



Options Information
Form and Agreement

Account # \_\_\_\_\_ Account Equity \_\_\_\_\_
Financial Consultant (FC) # \_\_\_\_\_ NAF # \_\_\_\_\_

Dear Client, Please read this Options Information Form and Agreement and make certain that all the information is completed, as appropriate. First Allied Securities, Inc. may, on the basis of the information provided, decline to accept any account for option activity or may limit such account to specific activities.

Note to Financial Consultant: All information on this form must match all electronic information stored on this clients NAF (New Account Form). If it is different, you MUST update and certify the NAF before submitting the Option Information Form and Agreement for approval.

Name/Title of Account \_\_\_\_\_

Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Primary Investor/ Account Holder #1

First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Last Name \_\_\_\_\_ Suffix \_\_\_\_\_ DOB \_\_\_\_/\_\_\_\_/\_\_\_\_

Marital Status: [ ] Single [ ] Married Phone \_\_\_\_\_ (Please indicate: [ ] Home [ ] Business)

Employment Status: [ ] Employed [ ] Retired [ ] Student [ ] Unemployed Occupation \_\_\_\_\_

Employer \_\_\_\_\_ Approx Annual Income \$ \_\_\_\_\_

Approx Liquid Net Worth \$ \_\_\_\_\_ Approx Net Worth (Exclude Residence) \$ \_\_\_\_\_ Number of Dependents \_\_\_\_\_

Secondary Investor/ Account Holder #2

First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Last Name \_\_\_\_\_ Suffix \_\_\_\_\_ DOB \_\_\_\_/\_\_\_\_/\_\_\_\_

Marital Status: [ ] Single [ ] Married Phone \_\_\_\_\_ (Please indicate: [ ] Home [ ] Business)

Employment Status: [ ] Employed [ ] Retired [ ] Student [ ] Unemployed Occupation \_\_\_\_\_

Employer \_\_\_\_\_ Approx Annual Income \$ \_\_\_\_\_

Approx Liquid Net Worth \$ \_\_\_\_\_ Approx Net Worth (Exclude Residence) \$ \_\_\_\_\_ Number of Dependents \_\_\_\_\_

Investment Objectives

Investors should not purchase put or call options unless they are able to sustain a total loss of the premium and transaction costs, or write uncovered options unless they are able to sustain a substantial financial loss. Approval to transact in an option strategy also approves any less speculative option strategy. Please select one or more of the option strategies (risk level) you may wish to employ:

- Level 1: Covered Call Writing/Married Puts (Low) [ ] Level 4: Put Writing (High & Speculation) [ ]
Level 2: Put/Call Buys (Moderate) [ ] Level 5: Uncovered Call Writing (High & Speculation) [ ]
Level 3: Put/Call Spreads (Moderate/ High) [ ]

Risk Tolerance (choose one box): [ ] Low [ ] Moderate [ ] Moderate/High [ ] High

Primary Investment Objective (choose one box):

- [ ] Preservation of Capital [ ] Income [ ] Growth & Income [ ] Growth [ ] Trading [ ] Speculation

Investment Experience: (Please note experience in years and activity for each security type)

Table with 4 columns: Security Type, Years Experience, Limited, Moderate, Extensive. Rows include Stocks, Options, and Commodities.

Client Authorization

Attention Client: Please sign this form below after reading page 2 of this agreement. I acknowledge that this agreement contains a pre-dispute arbitration clause in paragraph 7 (on page 2 of this document).

Primary Investor/Account Holder #1 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Secondary Investor/Account Holder #2 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

To Be Completed by the Financial Consultant (FC), ROP, & ROSFP

- [ ] Yes [ ] No Does the FC have discretion over options trading? (Requires Compliance Approval)
If yes, please attach discretionary addendum. (Contact ROSFP for addendum)
[ ] Yes [ ] No Does anyone other than the FC have discretion over this account with respect to options trading?
If yes, indicate name \_\_\_\_\_ and attach written authorization.

FC Signature: \_\_\_\_\_ Date: \_\_\_\_\_

ROP Signature: \_\_\_\_\_ Date: \_\_\_\_\_

ROSFP Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Date "Characteristics and Risks of Standardized Options" sent

Date statement of risks for uncovered options writers sent

TJOIFA-R1109



# Options Agreement.

In consideration of J.P. Morgan Clearing Corp. ("JPMCC") providing clearing and carrying services with respect to options transactions introduced through the courtesy of J.P. Morgan Securities Inc. or another introducing broker, you hereby agree and represent as follows:

1. All options transactions shall be subject to the constitution, rules, regulations, customs, and usages of the Options Clearing Corporation ("OCC") and any exchange or other marketplace where executed. You, alone or in concert with others, will not violate the position or exercise limits of the exchanges which may change from time to time.
2. In case of your insolvency, death, the attachment of your property or the occurrence of any event that gives JPMCC and/or its affiliates and subsidiaries ("JP Morgan") grounds for insecurity as JP Morgan determines in its sole discretion, or your breach of this Options Agreement, JP Morgan may take such steps as it may consider necessary or appropriate to protect itself against loss with respect to any open options contract positions, refuse to accept orders for the establishment of any new options positions, sell any and all property in your account(s), buy any property that is short in such account(s) to cancel any outstanding transactions, all to offset any indebtedness due and owing to JP Morgan; You will continue to be liable to JP Morgan for any remaining deficiency. Such purchases or sales may be effected publicly or privately with or without notice, in such manner as JP Morgan in its sole discretion determines to be appropriate under the circumstances.

As security for the payment and performance of all of your obligations and liabilities to each JP Morgan entity, you agree that all of your property held by or under the control of a JP Morgan entity is subject to a lien to secure the payment and performance of your liabilities and obligations to each JP Morgan entity and you hereby grant each JP Morgan entity 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 any JP Morgan entity in which you presently have or in which you acquire an interest in the future, including all property in each Account in your name, (ii) any and all rights, claims or causes of action you may now or hereafter have against any JP Morgan entity and (iii) all proceeds of or distributions on the foregoing (collectively (i) through (iii) are referred to in this Options Agreement as 'Collateral').

Any Collateral held by a JP Morgan entity is held by such JP Morgan entity as agent and bailee for itself and all other JP Morgan entities. Each JP Morgan entity holding Collateral shall, without your further consent, comply with (i) entitlement orders or instructions for a JP Morgan entity with respect to the Collateral and (ii) if such JP Morgan entity holding Collateral is a commodity intermediary, any instructions to such JP Morgan entity from another JP Morgan entity to apply any value distributed on account(s) of a commodity contract. Additionally, each JP Morgan entity holding Collateral has the right, in its sole discretion, to not comply with (i) any entitlement order or instruction from you or a third party with respect to the Collateral and (ii) any instruction from you to apply any value on account of any commodity contract, if a JP Morgan entity requests 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. Further, each JP Morgan entity is authorized, at any time and without notice to you, to transfer Collateral from any of your accounts to any account of an obligor for which you have provided a guarantee within such JP Morgan entity and/or at any other JP Morgan entity to collateralize or satisfy any obligations or liabilities of such obligor. You agree that the actions of a JP Morgan entity in not complying with orders or instructions as allowed in the preceding sentence satisfy any duties each JP Morgan entity may have under the New York Uniform Commercial Code.

You agree that your execution of this Options Agreement shall constitute notice to each JP Morgan entity of the security interest you have granted to each other JP Morgan entity herein, and each JP Morgan entity holding Collateral is on notice of the security interest granted to each other JP Morgan entity.

The reasonable costs and expenses of collection of any such indebtedness or debit balance, including but not limited to attorneys' fees and expenses, shall be payable by you to JP Morgan.

You appoint JP Morgan with full power as your true and lawful attorney-in-fact, to the fullest extent permitted by law, for the purpose of perfecting the security interest granted in this Options Agreement and taking any action and executing any instrument that JP Morgan deems necessary or advisable to accomplish the purposes of this Options Agreement.

3. You agree that you have received from First Allied Securities, Inc. the current Options Risk Disclosure Document and Special Statement for Uncovered Writing and have read and understood these documents. You have noted particularly those sections of the Options Risk Disclosure Document 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.

4. You agree that you have read and understood the section of the Options Risk Disclosure Document entitled '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 at expiration (by an amount equal to or exceeding the then prescribed amount set by the OCC) will be exercised automatically by the OCC. You are also aware that you may not receive actual notice of an exercise of assignment until the week following the expiration date.

5. JP Morgan shall have no responsibility to notify you when an option in your account(s) is nearing expiration, and you will have no claim for damage or loss arising out of the fact that an option in your account(s) was not exercised unless you have instructed JP Morgan to exercise such option at or before the time established by JP Morgan.

6. If you engage in uncovered option writing, you agree to maintain adequate cash reserves to meet reasonably foreseeable margin calls and will, upon JP Morgan's request, immediately deposit cash reserves in your account(s) in an amount that JP Morgan's deems to be required under the circumstances.

## 7. ARBITRATION; CONSENT TO JURISDICTION; SERVICE OF PROCESS.

(a) THIS OPTIONS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:

- ALL PARTIES TO THIS ARBITRATION AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- 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.
- THE PANEL OF ARBITRATORS WILL TYPICALLY 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;
- (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.

• BY SIGNING THIS ARBITRATION AGREEMENT YOU AND JP MORGAN AGREE, THAT CONTROVERSIES ARISING UNDER OR RELATING TO THIS OPTIONS AGREEMENT OR ANY ACTIVITY BETWEEN YOU AND JP MORGAN, ITS PREDECESSORS, AND ANY OF THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AND ANY OF THEIR DIRECTORS, EMPLOYEES, AND ANY OTHER CONTROL PERSONS AND ANY OF THEIR AGENTS, WHETHER ARISING PRIOR TO, ON OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED BY ARBITRATION. ANY ARBITRATION UNDER THIS ARBITRATION AGREEMENT SHALL BE HELD ONLY AT THE FACILITIES OF, BEFORE AN ARBITRATION PANEL APPOINTED BY, AND PURSUANT TO THE RULES OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA") OR THE CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED. YOU MAY ELECT ONE OF THE FOREGOING FORUMS FOR ARBITRATION, BUT IF YOU FAIL TO MAKE SUCH ELECTION BY REGISTERED MAIL OR TELEGRAM ADDRESSED TO J.P. MORGAN CLEARING CORP., 383 MADISON AVENUE, NEW YORK, NEW YORK 10179, ATTENTION: CHIEF LEGAL OFFICER (OR ANY OTHER ADDRESS OF WHICH YOU ARE ADVISED IN WRITING), BEFORE THE EXPIRATION OF TEN DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM JP MORGAN TO MAKE SUCH ELECTION, THEN JP MORGAN MAY MAKE SUCH ELECTION. THE AWARD OF THE ARBITRATORS, OR OF THE MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION.

(b) Notwithstanding the provisions of subparagraph (a) above, either party may, at any time prior to the initial arbitration hearing pertaining to such dispute or controversy, seek by application to the U.S. District Court for the Southern District of New York or the Supreme Court of the State of New York for the County of New York 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 New York 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, nor any act or conduct by either party in furtherance of or in opposition to such application, shall constitute a relinquishment or waiver of any right to have the underlying dispute or controversy with respect to which such application is made settled by arbitration in accordance with subparagraph (a) above.

(c) With respect to any application for a Provisional Remedy and any application for judgment on an arbitration award, each party irrevocably (i) submits to the jurisdiction of the U.S. District Court for the Southern District of New York or the Supreme Court of the State of New York for the County of New York, (ii) waives any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such proceedings, that such court does not have any jurisdiction over such party, and (iii) consents to service of process by certified mail, return receipt requested, to the address provided for herein.

(d) You hereby agree to receive service of process in connection with any legal matters or actions or proceedings based upon, arising out of or relating in any way to this Agreement by confirmed, return-receipt requested mail and that delivery shall be presumed if such service is mailed to the address maintained by JP Morgan in its records and the requested receipt is returned.

8. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ANY CHOICE OF LAW RULES THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. Its provisions, including the arbitration provision, shall be continuous and shall inure to the benefit of JP Morgan, its controlling persons and their respective successors and assigns, and it shall inure to the benefit of and shall be binding upon your estate, executors, administrators and assigns. Because JP Morgan is acting as a clearing agent for a correspondent broker-dealer, the terms of this Options Agreement, including the arbitration provision, shall inure likewise to the benefit of your broker-dealer, its successors and assigns, and all references to JP Morgan shall be deemed references to both JP Morgan and your broker-dealer.

9. 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 positions, including positions established on the day of assignment, those contracts which are subject to assignment. All American-style short option positions are liable for assignment at any time. By contrast, the writer of a European-style option is subject to assignment on expiration date. A more detailed description of JP Morgan's random allocation procedure is available upon request.

10. This Options Agreement supplements any Client/Customer Agreement which you may have signed, the terms of which shall, where inconsistent, supersede the terms set forth herein. Except as specifically amended by this Options Agreement, all of the terms and conditions thereof shall remain effective.