

OPTION AGREEMENT

ACCOUNT NUMBER	NAME OF ACCOUNT
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Customer Information	Please Provide the Following Information as Applicable. We Cannot Approve Your Account Without It.			
	EMPLOYER NAME (If Unemployed, Source of Income)	OCCUPATION/ POSITION OR TYPE OF BUSINESS	DATE OF BIRTH	
	EMPLOYER ADDRESS			
	MARTIAL STATUS <input type="checkbox"/> M <input type="checkbox"/> S	SPOUSE'S NAME	SPOUSE'S EMPLOYER	NUMBER OF DEPENDENTS
	ANNUAL INCOME \$	SPOUSE'S INCOME \$		
	ESTIMATED LIQUID NET WORTH (Cash, Securities, Other) \$	ESTIMATED TOTAL NET WORTH (Excluding Family Residence) \$		
	PRIMARY INVESTMENT OBJECTIVE <input type="checkbox"/> Capital Preservation <input type="checkbox"/> Income <input type="checkbox"/> Growth <input type="checkbox"/> Speculation <input type="checkbox"/> Other			

Prior Investment Experience	NAME OF FIRM(S)	NUMBER OF YEARS
	STILL OPEN?	ESTIMATED VALUE \$
	TYPE OF ACCOUNT (Indicate number of trades per year) <input type="checkbox"/> Stocks _____ <input type="checkbox"/> Corporate Bonds _____ <input type="checkbox"/> Municipal Bonds _____ <input type="checkbox"/> Government Bonds _____ <input type="checkbox"/> Funds _____ <input type="checkbox"/> Options _____ <input type="checkbox"/> Commodities _____ <input type="checkbox"/> Tax Shelters _____ <input type="checkbox"/> Margin Account _____	ANTICIPATED TYPES OF TRADES <input type="checkbox"/> Writing Covered Puts and Calls <input type="checkbox"/> Writing Uncovered* Puts and Calls <input type="checkbox"/> Buying Puts and Calls <input type="checkbox"/> Spreading Puts and Calls <input type="checkbox"/> Straddling Puts and Calls *See reverse, paragraph # 5 statement regarding special risks of writing uncovered options.
	PLEASE LIST ANY OTHER RELEVANT FINANCIAL INFORMATION	

IS THERE A LIMITED TRADING AUTHORIZATION OVER THIS ACCOUNT? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, to whom: NAME
ADDRESS

Signatures	I hereby confirm that I have read the provisions of this option agreement and understand the contents hereof. I hereby expressly confirm all the information contained in the Customer Information section, especially those concerning income, net worth and investment objectives, and will advise you of any changes in such information which could be deemed to affect the suitability of executing options transactions for my account.	
	BY SIGNING THIS AGREEMENT, I ACKNOWLEDGE THE FOLLOWING: (1) THAT, IN ACCORDANCE WITH PARAGRAPH #13 I AM AGREEING IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE BETWEEN OR AMONG ME, YOU AND YOUR CLEARING FIRM AND (2) RECEIPT OF A COPY OF THIS AGREEMENT.	
	APPLICANT'S SIGNATURE ▷	DATE
SIGNATURE OF CO-APPLICANT ▷	DATE	

Office Use Only	TYPES OF OPTIONS TRANSACTIONS APPROVED Date Customer Provided With Disclosure Document <input type="checkbox"/> All <input type="checkbox"/> Covered Puts <input type="checkbox"/> Covered Calls <input type="checkbox"/> Uncovered Puts <input type="checkbox"/> Uncovered Calls <input type="checkbox"/> Buying Puts and Calls <input type="checkbox"/> Spreading Puts and Calls <input type="checkbox"/> Straddling Puts and Calls	ACCEPTED BY (Name) (SROP)
	ACCOUNT INTRODUCED BY (RR)	DATE
	APPROVED BY (Branch Manager)	DATE

This option agreement sets forth our respective rights and obligations arising in connection with any transaction by you on my behalf including but not limited to, the purchase and sale of put and call options.

1. I wish to commit a portion of my funds to trading in options. I consider myself sophisticated in investment matters and am able to read and understand confirmations and monthly statements. I realize and understand that any form of option trading has a number of risks connected therewith. I understand that the risks associated with option trading are extremely high, and in maintaining an option account and engaging in option trading through the facilities of your firm, I am engaging in transactions of a speculative nature. In investing in an option contract, I am speculating that the price of the underlying security will not only move in the direction which I anticipate (i.e., the price will move up in the case of a call option and move down in the case of a put option), but that the price move of the underlying security will also exceed the premium which I pay for the option, commissions and other transaction costs. Thus, if the price movement is not sufficient, I could lose my entire investment in the option contract. If I write an option contract without depositing or owning the underlying security, I realize that my risk of loss is potentially unlimited. Notwithstanding this risk of loss I agree to honor all assignments and deliver to you the underlying security in the prescribed time, and if I fail to deliver the underlying security in the proper time, I designate you to act as my agent and buy in such stock at the current market price so that I may honor my commitment to deliver. I understand that my account will be debited for any loss and that you will charge me a commission and a fee for this service. I have sufficient income and other assets to sustain this risk inherent in such investments.

2. I understand that I may not write call (sell options) on restricted stock that I own as an insider.

3. I am familiar with the risks of option trading, and you shall not be held liable for such risks in connection with the execution, handling, purchasing, selling, exercising, and endorsement of options for my account.

4. Where I am long an option which is about to expire in the money, you are authorized, in your sole discretion and without notification to me, to exercise the option and liquidate the underlying stocks for my account, using best efforts. This is in no way to be construed as an obligation on your part to sell or exercise such option on behalf of my account, and I therefore waive any and all claims for damages or loss which I may incur at any time against you arising out of the fact that any option in my account(s) was not exercised, unless I instructed you to do so.

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

- The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.
- As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears the risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
- Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.
- For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
- If a secondary market in options were to be unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.
- The writer of an American-style option is subject to being assigned an exercise at any time after he/she has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

NOTE: I will read the booklet entitled **CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS** available from you. In particular, my attention is directed to the chapter entitled *Principal Risks of Options Positions*. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

5a. I have previously received from you a disclosure document entitled "Characteristics And Risks Of Standardized Options" and any supplement thereto and I acknowledge your procedures regarding the latest hour at which exercise notices will be accepted by you. These procedures are as follows: Notice of exercise instructions must be given to you on normal business days not later than 4:45 p.m. Eastern Time. You will not be held liable for failure to tender an exercise if such notice is not received within the aforementioned time limitations. If I am an option writer, I understand that I am still liable for exercise against me within one business day following the expiration of the option contract.

6. I understand that should I have any open short position in options during the month of expiration which is in the money or near the exercise price, it is most likely it will be assigned on my short position and that as a writer of an option I may receive a notice of assignment as late as one or two business days following the expiration date. Therefore, I should not take any action until being assured by you that you have received all notices of assignment for your accounts from the Options Clearing Corporation ("OCC"), and that the particular open short options in the accounts have or have not been called. I also understand that notices of assignment for option contracts are allocated among customers on a random selection basis and that a more detailed description of your allocation procedure is available upon request.

7. I have read and am familiar with the disclosure document entitled "Characteristics And Risks Of Standardized Options" and any supplement thereto, and I agree to abide by all rules of the OCC, or any securities exchange rules governing option transactions, including but not limited to position and exercise limit rules. Under the position limit rules, unless some different provision has been made by the OCC for a particular stock, no single investor or a group of investors acting in concert (regardless of whether the options are held in one or more accounts or through one or more brokers) may hold more than the allowable number of option contracts covering the same underlying stock or index on the CBOE or Amex, etc. Under the exercise limit rules, unless otherwise determined and announced by the OCC, no holder or group of holders acting in concert, within any five consecutive business days, may exercise more than the allowable number of options covering the same underlying security or index. The number of allowable contracts varies widely for different equity and index options.

8. I agree to maintain in my account(s) with you such margin as you deem necessary or advisable, which may be changed by you from time to time, for the protection of your position as

endorser of option contracts issued pursuant to my orders, and to respond to any and all margin calls issued by you in connection with such account(s). If I fail to comply with your margin calls you are authorized, in your discretion and without notification to me, to take such action as you may deem appropriate to protect the position and obligation which you may have assumed at my request. This authorization is intended to include (without limitation thereby) the purchase and sale for my account and risk of any part or all of the shares represented by options endorsed by you at my request, and the purchase for my account and risk for such additional puts and calls as you may deem necessary to fully protect yourselves. Any securities and funds held in any of my accounts shall be held by you as security for the performance by me of my obligations to you.

9. This agreement is supplementary to a Margin Agreement simultaneously or heretofore entered into between us and shall in no event be deemed to abrogate or in any other way diminish any of your rights under the Margin Agreement; provided, however, that in the event of any conflict between the terms of this agreement and the terms of the Margin Agreement, the provisions of this agreement shall prevail.

10. You shall not be liable for loss caused directly or indirectly by government restriction, exchange or market rulings, war, strikes, or any other conditions beyond your control.

11. The provisions of this agreement shall apply to all put options, call options, or other options which may have been previously purchased, sold, executed, handled, endorsed or carried for my account(s) and shall also apply to all put options, call options or other options which you may hereafter purchase, sell, handle, endorse or carry for my account(s) and shall inure to the benefit of your firm as now or hereafter constituted.

12. You are under no obligation to convey to me any information relating to the underlying securities covered by any options in my account(s) or any securities related thereto, or any information relating to the option, whether such information is then or thereafter known or available. I understand that any information, advice or notification in respect to any option or any underlying securities or securities related thereto which you may give me and which you are not required to give by the terms of this agreement, express or implied, shall not be construed as creating an implied agreement or course of dealing between us and shall not impair the provisions of this or any other agreement between us.

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

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by 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.

I agree that any and all controversies that may arise between or among me, you, and your clearing firm, or any of their respective officers, directors, employees, agents, subsidiaries, or affiliates, including, but not limited to, those arising out of or relating to transactions contemplated hereby, the account established hereunder, any activity or claim related to the Account, or the construction, performance, or breach of this or any other agreement between or among us, whether entered into prior, on or subsequent to the date hereof, shall be determined by arbitration. Any arbitration under this agreement shall be conducted before the Financial Industry Regulatory Authority, Inc. ("FINRA"), in accordance with its rules then in force. Judgment upon the award of arbitrators may be entered in any court, state or federal, having jurisdiction.

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.

14. I shall be responsible for all expenses incurred by you, including reasonable attorneys' fees in enforcing any provision of or collecting any amounts due you under this agreement.

15. Unless I give specific instructions as to where to direct orders, I hereby authorize you to select the exchange or market to which my orders are directed.

16. I understand that you may from time to time purchase for your own account options, or securities underlying options, recommended to me.

17. I understand that my options account is subject to further review and acceptance. Transactions in my account made prior to such review and acceptance are valid transactions, notwithstanding future restrictions or limitations placed on my account.

18. I understand that you have entered into a fully disclosed clearing agreement with Penson Financial Services, Inc. ("Clearing Firm") pursuant to which Clearing Firm may perform certain transaction processing, clearing, custodial, and financing functions for you with respect to the Account. I understand that Clearing Firm does not control, audit, or otherwise supervise your activities, does not verify information I provide to you regarding the Account or transactions processed for the Account, and does not undertake responsibility for reviewing the appropriateness of transactions entered by you on my behalf. I agree that you are not an agent of Clearing Firm, that Clearing Firm is not your agent, and that I will in no way hold Clearing Firm, or its officers, directors, employees and agents liable for any trading losses that I may incur. I agree that Clearing Firm is a beneficiary of all of the terms and conditions of this agreement, including but not limited to, my representations, warranties, acknowledgements, covenants, understandings, agreements, authorizations, indemnifications, waivers, and releases to the same extent as if they were made directly by me to Clearing Firm. And I agree that Clearing Firm, in its own name and for its own benefit, shall be entitled to exercise and enforce directly against me such provisions and all other rights granted to you.