

Option Agreement

The form is used to request approval to trade options in your brokerage account. Completion of this form does not guarantee approval or that the selected risk level will be granted. Option approval is granted by your introducing broker dealer based on their requirements.

ACCOUNT INFORMATION – REQUIRED

Account Title (Name of this account)		
Account Number	Broker Rep Code	

ACCOUNT INVESTMENT PROFILE

Annual Income \$	Net Worth \$	Liquid Net Worth \$	Risk Tolerance	Tax Bracket
<input type="radio"/> Under \$25,000 <input type="radio"/> \$25,001 - \$50,000 <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$200,000 <input type="radio"/> \$200,001 - \$500,000 <input type="radio"/> \$500,001 - \$1 million <input type="radio"/> Over \$1 million	(excluding residence) <input type="radio"/> Under \$50,000 <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$500,000 <input type="radio"/> \$500,001 - \$1 million <input type="radio"/> \$1,000,001 - \$3 million <input type="radio"/> Over \$3 million	<input type="radio"/> Under \$25,000 <input type="radio"/> \$25,001 - \$50,000 <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$200,000 <input type="radio"/> \$200,001 - \$500,000 <input type="radio"/> \$500,001 - \$1 million <input type="radio"/> \$1,000,001 - \$3 million <input type="radio"/> Over \$3 million	<input type="radio"/> Low <input type="radio"/> Moderate <input type="radio"/> Aggressive <input type="radio"/> Speculative	<input type="radio"/> 0% <input type="radio"/> 10% <input type="radio"/> 12% <input type="radio"/> 22% <input type="radio"/> 24% <input type="radio"/> 32% <input type="radio"/> 35% <input type="radio"/> 37%
Estimated Value of Investments	Liquidity Needs	Time Horizon	Annual Expenses	Special Expenses
<input type="radio"/> under \$10,000 <input type="radio"/> up to \$24,000 <input type="radio"/> up to \$50,000 <input type="radio"/> up to \$200,000 <input type="radio"/> under \$500,000 <input type="radio"/> over \$500,000	<input type="radio"/> less than 1 year <input type="radio"/> 1 – 5 years <input type="radio"/> 5 – 10 years <input type="radio"/> 10 – 15 years <input type="radio"/> Over 15 years <input type="radio"/> Not applicable	<input type="radio"/> Undefined <input type="radio"/> less than 1 year <input type="radio"/> 1 – 5 years <input type="radio"/> 5 – 10 years <input type="radio"/> 10 – 15 years <input type="radio"/> Over 15 years	<input type="radio"/> \$50,000 and under <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$250,000 <input type="radio"/> \$250,001 - \$500,000 <input type="radio"/> Over \$500,000 Investment Knowledge <input type="radio"/> Limited <input type="radio"/> Good <input type="radio"/> Excellent	<input type="radio"/> \$50,000 and under <input type="radio"/> \$50,001 - \$100,000 <input type="radio"/> \$100,001 - \$250,000 <input type="radio"/> \$250,001 - \$500,000 <input type="radio"/> Over \$500,000 Timeframe <input type="radio"/> Within 2 years <input type="radio"/> 3 – 5 years <input type="radio"/> 6 – 10 years
Investment Objective <input type="radio"/> Current Income (A) - Preservation of capital with a primary consideration on current income <input type="radio"/> Balanced (F) - A balance between capital appreciation and current income with the primary consideration being current income <input type="radio"/> Growth & Income (G) - A balance between capital appreciation and current income with the primary consideration being capital appreciation <input type="radio"/> Growth (H) - Capital appreciation through quality equity investment and little or no income <input type="radio"/> Maximum Growth (I) - Maximum capital appreciation with higher risk and little to no income. <input type="radio"/> Speculation (J) - Maximum total return potential, involving a higher degree of risk through investment in a broad spectrum of securities.				

Investment Experience

Mutual Funds/Exchange Traded Funds
 Individual Stocks
 Bonds
 Options
 Securities Futures
 Annuities
 Alternative (structured products, hedge funds, etc.)
 Margin

Years of Experience

☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5
☐ 0 ☐ 1 - 5 ☐ Over 5

Transactions per year

☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15
☐ 0 - 5 ☐ 6 - 15 ☐ Over 15

Select requested Risk Level – Note: Some levels may require margin approval or be restricted in certain account types. For more information concerning the description of the strategies corresponding to each Risk Level, please consult the booklet entitled “Characteristics and Risks of Standardized Options” issued by the Options Clearing Corporation (“OCC”).

- ☐ **Level 1:** Writing Covered Calls
- ☐ **Level 2:** Writing Covered Calls /Buying Puts & Calls
- ☐ **Level 3:** Writing Covered Calls /Buying Puts & Calls/Combinations (Spreads)
- ☐ **Level 4:** Writing Covered Calls /Buying Puts & Calls/Combinations (Spreads)/Writing Covered & Uncovered Equity Puts
- ☐ **Level 5:** Writing Covered & Uncovered Equity Calls /Buying Puts & Calls/Combinations (Spreads)/Writing Covered & Uncovered Equity Puts

Account Number:

SIGNATURES:

I hereby request that my broker ("My Broker") and Axos Clearing LLC ("Axos Clearing") 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 Axos Clearing does not provide investment, tax, legal, accounting, financial or other advice.

Please Note: Axos Clearing and/or My Broker will verify information provided on this form through a third-party provider 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 29 OF PAGE 3 OF THE MAIN CUSTOMER AGREEMENT. I ACKNOWLEDGE THAT I HAVE RECEIVED AND READ THE PRE-DISPUTE ARBITRATION AGREEMENT.

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

SIGNATURES – ALL ACCOUNT HOLDERS, ALONG WITH AN AUTHORIZED FIRM REPRESENTATIVE, MUST SIGN BELOW

Account Holder Signature ✕	Print Name	Date
Account Holder Signature ✕	Print Name	Date
Broker Signature ✕	Print Name	Date
Option Principal Signature ✕	Print Name	Date
FOR BROKER USE ONLY		
Approved Risk Level	<input type="radio"/> Risk Level 1	<input type="radio"/> Risk Level 2
	<input type="radio"/> Risk Level 3	<input type="radio"/> Risk Level 4
	<input type="radio"/> Risk Level 5	<input type="radio"/> Risk Level 6
Option Disclosure Document Sent Date (MM/DD/YYYY)		

UNDERSTANDING THE RISKS OF TRADING OPTIONS:

Options trading has a high degree of risk and is not appropriate for all investors. Please read the following documents and agreements carefully prior to opening an options trading account: Option Agreement; Customer Account Agreement; Characteristics and Risks of Standardized Options

This **OPTION AGREEMENT** is attached to and part of the Agreement ("Agreement") between your broker and the undersigned ("I", "My" & "Me"). In consideration of Axos Clearing's LLC ("Axos Clearing") acceptance of My account ("Account") under the Option Agreement, I agree to the following supplemental terms and provisions:

ACKNOWLEDGMENT. 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. 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."

PURCHASER OF OPTIONS: In the event that I purchase any option position, I agree:

1. 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;
2. 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. Central Time 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;

WRITER OF OPTIONS: In the event that I write any option position, I agree:

1. to pay a commission upon the opening of an option position and to pay a second commission upon the assignment or closing of that option position;
2. to deliver the securities subject to a call option written by me at such time Axos Clearing determines and, in the event that I do not deliver the underlying securities, I authorize Axos Clearing 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;
3. to make funds available to purchase securities subject to a put option written by me at such time Axos Clearing determines and, in the event that I do not make the funds available, I authorize Axos Clearing to act as My agent to make funds available in order that delivery to the exercising holder of My put option is effectuated;
4. in the event it becomes necessary to allocate between two (or more) persons who have written an option position, Axos Clearing shall have sole discretion to determine which writer actually shall receive notice of such assignment, and that I am bound by this "random selection" system of assignment.

SPECIAL STATEMENT FOR UNCOVERED OPTIONS WRITERS:

There are special risks associated with uncovered options writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all Public Customers approved for options transactions.

1. 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.
2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a 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.
3. Uncovered options 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.
4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an options writer would remain obligated until expiration or assignment.
6. The writer of an American-style option is subject to being assigned an exercise at any time after he 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: It is expected that you will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS available from your broker. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

Remedies. In the event I fail to satisfy any cash or collateral call, Axos Clearing may, in its discretion and without notice to Me, take any steps necessary to protect Axos Clearing'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 Axos Clearing for My account, and (ii) engaging in any other lawful transaction reasonably calculated to protect Axos Clearing's position.



Trading Direct, a div. of York Securities, Inc.

Account Number: _____
(if assigned)

Options Risk Supplement

In addition to the Option Agreement & Approval Form, this Options Risk Supplement form must also be completed and signed for all applicants looking to trade options.

Please note that if you plan to buy options (as an opening position), or sell uncovered options, the investment objective of "Trading Speculation" must be selected on the previous page (look in the Investment Profile section of the Option Agreement & Approval Form).

Please read, complete, and sign below:

By applying to enable options trading my (our) account, I (we) represent that:

I (We) are fully aware of the extremely speculative nature of trading in option contracts in our (my) account.

I (We) are in agreement with this type of trading and its corresponding risks and we (I) are prepared and able to accept the risks inherent thereof.

I (We) have determined that option trading is suitable for myself (us), taking into consideration my (our) financial situation and investing objectives.

I (We) agree to follow and abide by exchange rules.

I (We) agree to notify your firm of any material change in my (our) financial status.

My (Our) anticipated types of options trading are (check all that apply):

Covered Call Writing

Buying

Spreading

Uncovered Writing

_____	X	_____	_____
Primary Owner Name (print or type)		Primary Owner Signature	Date

_____	X	_____	_____
Joint Owner Name (print or type), if applicable		Joint Owner Signature, if applicable	Date