



OPTIONS CLIENT AGREEMENT

- Read this Options Client Agreement carefully and ensure that all information requested is complete and accurate.
- Be sure to sign the Agreement in the two areas indicated and return the form to your Introducing Broker.

CLIENT ACCOUNT INFORMATION

Account Title: _____

Street Address: _____

City: _____

State: _____ Zip: _____

Account Number: _____

Date Opened: _____

CLIENT EMPLOYMENT INFORMATION

____ Employed ____ Self-Employed ____ Retired

____ Unemployed ____ Homemaker ____ Student

Employer's Name: _____

Occupation: _____

CLIENT INVESTMENT PROFILE

			<input type="checkbox"/> FOR INDIVIDUAL AND JOINT ACCOUNTS	<input type="checkbox"/> FOR CORPORATIONS, PARTNERSHIPS, TRUSTS OR ESTATES		
Investment Experience			Approx. Annual Income	Approx. Net Worth	Approx. Annual Income	Approx. Net Worth
	No. of Years	Size and Frequency	Amount \$	Cash \$	Amount \$	Cash \$
Options			Other (specify source)	Marketable Securities \$	Other (specify source)	Marketable Securities \$
Stocks/Bonds			\$	Other Liquid Assets \$	\$	Other Liquid Assets \$
Commodities			Total Annual Income \$	Real Estate (exclusive of family residence) \$	Total Annual Income \$	Real Estate (exclusive of family residence) \$
Other (specify)				Other (specify) \$		Other (specify) \$
				Total Net Worth \$		Total Net Worth \$

CLIENT INVESTMENT OBJECTIVES (choose as many as apply)

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Preservation of Capital | <input type="checkbox"/> Hedging |
| <input type="checkbox"/> Income | <input type="checkbox"/> Speculative |
| <input type="checkbox"/> Growth & Income | |

PLEASE INDICATE TYPE OF OPTIONS TRADING DESIRED:

Levels 1 – 6 are cumulative (please mark all numbers up to and including your number choice)

- | | |
|--|---|
| <input type="checkbox"/> 1 – Covered writing | <input type="checkbox"/> 4 – Naked puts |
| <input type="checkbox"/> 2 – Buying | <input type="checkbox"/> 5 – Naked calls |
| <input type="checkbox"/> 3 – Spreading | <input type="checkbox"/> 6 – Combinations |

Levels A – G are mutually exclusive (choose only one)

- ☐ A – Buying only
- ☐ B – Covered writing only
- ☐ C – Buying and covered writing
- ☐ D – Buying, covered writing, and all naked options
- ☐ E – Buying, covered writing, and naked equity options only
- ☐ F – Buying, covered writing, all naked options, spreads and combinations
- ☐ G – Buying, covered writing, naked equity options, spreads, and combinations

NOTE: Buying options in retirement accounts is generally not considered suitable. Clients with significant net worth and experience will be approved on an exception basis only.

Uncovered writing in trust accounts is often not considered suitable. Clients with significant net worth and experience who either provide specific trust agreement language allowing for uncovered writing or a legal opinion evidencing that the trustees are authorized to engage in uncovered writing may be approved on an exception basis only.

For uncovered writing, please refer to the **Special Statement for Uncovered Writers and acknowledgement** below.

Registered Principal Approval:

Print Name	Title	Signature	Date
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CLIENT SIGNATURE

To Introducing Broker and Velox: In order to open or continue to maintain accounts for the undersigned ("Client") for transactions in option contracts, however designated, including, without limitation, purchase, sale, transfer, exercise, and endorsement ("Option Transaction"), the undersigned hereby warrants and represents that the above information is true and correct and agrees with you as set forth herein.

Special note for non-US accounts: With respect to the assets that are services by Introducing Broker and are custodied by Velox, I acknowledge that income and capital gains or distributions from this account may be taxable. I hereby acknowledge to the Introducing Broker and to Velox that I have taken my own tax advice in this regard.

I UNDERSTAND THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE, LOCATED BELOW.

Printed Name: _____

Signature: _____

Date: _____

CLIENT AGREEMENT

Meaning of terms in this Agreement: “Client” refers to the person(s) who signed this Options Client Agreement. “Introducing Broker” refers to the broker dealer that has introduced my (our) account to Velox and that provides me with certain broker dealer services. “Velox” refers to Velox Clearing LLC that provides clearing and custody services for the Introducing Broker.

The Client acknowledges receipt of the notice pursuant to Financial Industry Regulatory Authority (FINRA) Rule 4311(d), which explains the contractual relationship between Velox and the Introducing Broker. The Client understands that this notice also appears on each of the Client’s account statements. The Client understands that the Introducing Broker is not acting as the agent of Velox. The Client understands that Velox merely accepts from the Introducing Broker orders for the purchase and sale of securities and instructions relating to other property in the Client’s account and that Velox is not in a position, nor undertakes any responsibility, to give advice, make suitability determinations, supervise, or oversee the Introducing Broker’s handling of the responsibilities undertaken by the Introducing Broker pursuant to any agreement the Client may have with the Introducing Broker.

The Client understands and is well aware that options trading may be highly speculative in nature. The Client is also aware that on certain days, options trading may cease, and this could result in a financial loss to the Client. The Client agrees to hold Velox harmless for such loss.

The Client recognizes that by writing or selling an option contract (such as a call, put, or straddle) without depositing the underlying security, the Client’s risk of loss is potentially unlimited. The Client agrees to honor all assignments and to deliver the underlying security or the required funds in the prescribed time to Velox, and upon the Client’s failure to do so in the proper time, Velox is hereby authorized to act as agent for the Client and to buy in, or, sell out such securities at the current market price or otherwise act to properly margin or complete the Client’s obligation. The Client agrees to pay Velox a fee for such service and to reimburse Velox for any loss incurred in connection therewith, and Velox is authorized to debit the Client’s account for all such amounts.

The Client agrees that the Client is responsible for making all final decisions as to transactions effected in any account. The Client understands that each order (to buy or to sell) must be complete as to security, quantity, price, and duration of the order.

The Client is willing and able to assume the financial risks and hazards of options trading, and the Client agrees that the Client will in no way hold Velox responsible for such losses whether incurred through following the Introducing Broker’s trading recommendations or suggestions offered to the Client in good faith by the Introducing Broker or through the Client’s own decisions.

The Client understands that any options transaction made for any account of the Client is subject to the rules, regulations, customs, and usages of The Options Clearing Corporation (OCC) and of the registered national securities exchange, national securities association, clearing organization, or market where such transaction was executed. The Client agrees to abide by such rules, regulations, and usages and the Client agrees that, acting individually or in concert with others, the Client will not exceed any applicable position or exercise limits imposed by such exchange, association, clearing organization, or other market with respect to option trading.

If the Client does not satisfy, on a timely basis, Velox money or security calls, Velox is authorized in its sole discretion, and without notification, to take any and all steps deemed necessary to protect Velox (for any reason) in connection with options transactions for the Client's account, including the right to buy and/or sell (including short or short exempt) for the Client's account and risk any part or all of the shares represented by options handled, purchased, or sold for the Client's account or to buy for the Client's account and risk any option as Velox may deem necessary or appropriate. Any and all expenses or losses incurred in this connection will be reimbursed by the Client.

The Client bears full responsibility for taking action to exercise an option contract; provided, however, that with respect to certain expiring options, Velox is authorized to permit exercise by exception to take place automatically pursuant to the rules of the OCC as in effect from time to time unless the Client specifically advises you to the contrary in writing. This procedure affects options that are in the money by a predetermined amount as set forth in the rules of the OCC. Additional information regarding this procedure is available upon Client's written request.

In addition to the terms and conditions hereof, the Client's options account will be subject to all of the terms and conditions of all other agreements heretofore or hereafter at any time entered into with Velox relating to the purchase and sale of securities except to the extent that such other agreements are contrary to or inconsistent herewith.

This agreement shall apply to all puts or calls that Velox or the Introducing Broker may have executed, purchased, sold, or handled for any account of the Client and also shall apply to all puts or calls that Velox may hereafter purchase, sell, handle, or execute for any account of the Client. The Client agrees to advise the Introducing Broker of any changes in the Client's financial situation or investment objective insofar as the Client deems such changes material to the Client's options transactions.

The Client has received from the Introducing Broker the most recent Options Disclosure Document and Definitive Supplement. The Client has read and understands the information contained in these documents.

The Client understands that Velox assigns options exercise notices on a random basis. The Client understands that upon the Client's request, Velox will provide the Client with further information regarding the procedure used to assign exercise notices. The random selection method utilized by Velox is automated in so far as random accounts are manually entered into a system, which uses an algorithm to derive the allocation of the assignment. A report is then generated listing the accounts to be assigned and the number of contracts assigned per affected account. In the event that a manual assignment allocation must be performed due to a system failure, the manual allocation follows the same logic as the automated method.

ARBITRATION DISCLOSURES: THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

- 1. 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.**
- 2. ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**

3. THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS, AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
4. 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.
5. THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
6. 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.
7. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

ARBITRATION AGREEMENT: ANY CONTROVERSY BETWEEN YOU AND US SHALL BE SUBMITTED TO ARBITRATION BEFORE FINRA. NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PREDISPUTE 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. THE LAWS OF THE STATE OF CALIFORNIA GOVERN.

SPECIAL STATEMENT FOR UNCOVERED OPTION WRITERS

There are special risks associated with uncovered option writing, which expose the Client 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 option writing is unlimited.

The writer of an uncovered call is in an extremely risky position and must understand that he/she 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 puts 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. Uncovered options writing is thus suitable only for the knowledgeable Client who understands the risks, has the financial capacity and the 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 Introducing Broker, and or Velox, may request significant additional margin payments and may liquidate stock or option positions in the Client's account with little or no prior notice in accordance with the Client's margin agreement. For combination and/or straddle 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 become 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 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. The undersigned does hereby understand that this special statement for uncovered option writers is not intended to enumerate all the risks entailed in writing uncovered options.

NOTE: It is expected that the undersigned will read the booklet entitled “Characteristics and Risks of Standardized Options” available at www.velox-global.com. In particular, attention is directed to the chapter entitled “Principal Risks of Options Positions.”

CLIENT'S ACKNOWLEDGEMENT

Signature: _____

Date: _____