



Division of Success Trade Securities, Member FINRA | SIPC

OPTION ACCOUNT AGREEMENT

Account Name _____

Account Number _____

This Option Agreement is attached to and part of the Agreement (“Agreement”) between your broker and the undersigned (“I”, “My” & “Me”). In consideration of Legent’s acceptance of My account (“Account”) under the Option Agreement, I agree to the following supplemental terms and provisions.

Acknowledgement. I acknowledge that I have received and read the booklet entitled “Characteristics and Risks of Standardized Options” issued by the Options Clearing Corporation (“OCC”), and I am familiar with and understand the risks, duties and responsibilities associated with options trading. In the event that I request Level 4, level 5, or Level 6 Option trading, I further acknowledge having received written disclosure describing the additional risks associated with uncovered options trading entitled “Special Statement for Uncovered Option Writers.” I Further acknowledge that any options trading activity engaged in pursuant to this Option Agreement will be governed by the rules and regulations of the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority (“FINRA”), the OCC and the several exchanges. I further agree not to take any action, either alone or in concert with others, to violate the position or exercise limits that the exchanges or marketplaces may establish from time to time as set forth in the booklet, “Characteristics and Risks of Standardized Options.”

Purchase and Sale of Options. In the event that I purchase or write any option position, I agree:

- a. to pay a commission upon the opening of an option position and to pay a second commission upon the exercise or closing of that option position;
- b. to deliver the securities subject to an option at such time as Legent determines and, in the event that I do not deliver the underlying securities, I authorize Legent to act as My agent to purchase replacement securities at the then-current market price in order that delivery to the exercising holder of My call option is effectuated;
- c. with respect to the purchase of an option position, to be solely responsible for providing notice to My broker of My intention to exercise the right of purchase or sale no later than 3 p.m. EST on the business day preceding the date of expiration of such option, and that My broker is not obligated to exercise an option on My behalf, but may do so; and
- d. in the event it becomes necessary to allocate between two (or more) persons who have established an option position as seller, Legent shall have sole discretion to determine which seller actually shall receive notice of such allocation, and that I am bound by this “random selection” system of allocation.

Remedies. In the event I fail to satisfy any cash or collateral call, Legent may, in its discretion and without notice to Me, take any steps necessary to protect Legent’s position, including and without limitation, (i) buying and/or selling short, or short exempt, for My account and at My risk, all or any portion of the shares or instruments represented by options endorsed by Legent for My account, and (ii) engaging in any other lawful transaction reasonable calculated to protect Legent’s position.

Uncovered Sale of Options. I specifically acknowledge that the sale of any call option without depositing the underlying securities may subject Me to a significant loss.

ACCOUNT REGISTRATION

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| <u>Annual Income</u> <input type="checkbox"/> Under \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$200,000 <input type="checkbox"/> Over \$200,001 (please specify) _____ | <u>Net Worth</u> (excluding residence) <input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,001 (please specify) _____ | <u>Liquid Net Worth</u> (excluding residence) <input type="checkbox"/> Under \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$200,000 <input type="checkbox"/> Over \$200,001 (please specify) _____ | <u>Tax Bracket</u> <input type="checkbox"/> 0% <input type="checkbox"/> 10% <input type="checkbox"/> 25% <input type="checkbox"/> 28% <input type="checkbox"/> 33% <input type="checkbox"/> 35% <input type="checkbox"/> N/A | <u>Primary Source of Income</u> <input type="checkbox"/> Investments <input type="checkbox"/> Compensation <input type="checkbox"/> Retirement Assets <input type="checkbox"/> Other (please specify) _____ |
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| <u>Investment Objective</u> <input type="checkbox"/> Current Income Preservation of capital with a primary consideration on current income <input type="checkbox"/> Balanced A balance between capital appreciation and current income with the primary consideration being current income <input type="checkbox"/> Growth & Income A balance between capital appreciation and current income with the primary consideration being capital appreciation <input type="checkbox"/> Growth Capital appreciation through quality equity investments and little or no income <input type="checkbox"/> Maximum Growth Maximum capital appreciation with higher risk and little to no income <input type="checkbox"/> Speculation Maximum total return involving a higher degree of risk through investment in a broad spectrum of securities | <u>Investment Experience</u> <input type="checkbox"/> Mutual Funds (yrs _____) <input type="checkbox"/> Variable Products (yrs _____) <input type="checkbox"/> Bonds (yrs _____) <input type="checkbox"/> Stocks (yrs _____) <input type="checkbox"/> Options (yrs _____) <input type="checkbox"/> Other (yrs _____) (please specify) _____ <input type="checkbox"/> None | <u>Risk Exposure</u> <input type="checkbox"/> Low <input type="checkbox"/> Moderate <input type="checkbox"/> Aggressive <input type="checkbox"/> Speculative | <u>Investment Knowledge</u> <input type="checkbox"/> Limited <input type="checkbox"/> Good <input type="checkbox"/> Excellent |
| | | <u>Time Horizon</u> <input type="checkbox"/> Short Term – Less than 1 yr. <input type="checkbox"/> Intermediate – 1 – 10 yr. <input type="checkbox"/> Long Term – More than 10 yrs. | |

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| <input type="checkbox"/> Risk Level 1 Covered Call Writing | Minimum Annual Income: No Requirements Minimum Option Experience: None | Minimum Net Worth : No Requirement Investment Objective : Current Income, Balanced |
| <input type="checkbox"/> Risk Level 2 Covered Call Writing Buying Puts & Calls | Minimum Annual Income: \$25,000 Minimum Option Experience: None | Minimum Net Worth: \$50,000 Investment Objective : Balanced, Growth & Income |
| <input type="checkbox"/> Risk Level 3 Covered Call Writing Buying Puts & Calls Combinations (Spreads, Straddles) | Minimum Annual Income: \$50,000 Minimum Option Experience: 2 years Minimum Account Equity: \$5,000 * Margin Agreement Required | Minimum Net Worth: \$100,000 Minimum Investment Experience: 3 years Investment Objective : Growth, Maximum Growth |
| <input type="checkbox"/> Risk Level 4 Covered Call Writing Buying Puts & Calls Combinations (Spreads, Straddles) Selling Uncovered Puts | Minimum Annual Income: \$100,000 Minimum Option Experience: 2 years Minimum Account Equity: \$25,000 * Margin Agreement Required | Minimum Net Worth: \$100,000 Minimum Investment Experience: 5 years Investment Objective : Maximum Growth, Speculation |
| <input type="checkbox"/> Risk Level 5 Covered Call Writing Buying Puts & Calls Combinations (Spreads, Straddles) Selling Uncovered Equity Puts & Calls | Minimum Annual Income: \$100,000 Minimum Option Experience: 5 years Minimum Account Equity: \$100,000 * Margin Agreement Required | Minimum Net Worth: \$250,000 Minimum Investment Experience: 5 years Investment Objective : Speculation |
| <input type="checkbox"/> Risk Level 6 Covered Call Writing Buying Puts & Calls Combinations (Spreads, Straddles) Selling Uncovered Equity/Index Puts & Calls | Minimum Annual Income: \$100,000 Minimum Option Experience: 5 years Minimum Account Equity: \$100,000 * Margin Agreement Required | Minimum Net Worth: \$250,000 Minimum Investment Experience: 5 years Investment Objective : Speculation |

I hereby request that my broker ("My Broker") and Legent Clearing LLC ("Legent") amend the account in the name(s) listed as account owner(s) on this OPTION application and to that purpose endorse this account as an OPTION ACCOUNT.

By signing below, I acknowledge that I have received, read, understand and agree to be bound by the terms & conditions as set forth in the MAIN Customer Agreement as currently in effect and as amended from time to time. I represent that I am of required legal age to enter into this Agreement. I understand and acknowledge that Legent or My Broker does not provide investment, tax, legal, accounting, financial, or other advice.

Please Note: Legent and/or My Broker will verify information provided on this form through a third-party provided in accordance with the USA Patriot Act.

I UNDERSTAND THAT THIS ACCOUNT IS GOVERNED BY A PRE-DISPUTE ARBITRATION AGREEMENT, WHICH IS SET FORTH IN SECTION 28 OF PAGE 3 OF THE MAIN CUSTOMER AGREEMENT. I ACKNOWLEDGE THAT I HAVE RECEIVED AND READ THE PRE-DISPUTE ARBITRATION AGREEMENT.

By signing below, I acknowledge that I have received, read, and understand the Option Account Agreement and acknowledge having received and read the booklet entitled "Characteristics and Risks of Standardized Options" issued by the Options Clearing Corporation ("OCC")

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| Account Name | | Account Number | |
| Account Holder Signature | Date | Joint Holder's Signature | Date |
| Broker Signature (Internal Use Only) | Date | CROP Signature (Internal Use Only) | Date |

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| Approved Risk Level (FOR OFFICE USE) | <input type="checkbox"/> Level 1 | <input type="checkbox"/> Level 2 | <input type="checkbox"/> Level 3 | <input type="checkbox"/> Level 4 | <input type="checkbox"/> Level 5 | <input type="checkbox"/> Level 6 |
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