

## AGREEMENT FOR LIMITED MARGIN

ACCOUNT NAME	BRANCH-ACCOUNT NUMBER	REPRESENTATIVE ID
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This Agreement for Limited Margin (this “Agreement”) sets forth the terms and conditions under which your broker (“Introducing Broker”) engages Apex Clearing Corporation (“Apex”) to provide limited margin services to the undersigned customer (the “Customer”) in its limited purpose margin account (the “Account”) at Apex. If you are a direct customer of Apex, “Introducing Broker” may also be Apex, in which instance “Introducing Broker” and “Apex” shall be read as the same entity. This Agreement shall be in addition to, and read in conjunction with, the new account application and all other agreements (individually and collectively, the “Customer Agreement”) for the Customer’s specific type of account. In the event of any inconsistency between this Agreement and the Customer Agreement, this Agreement shall control.

### LIMITED MARGIN ACCOUNT FEATURES

1. The purpose of the Account is to allow you, the Customer, to purchase securities with the use of unsettled funds. Specifically, the Account allows the Customer to sell a security, and before the trade settles, use the unsettled funds to purchase other securities, up to the amount of the unsettled funds or other cash in the Account.
2. The Account does not have features of a typical margin account. Under no circumstances will Apex extend any credit or margin in the Account. Apex will not lend the Customer any funds in the Account.
3. Limited margin trading does not allow for borrowing of funds, creating a margin debit, withdrawal of unsettled funds, short selling, or selling naked options, which are typical features of a margin account.
4. The Customer is responsible for paying for all transactions in the Account, in full, on settlement date. If the Customer does not submit payment in full on settlement date, Apex reserves the right to refuse to settle the Customer’s transaction and may cease offering limited margin in the Account.
5. The Customer may not enter trades that can result in obligations in excess of the unsettled funds and other available funds in the Account.
6. Apex shall not be responsible for the dishonor of any transaction due to an insufficient balance in the Customer’s Account. To the extent that the Customer’s trade creates a short or debit position in the Account, the position will immediately be covered with other assets from the Account. As stated above, Apex reserves the right to refuse to settle the Customer’s transaction and may cease offering limited margin in the Account.
7. The Customer will only have access to settled funds (i.e., free credits including cash, dividends, and corporate actions) in the Account for withdrawal. Proceeds from a sell trade will not be available for withdrawal until the trade settles.

## CUSTOMER ACKNOWLEDGEMENTS

8. The Customer acknowledges and agrees that assets outside of the Account may not be used as collateral for an extension of credit or margin borrowing in the Account for purposes of, including but not limited to, creating a margin debit, short selling, or selling naked options. The Customer shall not have debit balances in the Customer's Account. The Customer authorizes Apex, where reasonably necessary in Apex's discretion, to liquidate or cover deficiencies in the Account or any other account the Customer maintains at Apex without notice to the Customer.
9. The Customer agrees that, in their sole discretion, Apex or Introducing Broker may require a limited minimum equity or asset value in the Customer's Account in order for the Account to be granted limited margin privileges. The Customer understands the Customer is solely responsible for ensuring that sufficient assets are maintained in the Account to cover all possible obligations, including limited minimum equity. Apex may refuse or disable limited margin or options privileges in any account at any time, in its sole discretion and without notice to the Customer or Introducing Broker. The Customer understands that available cash for purchases in the Account may be limited due to amounts needed to satisfy minimum equity requirements at Apex's and/or Introducing Broker's sole discretion. The Customer shall be subject to all obligations and restrictions in the Customer Agreement and nothing in this Agreement shall be construed as in any way reducing or restricting such obligations and restrictions.
10. It shall be the Customer's, and not Apex's or Introducing Broker's, responsibility to ensure transactions do not result in excess obligations in the Account. The Customer understands and agrees that if the Customer's transactions do result in excess obligations in the Account it may result in a taxable event and cause tax consequences to the Customer. The Customer holds harmless Apex and Introducing Broker from any tax consequences caused by excess obligations in the Account and agrees Apex and Introducing Broker shall not be responsible for any excess obligations in the Customer's Account. The Customer understands and agrees that if the Customer fails to hold sufficient assets in the Account to cover its obligations that it may result in a taxable transaction from the account and cause tax consequences to the Customer. The Customer holds harmless Apex and Introducing Broker from any such transactions caused by the Customer's failure to hold sufficient assets in the Account and agrees Apex and Introducing Broker shall not be responsible for the Customer's failure to hold sufficient assets in the account.
11. The Customer acknowledges and agrees that investing using limited margin in the Customer's Account entails extreme risk. Day trading can be very risky and is not appropriate for customers with limited resources, limited investing or trading experience, or a lower risk tolerance. The Customer acknowledges that its decision to utilize limited margin privileges are solely the Customer's decision and Apex has in no way solicited the Customer to use limited margin in any way. The Customer acknowledges and agrees Apex is in no way responsible for determining the suitability or appropriateness of limited margin or of any trades utilizing limited margin in the Account. The Customer acknowledges and agrees Apex is not a fiduciary and does not make recommendations of any securities, investments, investment or portfolio strategy, trades, or trade activity.
12. By establishing the Account, the Customer understands that the Customer is subject to FINRA's Pattern Day Trading Rules. Pattern Day Trading occurs when the Customer initiates four or more day trades within five business days, provided the number of day trades are more than six percent of the Customer's total

number of trades for that same five-day period. A day trade occurs when the Customer buys and sells, or sells and buys, the same security on the same day. Day Trading presents additional risks. The Customer further agrees that if the Account is designated as a pattern day trading account, the Customer will be required to maintain \$25,000 equity at all times in order to continue day trading.

13. The Customer represents that the Customer has had the opportunity to consult with a tax and legal advisor prior to opening the Account and prior to requesting or utilizing limited margin in the Account or any other account at Apex. The Customer acknowledges having been advised by Apex and having had the opportunity to undertake such consultation with tax and legal advisors. Apex shall have no responsibility regarding the suitability or propriety of the Customer opening an account or utilizing limited margin.
14. The Customer represents and warrants to Apex and Introducing Broker that (i) the Customer is solely responsible for any and all orders placed in the Account, and for determining the suitability of any particular transaction, security, or investment strategy, (ii) Apex has not provided any sort of investment advice or recommendations pertaining to the account or use of limited margin; (iii) that the Customer has determined limited margin is suitable for the Customer and for the account; and (iv) that the Customer will not conduct any transaction that would create a debit balance or result in an extension of credit to the Customer by Apex.
15. The Customer represents and warrants that it is solely the Customer's responsibility to review trade confirmations and Account statements promptly upon receipt. It is the Customer's responsibility to promptly notify Apex of any error on any confirmation or statement for the Account. Apex will not be liable for any losses arising in connection with the Customer's delay in reporting an error, including but not limited to, losses resulting from market fluctuations.
16. The Customer will remain responsible for all charges, debit items, or other transactions initiated or authorized by the Customer, whether arising before or after termination. The Customer understands that Apex may at any time, and in its sole discretion, cease to make limited margin available in the Customer's Account and may, upon 30 days' written notice, amend the terms of this Agreement.
17. The Customer acknowledges and agrees it understands and agrees to be bound by the terms of this Agreement and of the Customer Agreement.

## **INDEMNIFICATION**

18. By consenting to this Agreement and using limited margin trading in the Account, the Customer hereby agrees to indemnify and hold Apex, its affiliates, and their respective officers, directors, employees and agents, and their respective successors and assigns, harmless from and against any and all losses, liabilities, tax consequences, demands, claims and expenses, attorney's fees, damages (including consequential, incidental, special or exemplary) arising out of any actions by Apex, the Customer, or the Customer's agents in connection herewith, which are not caused by Apex's gross negligence or willful misconduct. Apex reserves the right to use the provisions described in this section at any time, except when they would conflict with the IRC, as amended. This provision shall survive the termination of this Agreement and shall be binding upon, and inure to the benefit of, each party's respective successors, assigns, heirs and personal representatives.

## **APPLICABLE RULES AND REGULATIONS**

19. If any provision hereof is or at any time should become inconsistent with any present or future law, rule or regulation of any securities exchange, or of any sovereign government or a regulatory body thereof and if any of these bodies has jurisdiction over the subject matter of this Agreement, the said provision shall be deemed to be superseded or modified to conform to such law, rule or regulation, but in all other respects this Agreement shall continue and retain in full force and effect.

## **CHOICE OF MARKETPLACE**

20. The Customer understands and acknowledges that when securities may be traded in more than one marketplace, in the absence of any specific instructions, Apex may, subject to applicable regulatory requirements, use its discretion in selecting the market in which to enter the Customer's orders.

## **ACCOUNT SECURITY**

21. The Customer is solely responsible for keeping the Account login information and password confidential and for monitoring and safeguarding the Account and access to the Account. The Customer acknowledges that Apex does not know whether a user that has accessed the Account is the Customer.

The Customer incurs risk by permitting a third party to access the Account or act on the Customer's behalf. Apex is not liable for any losses or damages caused by any third party that the Customer authorizes or allows to access the Account.

The Customer agrees to notify Apex as soon as practicable when the Customer becomes aware of (i) any loss, theft, or unauthorized use of the Account; (ii) any failure by the Customer to receive any communication from Apex indicating that an order was received, executed or cancelled, as applicable; (iii) any failure by the Customer to receive an accurate written confirmation of an order, execution, or cancellation; (iv) any receipt by the Customer of confirmation of an order, execution or cancellation that the Customer did not place; (v) any inaccurate information in or relating to orders, account status, account balances, deposits, withdrawals, securities positions or transaction history; or (vi) any other unauthorized use or access of the Account. Upon request, the Customer will report any such activity promptly to legal authorities and will cooperate fully with the legal authorities and Apex in any investigation of the matter.

## **MISCELLANEOUS**

22. If any provision of this Agreement is held to be invalid or unenforceable, it shall not affect any other provision of this Agreement. The headings of each section of this Agreement are descriptive only and do not modify or qualify any provision of this Agreement. This Agreement shall inure to the benefit of Apex's successors and assigns, and shall be binding on the Customer, its heirs, executors, administrators and assigns and this Agreement and its enforcement shall be governed by the laws of the state of Texas and

shall cover individually and collectively all accounts which the Customer has previously opened, now has open or may open or reopen with Apex and any and all previous, current and future transactions in such accounts. Apex may transfer the accounts of the Customer to its successors and assigns. Failure to insist on strict compliance with this Agreement is not considered a waiver of Apex's rights under this Agreement.

By consenting to this Agreement and using limited margin trading in the Account, the Customer hereby acknowledges that the Customer has read, understood, and agree to be bound by the terms and conditions in this Agreement.

<b>SIGNATURE &amp; ACKNOWLEDGEMENT</b>
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Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed/Printed Name: \_\_\_\_\_

<b>INTRODUCING BROKER APPROVAL</b>	
REGISTERED REPRESENTATIVE SIGNATURE	DATE
TYPED/PRINTED NAME	TITLE