited to the giving or cancellation of orders and the withdrawal of money, securities, futures or commodities. In the case of Tenants by the Entirety accounts, joint action will be required for all matters concerning the joint account. Tenants by Entirety is not recognized in certain jurisdictions, and, where not expressly allowed, will not be a permitted designation of the account.

**17. Other Agreements.** The Customer agrees to be bound by the terms of your New Account Application/Customer Account Agreement. If the Customer trades any options, the Customer agrees to be bound by the terms of your Option Agreement. The Customer understands that copies of these agreements are available from you and, to the extent applicable, are incorporated by reference herein. The terms of these other agreements are in addition to the provisions of this Agreement and any other written agreements between you and the Customer.

**18. Data Not Guaranteed.** The Customer expressly agrees that any data or online reports is provided to the Customer without warranties of any kind, express or implied, including but not limited to, the implied warranties of merchantability, fitness of a particular purpose or non-infringement. The Customer acknowledges that the information contained in any reports provided by you is obtained from sources believed to be reliable but is not guaranteed as to its accuracy or completeness. Such information could include technical or other inaccuracies, errors or omissions. In no event shall you or any of your affiliates be liable to the Customer or any third party for the accuracy, timeliness, or completeness of any information made available to the Customer or for any decision made or taken by the Customer in reliance upon such information. In no event shall you or your affiliated entities be liable for any special incidental, indirect or consequential damages whatsoever, including, without limitation, those resulting from loss of use, data or profits, whether or not advised of the possibility of damages, and on any theory of liability, arising out of or in connection with the use of any reports provided by you or with the delay or inability to use such reports.

**19. Credit Check.** You are authorized, in your discretion, should you for any reason deem it necessary for your protection to request and obtain a consumer credit report for the Customer.

**20. Miscellaneous.** If any provision of this Agreement is held to be unenforceable; it shall not affect any other provision of this Agreement. The headings of each section of this Agreement are descriptive only and do not modify or qualify any provision of this Agreement. This Agreement and its enforcement shall be governed by the laws of the state of Texas and shall cover individually and collectively all accounts which the Customer has previously opened, now has open or may reopen with you, or any introducing broker, and any and all previous, current and future transactions in such accounts. Except as provided in this Agreement, no provision of this Agreement may be altered, modified or amended unless in writing signed by your authorized representative. This Agreement and

all provisions shall inure to the benefit of your successors, whether by merger, consolidation or otherwise, your assigns, the Customer's Introducing Broker, and all other persons specified in Paragraph 10. You shall not be liable for losses caused directly or indirectly by any events beyond your reasonable control, including without limitation, government restrictions, exchange or market rulings, suspension of trading or unusually heavy trading in securities, a general change in economic, political or financial conditions, war or strikes. You may transfer the accounts of the Customer to your successors and assigns. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Customer.

**21. Account Protection.** As a member of the Securities Investor Protection Corporation (SIPC), funds are available to meet customer claims up to a ceiling of \$500,000, including a maximum of \$250,000 for cash claims. For additional information regarding SIPC coverage, including a brochure, please contact SIPC at (202) 37108300 or visit [www.sipc.org](http://www.sipc.org). Apex has purchased an additional insurance policy through a group of London Underwriters (with Lloyd's of London Syndicates as the Lead Underwriter) to supplement SIPC protection. This additional insurance policy becomes available to customers in the event that SIPC limits are exhausted and provides protection for securities and cash up to an aggregate of \$600 million. This is provided to pay amounts in addition to those returned in a SIPC liquidation. This additional insurance policy is limited to a combined return to any customer from a Trustee, SIPC and London Underwriters of \$150 million, including cash of up to \$2.15 million. Similar to SIPC protection, this additional insurance does not protect against a loss in the market value of securities.

THE CUSTOMER AGREES TO ALL TERMS OF THIS CUSTOMER MARGIN AND SHORT ACCOUNT AGREEMENT AND ACKNOWLEDGES THE FOLLOWING: (1) THAT THE CUSTOMER'S MARGIN ACCOUNT SECURITIES MAY BE BORROWED BY YOU OR LOANED TO OTHERS; (2) RECEIPT OF A COPY OF THIS AGREEMENT AND A COPY OF THE MARGIN DISCLOSURE STATEMENT; AND (3) THAT THIS AGREEMENT CONTAINS A PREADISPUTE ARBITRATION CLAUSE ON PAGE 1, PARAGRAPH 10 AND IN ACCORDANCE WITH THIS AGREEMENT THE CUSTOMER AGREES IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE BETWEEN THE CUSTOMER, INTRODUCING BROKER AND/OR YOU.

## Apex IRA Agreement for Limited Margin & Options Capabilities

This Agreement for Limited Margin And Option Privileges (“Limited Margin Agreement”) sets forth the terms and conditions under which your broker (“Introducing Broker”) engages Apex Clearing Corporation (“Apex”) to provide limited margin services and options trading to the undersigned customer (“Customer”) in its individual retirement account at Apex. If you are a direct customer of Apex, “Introducing Broker” may also be Apex, in which instance “Introducing Broker” and “Apex” shall be read as the same entity. This Limited Margin Agreement shall be in addition to, and read in conjunction with, the new account application, the IRA Agreement, and all other agreements (individually and collectively, the “Customer Agreement”) governing Customer’s individual retirement account(s) (“IRA”) at Apex. In the event of any inconsistency between this Limited Margin Agreement and the Customer Agreement, the Limited Margin Agreement shall control.

### MARGIN

1. Customer acknowledges and agrees that no extension of credit or margin borrowing will be made available in the IRA. Customer shall not have debit balances, short sell, borrow funds, or sell naked options in their IRA. To the extent any short or debit position occurs in Customer’s IRA, Customer authorizes Apex to immediately cover such short or debit position with other assets from the IRA or from another of Customer’s IRAs at Apex, including to, where reasonably necessary in Apex’s discretion, liquidate positions in the IRA or another IRA at Apex. Customer understands that deposits used to cover debits are bound by IRS limits for annual contributions, unless rolled over or transferred from another like registered IRA.
2. Customer agrees that, in their sole discretion, Apex or Introducing Broker may require a limited minimum equity or asset value in Customer’s IRA in order for it to be granted limited margin privileges. Customer understands it is solely responsible for ensuring that sufficient assets are maintained in the IRA to cover all possible obligations, including limited minimum equity. Apex may refuse or disable limited margin or options privileges in any IRA at any time, in its sole discretion and without notice to Customer or Introducing Broker. Customer understands that available cash for purchases in the IRA may be limited due to amounts needed to satisfy minimum equity requirements at Apex’s and/or Introducing Broker’s sole discretion. Customer shall be subject to all obligations and restrictions in the Customer Agreement and nothing in this Limited Margin Agreement shall be construed as in any way reducing or restricting such obligations and restrictions.
3. It shall be Customer’s, and not Apex’s or Introducing Broker’s, responsibility to ensure transactions do not result in excess obligations in the IRA. Customer understands and agrees that if Customer fails to hold sufficient assets in the IRA to cover its obligations that it may result in a taxable distribution from the IRA and cause tax consequences to Customer. Customer holds harmless Apex and Introducing Broker from any such distributions caused by Customer’s failure

to hold sufficient assets in the IRA and agrees Apex and Introducing Broker shall not be responsible for Customer's failure to hold sufficient assets in the IRA.

4. Customer acknowledges and agrees that investing using limited margin in Customer's IRA entails extreme risk. Customer acknowledges that its decision to utilize limited margin and options privileges are solely Customer's decision and Apex has in no way solicited Customer to use limited margin in any way. Customer acknowledges and agrees Apex is in no way responsible for determining the suitability or appropriateness of limited margin or of any trades utilizing limited margin in the IRA. Customer acknowledges and agrees Apex is not a fiduciary and does not make recommendations of any securities, investments, investment or portfolio strategy, trades, or trade activity.

#### OPTIONS

5. Customer has requested Apex to allow Customer to trade options in the IRA. Apex may allow such transactions in Apex's sole discretion. "Options", as used herein, shall mean all types of options and option contracts, including puts, calls, equity, debt, index or otherwise. Customer shall not act alone or in concert with others exceed the position/exercise limits set forth by any exchange or market or by any other regulatory authority having jurisdiction.
6. Customer is aware of the high degree of risk involved in options transactions and has given its Introducing Broker information to demonstrate that the IRA and the anticipated trading therein is not unsuitable for Customer in light of Customer's investment objectives, financial situation and needs, experience, and knowledge. Customer agrees to immediately advise its Introducing Broker of any changes in Customer's circumstances that may materially affect the suitability of executing options transactions in its IRA or that may affect any of the representations it has made to Introducing Broker. Customer acknowledges it has provided an opportunity to consult with its tax advisor concerning the advisability and suitability of holding options or conducting options strategies in the IRA and that Customer has not and will not rely on Apex for legal or tax advice in connection with the same. Customer will not hold Apex responsible for any penalties or adverse tax consequences the IRA or Customer may incur in connection with transacting in or holding options in the IRA.
7. Customer represents, warrants, and covenants that the IRA is not subject to the Employee Retirement Income Security Act of 1974, as it may be amended, and it will not engage in any transactions in the IRA that involves any extension of credit. Customer understands and agrees that uncovered options are not permitted in IRAs, and Customer agrees to undertake no action to enter into an uncovered option position.
8. Customer hereby authorizes Apex in its discretion, should Apex deem it necessary for Apex's protection for any reason, including death of the undersigned, to buy, sell, or sell short for



Customer's IRA any risk, puts, calls or other forms of option and/or to buy, sell or sell short any part or all of Customer's shares represented by options endorsed by Apex for the IRA. Any and all expenses incurred by Apex in connection with such transactions shall be reimbursed by Customer to Apex. Customer understands and acknowledges that when transactions on Customer's behalf are to be executed and the options are traded in more than one marketplace Apex may use its discretion in selecting the market in which to enter the order unless Customer instructs otherwise. All monies, securities, or other property which Apex may hold in any account of Customer shall be held subject to a general lien for the discharge of Customer's obligations to Apex under this Limited Margin Agreement, the Customer Agreement or otherwise. The decision to enter into options transactions was made entirely by the undersigned without any investment advice from Apex or the Introducing Broker.

9. Customer is aware of Apex's requirements and time limitations for accepting an exercise notice and expiration date and agrees it may not receive actual notice of exercise until the week following exercise. Customer bears full responsibility for taking action to exercise or sell valuable options; however, in the absence of notifying its Introducing Broker to exercise an options contract by 3 p.m. Central Standard Time on the last business day prior to the expiration date of the options contract, and the Introducing Broker in turn instructing Apex to sell options on Customer's behalf within such time, Apex may exercise the options contract on Customer's behalf. In the event of such exercise, the profit in excess of commission costs created thereby will be credited to Customer's account. In the event that the commissions to be charged for such an expiration transaction exceeds the proceeds to be realized, Customer agrees and hereby relinquishes its ownership in said option to Apex, and Apex may exercise such option for its own account. If Customer does not instruct its Introducing Broker to exercise the valuable option by the time stated above, and Apex for whatever reason, does not exercise such option on, Customer hereby waives any and all claims for damage or loss which it might at the time or any time thereafter have against allocation for all option(s) assignments received from the Option Clearing Corporation.
10. Exercise assignment notices for options contracts are allocated among all of Apex's customers' short positions within that series. This is accomplished by a manual procedure, which randomly selects from among all customer short positions, including positions established on the day of assignment, those contracts which are subject to exercise. All American short positions are liable for assignment at any time. The undersigned understands that a more detailed description of this procedure is available upon request by the undersigned.
11. Customer understands it is solely responsible for ensuring that sufficient assets are maintained in the IRA to cover all potential obligations arising from the holding of options and conducting any options strategies, including any potential assignment and exercise. Customer acknowledges its responsibility to not conduct options transactions that can result in liabilities or obligations in



excess of the undersigned's IRA account balance. Apex shall not be responsible for the dishonor of any transaction due to an insufficient balance in the undersigned IRA. If an assignment creates a short position or debit balance, Apex is authorized to immediately cover deficit in the undersigned's IRA with other assets in the undersigned IRA account.

12. Customer understands that under Section 408(e)(4) of the Internal Revenue Code of 1986, as amended, if Customer pledges any portion of the IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in the undersigned's gross income for the taxable year and may be subject to excise taxes.

#### OPTION LEVELS

The following are the Option Levels offered by Apex, in Apex's discretion, and subject to change at any time without notice:

- Level 1 Covered calls, including:
  - Covered calls sold against stocks held long in your brokerage account
  - Buy-writes (simultaneously buying a stock and writing a covered call)
  - Covered call roll-ups/roll-downs
  
- Level 2 All Level 1 strategies, plus:
  - Married puts
  - Long calls
  - Long puts
  - Long straddles
  - Long strangles
  - Covered puts (short stock and short put position)
  
- Level 3 All Levels 1 and 2 strategies, plus:
  - Equity debit spreads
  - Equity credit spreads
  - Equity calendar/diagonal spreads
  - Index debit spreads
  - Index credit spreads
  - Index calendar/diagonal spreads

#### MISCELLANEOUS

13. All transactions shall be subject to the constitution, rules, regulations, customers, and usages of the exchange or market and its clearing house, if any, upon which such transactions are executed, except as otherwise specifically provided in this Agreement. Customer agrees and authorizes Apex

to act upon any instruction from the Introducing Broker relating to the IRA, including limited margin capabilities.

14. Apex advises Customer to consult with a tax and legal advisor prior to opening the IRA and prior to requesting or utilizing limited margin in the IRA or any other account at Apex. Customer acknowledges having been advised by Apex and having had the opportunity to undertake such consultation with tax and legal advisors. Apex shall have no responsibility regarding the suitability or propriety of Customer opening an IRA or utilizing limited margin.
15. Customer represents and warrants to Apex and Introducing Broker that (i) that Apex has not provided any sort of investment advice or recommendations pertaining to the IRA or use of limited margin; (ii) that Customer has determined limited margin is suitable for Customer and for the IRA; (ii) that Customer will not conduct any transaction that would create a debit balance or result in an extension of credit to Customer by Apex.
16. If any provision of this Agreement is held to be invalid or unenforceable, it shall not affect any other provision of this Agreement. The headings of each section of this Agreement are descriptive only and do not modify or qualify any provision of this Agreement. This Agreement shall inure to the benefit of Apex's successors and assigns, shall be binding on Customer, its heirs, executors, administrators and assigns and the Agreement and its enforcement shall be governed by the laws of the state of Texas and shall cover individually and collectively all accounts which the Customer has previously opened, now has open or may open or reopen with Apex and any and all previous, current and future transactions in such accounts. Except as provided in this Agreement, no provision of this Agreement may be altered, modified or amended unless in writing signed by Apex's authorized representative. This Agreement and all provisions shall inure to the benefit of Apex and its successors, whether by merger, consolidation or otherwise, its assigns, the Introducing Broker, and all other persons specified in Paragraph 8. Apex shall not be liable for losses caused directly or indirectly by any events beyond its reasonable control, including without limitation, government restrictions, exchange or market rulings, suspension of trading or unusually heavy trading in securities, a general change in economic, political or financial conditions, war or strikes. Apex may transfer the accounts of the Customer to its successors and assigns. This Agreement shall be binding upon the Customer and the heirs, executors, administrators, successors and assigns of the Customer. Failure to insist on strict compliance with this Agreement is not considered a waiver of Apex's rights under this Agreement. At Apex's discretion, it may terminate this Agreement at any time on notice to the Customer and the Customer will continue to be responsible for any obligation incurred by the Customer prior to termination. The Customer may not assign the Customer's rights or delegate the Customer's obligations under this Agreement, in whole or in part, without Apex's prior consent.

17. Customer acknowledges and agrees it understands and agrees to be bound by the terms of this Agreement and of the Customer Agreement.
18. Customer shall indemnify and hold Apex harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees, arising from or in connection with this Limited Margin Agreement in accordance with the Customer Agreement.
19. This Limited Margin Agreement shall be subject to the Arbitration provisions specified in the Customer Agreement and Customer acknowledges the Customer Agreement shall control in such respect.

Customer authorizes Apex, in Apex's discretion, should Apex for any reason deem it necessary for Apex's or the Introducing Broker's protection, to request and obtain a consumer credit report for Customer.

## Margin Disclosure Statement from Apex Clearing

We are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your broker. Consult your broker 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 your account, 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 forced sale of those securities or other securities in your account.
- **The firm can force the sale of securities in your account.** 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 your account 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 interest, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which security in your margin account is 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 requirement 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.
- **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.

- The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as a substitute payment in lieu of a dividend. A substitute payment is not a qualified dividend and is taxed as ordinary income.
- Industry regulations may limit, in whole or in part, your ability to exercise voting rights of securities that have been lent or pledged to others. You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.

## Apex Credit Terms & Policies

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

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

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

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

**Daily Margin Interest Rate.** The "daily margin interest rate" is based on a 360-day year. It is calculated for each day by dividing the base margin interest rate by 360. Note that the use of a 360-day year results in a higher effective rate of interest than if a year of 365 days were used.

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

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

**Initial Margin Requirements.** The Federal Reserve Board and various stock exchanges determine margin loan rules and regulations. When you purchase securities on margin, you agree to deposit the required initial equity by the settlement date and to maintain your equity at the required levels. The maximum amount we currently may loan for common stock (equity) securities is 50% of the value of marginable securities purchased in your Margin and Short Account; different requirements apply to non-equity securities, such as bonds or options. If the market value of stock held as collateral increases after you have met the initial margin requirements, your available credit may increase proportionately. Conversely, if the market value decreases, your available credit may proportionately decrease.

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

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

Equity securities with a market value of less than \$3 per share may not be purchased on margin or deposited as margin collateral. If the market value of a security drops below \$3 per share, the security will not be assigned any value as collateral to secure your margin obligations.

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

- By the rules and regulations of the New York Stock Exchange, the American Stock Exchange, and other regulatory agencies to the jurisdiction of which we are subject; **and**
- According to our sole discretion and judgement.

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

- Applicable exchange rules and federal regulations; **and**
- Our Disclosure of Credit Terms and Policies; **or**
- As required by us, at our discretion.

Margin maintenance requirements may change without prior notice.

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

As a general guideline and when it is practicable to do so, we may (but are not required to) issue a margin call when the equity in your Margin and Short Account falls below a predetermined percentage of the

market value of assets at risk (that is, the sum of the market values of the long and short equity security positions) in your Margin and Short Account. The amount of additional collateral we require usually is an amount sufficient to raise your equity to minimum standards. For information on the current equity requirements, please contact your broker.

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

- Only one security or a large concentration of one or more securities; **or**
- Low-priced, thinly traded or volatile securities; **or if**
- Some of your collateral is or becomes restricted or non-negotiable or non-marginable. We may also consider market conditions and your financial resources.