

# Options Application and Agreement

## 期權交易申請及合約

**Firstrade Account Number 第一證券帳戶號碼**

(若您還沒有第一證券帳戶請留空)

<input type="text"/>											
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<b>Applicant Information 申請人資料</b>	
Name 姓名 (個人帳戶請輸入名字, 姓氏。公司或機構帳戶請輸入名稱)	Co-Applicant's Name 共同申請人姓名 (共同持有帳戶使用)
Employment Status 就業現況 <input type="checkbox"/> Employed 在職 <input type="checkbox"/> Self-Emp 自營業 <input type="checkbox"/> Retired 退休 <input type="checkbox"/> Student 學生 <input type="checkbox"/> Homemaker 家管 <input type="checkbox"/> Not-Employed 無業	Employment Status 就業現況 <input type="checkbox"/> Employed 在職 <input type="checkbox"/> Self-Emp 自營業 <input type="checkbox"/> Retired 退休 <input type="checkbox"/> Student 學生 <input type="checkbox"/> Homemaker 家管 <input type="checkbox"/> Not-Employed 無業

<b>Options Investment Objectives 期權投資目標</b> (可複選。若您申請第 2, 3 或 4 級交易權限, 必須勾選 “投機買賣”)			
<input type="checkbox"/> Speculation 投機買賣	<input type="checkbox"/> Growth 增值	<input type="checkbox"/> Income 收入	<input type="checkbox"/> Capital Preservation 資本保值

<b>Investment Experience 投資經驗</b>			
<input type="checkbox"/> None 無	<input type="checkbox"/> Limited 有限 (1-2 年)	<input type="checkbox"/> Good 良好 (3-5年)	<input type="checkbox"/> Extensive 豐富 (超過5年)

<b>Risk Tolerance 風險承受度</b>		
<input type="checkbox"/> Low 低	<input type="checkbox"/> Medium 中等	<input type="checkbox"/> High 高

<b>Investment Time Horizon 預期達到投資目標時間</b>		
<input type="checkbox"/> Short 短期 (3年以內)	<input type="checkbox"/> Average 中期 (4-7年)	<input type="checkbox"/> Long 長期 (8年或更久)

<b>Type of Trading Requested 申請交易權限</b>			
<input type="checkbox"/> <b>Level 1 第一級</b> <ul style="list-style-type: none"> <li>• Write Covered Calls</li> <li>• Write Cash-Secured Equity Puts</li> </ul>	<input type="checkbox"/> <b>Level 2 第二級</b> <ul style="list-style-type: none"> <li>• Write Covered Calls</li> <li>• Write Cash-Secured Equity Puts</li> <li>• Purchase Calls &amp; Puts</li> </ul>	<input type="checkbox"/> <b>Level Three 第三級 (需融資帳戶)</b> (帳戶最低資產要求\$2,000) <ul style="list-style-type: none"> <li>• Write Covered Calls</li> <li>• Purchase Calls &amp; Puts</li> <li>• Spreads &amp; Straddles</li> <li>• Butterfly and Condor</li> </ul>	<input type="checkbox"/> <b>Level Four 第四級 (需融資帳戶)</b> (帳戶最低資產要求\$10,000) <ul style="list-style-type: none"> <li>• Write Covered Calls</li> <li>• Purchase Calls &amp; Puts</li> <li>• Spreads &amp; Straddles</li> <li>• Write Uncovered Puts</li> <li>• Butterfly and Condor</li> </ul>

<b>Important Information 重要信息</b>
<ul style="list-style-type: none"> <li>• 請用英文完整填寫所有適用欄目, 並於下方簽名。不完整的表格會延遲處理。</li> <li>• 期權交易權限不會自動提供。申請表格資料會經過第一證券專員審核, 認定合適才會授權進行期權交易。</li> <li>• 表格請傳真至+1-718-961-3919。您亦可掃描後將檔案通過第一證券網站內的客戶服務 -&gt;表格中心 -&gt;上傳文檔功能發送或電郵寄至 <a href="mailto:account.service@firstrade.com">account.service@firstrade.com</a></li> <li>• 在買賣期權之前, 投資者必須已閱讀期權公開說明手冊 “標準期權的特性與風險”。該手冊解釋了關於期權交易的特性及風險。 <a href="https://www.theocc.com/about/publications/character-risks.jsp">https://www.theocc.com/about/publications/character-risks.jsp</a></li> </ul>

<b>Option Agreement 期權合約</b>			
<p>I hereby confirm that I have read the provisions of this option agreement and understand the contents thereof. I hereby expressly confirm all the information contained on this application, especially those concerning income, net worth and executing options transactions for my account. BY SIGNING THIS AGREEMENT, I ACKNOWLEDGE (1) THAT, IN ACCORDANCE WITH PARAGRAPH 23 of the Firstrade Account Agreement and Information Guide, I AM AGREEING IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE WITH YOU, AND (2) RECEIPT OF A COPY OF THIS AGREEMENT</p>			
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Applicant's Signature 主申請人簽名	Date 日期	Co-Applicant's Signature 共同申請人簽名	Date 日期

<b>Office Use Only 限第一證券使用</b>			
Type of Option Transaction Approved	Write Covered Calls <input type="checkbox"/>	Purchase Calls & Puts <input type="checkbox"/>	Spread & Straddle <input type="checkbox"/>
	Write Cash-Secured Equity Puts <input type="checkbox"/>		Write Uncovered Puts <input type="checkbox"/>
Approved by (Manager): _____	Date: _____		
Approved by (ROSFP): _____	Date: _____	Date OCC Disclosure Document Provided: _____	



## FIRSTRADE OPTIONS AGREEMENT

This option agreement sets forth the respective rights and obligations arising in connection with any transaction by you (FirstTrade Securities Inc. and Apex Clearing Corporation) 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 confirmation and monthly statements. I realize and understand that any form of option trading has a number of risks connected therewith. I understand that the risk associated with option trading is 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 within the applicable settlement timeframe, including the current T+1 (one business day after trade date) settlement cycle, 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 am aware of the high degree of risk involved in options transactions and have provided information to demonstrate that this account and the trading anticipated in connection therewith is not unsuitable for me in light of my investment objectives, financial situation and needs, experience and knowledge. I agree to advise you of any changes in my investment objectives, financial situation or other circumstances that may be deemed to materially affect the suitability of executing options transactions for my account.
3. I will read the disclosure document entitled the \*Characteristics and Risks of Standardized Options\* available through [www.firsttrade.com](http://www.firsttrade.com) or directly from The Options Clearing Corporation at <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>, and any supplement thereto. I agree you shall not be held liable for risks such as those disclosed therein, including risks in connection with the execution, handling, purchasing, selling, and exercising of options for my account.

4. Any decisions I make to enter into options transactions are entirely my own, and are made without any investment advice from you.
5. I agree to abide by all rules of the Options Clearing Corporation ("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 any options exchange, including but not limited to Cboe, NYSE American, Nasdaq, or MEMX. Under the exercise limit rules, unless otherwise determined and announced by the OCC, no investor or group of investors 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.
6. 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 your 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.
7. 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, including intraday margin add-on charges that may result in margin calls during the trading day on shorter notice than traditional end-of-day margin calls. 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 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 having 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 elimination of late exercise by the OCC means that all exercise decisions must be made within the standard cutoff times, with no opportunity for after-the-fact exercise submissions. As a result, assignment may occur with less advance notice than writers might otherwise expect.
- Short-dated and zero-days-to-expiration (ODTE) options pose heightened risk for uncovered writers due to increased sensitivity to changes in the underlying instrument's price (gamma risk). Uncovered writers of such options may experience sudden, large losses with very limited time to react or adjust positions.
- Under the current T+1 settlement cycle, when an uncovered writer is assigned, the writer must fulfill delivery or payment obligations within one business day after the trade date. Investors should ensure they maintain sufficient funds and borrowing capacity to meet settlement obligations promptly upon assignment.

NOTE: It is expected that you will read the booklet entitled [CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS](#) available at the Firstrade Form Center — Disclosures section, or directly from The Options Clearing Corporation at <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>. 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.

8. 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 4:00 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.
9. 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 as a writer of an option. 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, 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.

10. I am aware of Apex's requirements and time limitations for accepting an exercise notice and expiration date. I understand that I may not receive actual notice of exercise until the week following exercise. I bear full responsibility for taking action to exercise or sell valuable options; however, in the absence of my notifying you to exercise a valuable options contract by 4:00 p.m. Eastern Time on the last business day prior to the expiration date of the options contract, I agree that Apex may exercise the options contract on my behalf. In the event of such exercise, the profit in excess of commission costs created thereby will be credited to my account. If I do not instruct you to exercise the valuable option by the time stated above, I waive any and all claims for damage or loss arising out of the fact that the option was not exercised. I understand that Apex utilizes a random method of allocation for all option(s) assignments received from the Options Clearing Corporation. Exercise assignment notices for options contracts are allocated among all customers' short positions within that series. This is accomplished by a procedure which randomly selects from among all customer short positions, including positions established on the day of assignment, those contracts which are subject to exercise. All American-style short positions are liable for assignment at any time. I understand that a more detailed description of this procedure is available upon request.
11. I hereby authorize Firstrade in its discretion, should Firstrade deem it necessary for Firstrade's protection for any reason, including the account holder's death, to buy, sell, or sell short for the account any risk, puts, calls or other forms of option and/or to buy, sell or sell short any part or all of the underlying shares represented by options endorsed by Firstrade for my account. I will reimburse any and all expenses incurred by Firstrade in connection with such transactions. I understand that when transactions on my behalf are to be executed and the options are traded in more than one marketplace, Firstrade may use its discretion in selecting the market in which to enter the order. All monies, securities, or other property which Firstrade may hold in my account shall be held subject to a general lien for the discharge of my obligations to Firstrade under this agreement or otherwise.
12. 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), including intraday margin calls that may be issued during the trading day in response to changes in market conditions or applicable margin add-on charges. 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 by you in any account of mine with you shall be held by you as security for the performance by me of my obligation to you under this agreement.
13. 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.

14. 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.
15. 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.
16. 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.

#### **17. AGREEMENT TO ARBITRATE ALL CONTROVERSIES**

I agree, and by carrying an account of the undersigned you agree, that all controversies which may arise between us, including but not limited to those involving any transaction or the construction, performance, or breach of this or any other agreement between 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 ("FINRA"), and 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. I represent that I understand the terms of the arbitration clause, as follows:

- (a) 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.
- (b) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (c) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (d) 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.
- (e) The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- (f) 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.
- (g) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

18. Class-action matters are excluded from arbitration proceedings conducted by FINRA. Therefore, it is further agreed that the parties to this agreement shall not 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.
19. Unless I give specific instructions as to where to direct orders, I hereby authorize you or the introducing broker to select the exchange or market to which my orders are directed.
20. 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 you may place on my account. Additional Options FAQs are available through [www.firsttrade.com](http://www.firsttrade.com).
21. I will not hold you responsible for the availability, accuracy, timeliness, completeness, or security of trading securities through your platform. I therefore agree that you are not responsible for any losses I incur (meaning claims, damages, actions, demands, investment losses, or other losses, as well as any costs, charges, attorneys' fees, or other fees and expenses) in relation to this functionality. Furthermore, 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.
22. I understand that I may not write calls (sell options) on restricted stock which I own as an insider.
23. I agree that Firsttrade is authorized, in its discretion, should Firsttrade for any reason deem it necessary for its protection, to request and obtain a consumer credit report for Customer.
24. I understand that Firsttrade maintains policies and procedures governing options trading, risk control, and account management designed to protect both the customer and the firm. These policies include, but are not limited to:
- Options Liquidation Policy: On expiration day, option position(s) without sufficient account cash balance, buying power, or position(s) to support exercise or assignment may be subject to forced liquidation. Firsttrade takes into consideration the value of a position, the implied risk, and the customer's current balance, buying power, and account equity to determine if a position can continue to be held. In some cases, Firsttrade may determine that the risk of holding a position is too significant and will close the position on behalf of the customer.
  - Same-Day Expiring Options Trading: Restrictions apply to opening-position orders on same-day expiring options, including cutoff times after which such orders cannot be placed, edited, or will be automatically cancelled. Customers should familiarize themselves with these cutoff times to avoid unintended outcomes.
  - Exercise of Option Contracts: Customers who wish to exercise an option contract must submit exercise instructions in accordance with Firsttrade's and Apex's established

procedures and within the applicable cutoff times. If no exercise instructions are received, in-the-money options may be automatically exercised at expiration in accordance with OCC rules, subject to account sufficiency. Customers are responsible for monitoring their positions and submitting timely instructions.

- Do-Not-Exercise Requests: Customers who hold long option contracts and wish to prevent automatic exercise at expiration must submit a do-not-exercise request in accordance with Firstrade's established procedures and within the applicable cutoff times.
- Firm Risk Management Actions: Firstrade reserves the right, in its sole discretion and without prior notification to the customer, to take protective actions including but not limited to closing, liquidating, or restricting option positions when Firstrade determines that such action is necessary to manage risk, comply with regulatory requirements, or protect the firm. Such actions may be taken at any time, including but not limited to expiration day.

Detailed information regarding Firstrade's options trading policies and procedures, including specific cutoff times, exercise and do-not-exercise instructions, liquidation procedures, and same-day expiring options trading rules, is available at the Firstrade Help Center at <https://help.firstrade.info/en/collections/9344035-options-trading>. I acknowledge that it is my responsibility to review and understand these policies, and that such policies may be updated from time to time. Continued use of Firstrade's options trading platform constitutes my acceptance of the then-current policies and procedures.

25. In connection with any transaction in options which have been or may be purchased, sold, exercised or endorsed for my account with Firstrade which clears through Apex Clearing Corporation, I have read and agree to the terms and conditions listed on Apex's Option Agreement.

**IMPORTANT NOTICE:** Options trading involves significant risk and is not appropriate for all investors. Uncovered option writing exposes the investor to potentially unlimited loss. Before trading options, you are expected to read the booklet entitled [\*Characteristics and Risks of Standardized Options\*](#), which describes the risks associated with options trading. In particular, your attention is directed to the chapter entitled "Risks of Buying and Writing Options." This booklet is available at the Firstrade Form Center — Disclosures section, or directly from The Options Clearing Corporation at: <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>.



## Option Spread Risk Disclosure

### 期权价差交易风险声明

**Before using our spread order entry screen, options spread traders must understand the additional risks associated with this type of trading.**

While it is generally accepted that spread trading may reduce the risk of loss of trading of the outright purchase of a standardized option contract, an investor/trader MUST understand that the risk reduction can lead to other risks.

1. Early exercise and assignment can create risk and loss. Spreads are subject to early exercise or assignment that can remove the very protection that the investor/trader sought. This can lead to margin calls and greater losses than anticipated when the trade was entered. Under the current T+1 settlement cycle, the compressed settlement timeline means that investors/traders have a significantly shorter window to respond to assignment notices, meet margin obligations, and manage resulting positions. Additionally, the elimination of late exercise by The Options Clearing Corporation means that all exercise decisions must be made within the standard cutoff times, with no opportunity for after-the-fact exercise submissions.
2. Intraday margin requirements may amplify risk. In addition to standard margin requirements, spread positions may be subject to intraday margin add-on charges designed to address risks arising from intraday and overnight trading activity. These intraday margin assessments may result in margin calls during the trading day, potentially requiring investors/traders to deposit additional funds or liquidate positions on shorter notice than traditional end-of-day margin calls. Early assignment on one leg of a spread may trigger additional intraday margin obligations that exceed the originally anticipated risk of the position.
3. Execution of spread orders is "not held" and discretionary. Spreads are not standardized contracts as are exchange traded puts and calls. Spreads are the combination of standardized put and call contracts. There is NO spread market in securities that are subject to such benchmarks such as "time and sales" or "NBBO" (National Best Bid/Offer) and therefore the "market" cannot be "held" to a price.
4. Spreads are executed differently than "legged" orders. Spreads are used by strategists as examples of risk protection, profit enhancement and as a basis for results and return on investments. However, these strategies assume that the trade can actually be executed as a spread when market forces may and can make the actual execution impossible. Spreads are bona-fide trades and not "legged" or "paired" of individual separate trades. For example: options prices on cross-markets are misleading for the spread trader. An option may be offered

on one exchange and bid on another exchange that can lead the trader to believe that their spread trade should be filled, when, in fact, the bids and offers must be on the SAME exchange. All bona-fide spreads are routed and executed on "one" exchange.

5. Spreads are entered on a single exchange and are acted upon by a market maker. Spreads are executed at the discretion of a market maker and when cancelled or filled require that the market maker take manual action and require manual reporting at times. Delays for reporting of fills and cancels may create additional risks in fast or changing markets. Spreads entered through Firstrate's spread order entry screen are ALWAYS entered as spreads and as such are subject to the market risk and conditions as explained above.
6. Settlement risk under T+1. The standard settlement cycle for equity transactions is one business day after the trade date (T+1). In the context of spreads, this accelerated settlement timeline requires that investors/traders be prepared to meet delivery and payment obligations more quickly following exercise or assignment. Investors/traders should ensure they maintain sufficient funds or securities in their accounts to meet potential settlement obligations arising from spread positions within the T+1 timeframe.

**IMPORTANT NOTICE:** Options trading involves significant risk and is not appropriate for all investors. Options strategies, including spreads, can result in the loss of the entire amount invested and, in some cases, losses may exceed the initial investment. Before trading options, you are expected to read the booklet entitled [\*Characteristics and Risks of Standardized Options\*](#), which describes the risks associated with options trading, including the specific risks of spread transactions, early exercise, and assignment. This booklet is available at the Firstrate Form Center — Disclosures section, or directly from The Options Clearing Corporation at: <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>.

By using Firstrate's spread order entry screen, you acknowledge that you have received, read, and understand the risks described in this Option Spread Risk Disclosure and the [\*Characteristics and Risks of Standardized Options\*](#).

## 期权价差交易风险声明

在使用本公司价差交易下单介面之前，期权价差交易者必须了解此类交易所涉及的额外风险。

虽然一般认为价差交易可能降低直接买入标准化期权合约所面临的损失风险，但投资者/交易者必须了解，降低风险的同时可能引发其他风险。

1. 提前行权与被指派可能造成风险及损失。价差交易可能面临提前行权或被指派的情况，从而消除投资者/交易者原本寻求的保护。这可能导致追加保证金通知，以及超出建仓时预期的更大损失。在现行 T+1 结算周期下，缩短的结算时限意味着投资者/交易者在收到指派通知后，用于回应指派通知、履行保证金义务及管理持仓的时间将大幅缩短。此外，美国期权结算公司（The Options Clearing Corporation）已取消逾时行权机制，所有行权决定必须在标准截止时间内作出，不再允许事后补交行权指令。
2. 盘中保证金要求可能加剧风险。除标准保证金要求外，价差持仓可能须缴纳盘中保证金附加费用，以应对盘中及隔夜交易活动所产生的风险。此类盘中保证金评估可能导致交易日内的追加保证金通知，要求投资者/交易者在比传统日终追加保证金更短的时间内存入额外资金或平仓。价差交易中一方合约的提前被指派可能触发超出原始预期持仓风险的额外盘中保证金义务。
3. 价差交易委托为「非固定持有」且具有自由裁量性质。价差交易并非如交易所上市的认沽权及认购权般属于标准化合约，而是由标准化认沽权及认购权合约组合而成。证券市场中并不存在受「时间与成交纪录」（time and sales）或「全国最佳买卖报价」（NBBO, National Best Bid/Offer）等基准约束的价差市场，因此价差交易的「市场价格」无法被「固定」于某一价位。
4. 价差交易的执行方式不同于「分腿」委托。策略分析师常以价差交易作为风险保护、利润增强及投资回报分析的范例。然而，这些策略假设交易能够以价差方式实际执行，而市场力量可能使实际执行变得不可能。价差交易为真实完整的交易，而非将个别交易「分腿」或「配对」。例如：跨市场的期权价格对价差交易者而言可能产生误导。某一期权可能在某交易所所有卖出报价，而在另一交易所所有买入报价，这可能使交易者误以为其价差交易应被成交，但实际上买卖报价必须在同一交易所内。所有真实的价差交易均在「一个」交易所内路由及执行。

5. 价差交易在单一交易所输入并由做市商处理。价差交易由做市商自行裁量执行，取消或成交时可能需要做市商采取人工操作及人工回报。在快速变动的市场中，成交及取消的回报延迟可能产生额外风险。透过第一证券（Firsttrade）价差交易下单介面输入的委托\*\*始终\*\*以价差方式提交，因此受上述市场风险及条件所约束。
6. T+1 结算风险。股票交易的标准结算周期为交易日后一个营业日（T+1）。在价差交易的情境下，此加速结算时限要求投资者/交易者在行权或被指派后，须更快速地准备履行交割及付款义务。投资者/交易者应确保其帐户中保有足够的资金或证券，以在 T+1 时限内履行因价差持仓所产生的潜在结算义务。

重要通知：期权交易涉及重大风险，并非适合所有投资者。包括价差交易在内的期权策略可能导致全部投资金额的损失，在某些情况下，损失可能超过初始投资额。在进行期权交易之前，您应阅读名为《标准化期权的特性与风险》[Characteristics and Risks of Standardized Options](#) 的手册，其中说明了与期权交易相关的风险，包括价差交易、提前行权及被指派的特定风险。该手册可于第一证券表格中心——揭示书专区取得，或直接从美国期权结算公司网站取得：

<https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>

使用第一证券价差交易下单介面，即表示您确认已收到、阅读并理解本期期权价差交易风险声明及《标准化期权的特性与风险》[Characteristics and Risks of Standardized Options](#) 的手册中所述之风险。



## Risk Disclosure for Uncovered Option Writers

### 无担保期权卖方风险声明

There are special risks associated with uncovered option writing, which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all 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 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. Additionally, uncovered option positions may be subject to intraday margin add-on charges designed to address risks arising from intraday and overnight trading activity. These intraday margin assessments may result in margin calls during the trading day, potentially requiring investors to deposit additional funds or face liquidation of positions on shorter notice than traditional end-of-day margin calls.
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 option 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. The elimination of late

exercise by The Options Clearing Corporation means that all exercise decisions must be made within the standard cutoff times, with no opportunity for after-the-fact exercise submissions. As a result, assignment may occur with less advance notice than writers might otherwise expect.

7. Settlement risk under T+1. Under the current T+1 settlement cycle, the standard settlement period for equity transactions is one business day after the trade date. When an uncovered writer is assigned, the writer must fulfill delivery or payment obligations within this compressed timeframe. For uncovered call writers, this means delivering shares of the underlying instrument by the next business day; for uncovered put writers, this means accepting and paying for shares of the underlying instrument by the next business day. Investors should ensure they maintain sufficient funds and borrowing capacity to meet settlement obligations promptly upon assignment.
8. Short-dated and zero-days-to-expiration (ODTE) options pose heightened risk for uncovered writers. Options approaching expiration, and in particular ODTE options, are subject to rapid and significant price movements due to increased sensitivity to changes in the underlying instrument's price (gamma risk). Uncovered writers of such options may experience sudden, large losses with very limited time to react or adjust positions. The compressed timeframe of short-dated options also reduces the opportunity to manage risk through closing transactions or rolling positions.

**IMPORTANT NOTICE:** Options trading involves significant risk and is not appropriate for all investors. Uncovered option writing exposes the investor to potentially unlimited loss. Before trading options, you are expected to read the booklet entitled [Characteristics and Risks of Standardized Options](#), which describes the risks associated with options trading. In particular, your attention is directed to the chapter entitled "Risks of Buying and Writing Options." This booklet is available at the Firstrate Form Center — Disclosures section, or directly from The Options Clearing Corporation at: <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>.

This statement is not intended to enumerate all of the risks entailed in writing uncovered options. By using Firstrate's options trading platform for uncovered option writing, you acknowledge that you have received, read, and understand the risks described in this Risk Disclosure for Uncovered Option Writers and the [Characteristics and Risks of Standardized Options](#).

## 无担保期权卖方风险声明

Uncovered option writing 卖出无担保期权涉及特殊风险，可能使投资者面临重大损失。因此，此类策略可能不适合所有已获批准进行期权交易的客户。

1. 卖出无担保认购期权的潜在损失是无限的。无担保认购期权的卖方处于极高风险的境地，若标的工具的价值上涨超过行权价格，可能遭受巨大损失。
2. 与卖出无担保认购期权相同，卖出无担保认沽期权的风险同样重大。无担保认沽期权的卖方在标的工具的价值跌破行权价格时将面临损失风险。若标的工具的价值出现大幅下跌，此类损失可能相当严重。
3. 因此，卖出无担保期权仅适合具备相关知识、了解风险、具有承受潜在重大损失的财务能力及意愿，且拥有充足流动资产以满足适用保证金要求的投资者。在此方面，若标的工具的价值朝不利于无担保卖方期权持仓的方向变动，投资者的经纪商可能要求追加大额保证金。若投资者未能缴付该等保证金，经纪商可依据投资者的保证金协议，在几乎不予或完全不予事先通知的情况下，对投资者帐户中的股票或期权持仓进行平仓。此外，无担保期权持仓可能须缴纳盘中保证金附加费用，以应对盘中及隔夜交易活动所产生的风险。此类盘中保证金评估可能导致交易日内的追加保证金通知，要求投资者在比传统日终追加保证金更短的时间内存入额外资金，否则可能面临持仓被平仓。
4. 对于组合卖出策略，即投资者同时卖出同一标的工具的认沽期权及认购期权，潜在风险是无限的。
5. 若期权的二级市场变得无法使用，投资者将无法进行平仓交易，期权卖方将持续承担义务直至到期或被指派。
6. 美式期权的卖方在卖出期权后至期权到期前的任何时间均可能被指派行权。相比之下，欧式期权的卖方仅在行权期间内可能被指派行权。美国期权结算公司 ( The Options Clearing Corporation ) 已取消逾时行权机制，所有行权决定必须在标准截止时间内作出，不再允许事后补交行权指令。因此，被指派的发生可能比卖方预期的更为突然。

7. T+1 结算风险。在现行 T+1 结算周期下，股票交易的标准结算期限为交易日后一个营业日。当无担保卖方被指派时，卖方必须在此压缩的时限内履行交割或付款义务。对于无担保认购期权卖方，这意味着须在下一个营业日前交付标的工具的股份；对于无担保认沽期权卖方，这意味着须在下一个营业日前接收并支付标的工具的股份。投资者应确保保有充足的资金及借贷能力，以便在被指派时及时履行结算义务。
8. 短期及当日到期 (ODTE) 期权对无担保卖方构成更高风险。临近到期的期权，特别是当日到期 (ODTE) 期权，因对标的工具价格变动的敏感度增加 (Gamma 风险)，可能出现快速且剧烈的价格波动。卖出此类期权的无担保卖方可能在极短时间内遭受突发的巨额损失，且几乎没有时间作出反应或调整持仓。短期期权的压缩时限亦减少了透过平仓交易或转仓来管理风险的机会。

**重要通知：** 期权交易涉及重大风险，并非适合所有投资者。卖出无担保期权可能使投资者面临潜在的无限损失。在进行期权交易之前，您应阅读名为[《标准化期权的特性与风险》[Characteristics and Risks of Standardized Options](#)]的手册，其中说明了与期权交易相关的风险。请特别留意「买入及卖出期权的风险」("Risks of Buying and Writing Options") 章节。该手册可于第一证券表格中心——揭示书专区取得，或直接从美国期权结算公司网站取得：  
<https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>

本揭示书并非旨在列举卖出无担保期权所涉及的全部风险。使用第一证券期权交易平台进行无担保期权卖出，即表示您确认已收到、阅读并理解本《无担保期权卖方风险揭示书》及[《标准化期权的特性与风险》[Characteristics and Risks of Standardized Options](#)]中所述之风险。

## CUSTOMER OPTIONS AGREEMENT

In connection with any transactions in options which have been or may be purchased, sold, exercised or endorsed for the undersigned's account with an introducing broker(s) which clears through Apex Clearing Corporation, the undersigned agrees as follows:

- 1. Definitions.** "Introducing broker" means any brokerage firm which introduces security transactions on behalf of the undersigned, which transactions are cleared through Apex, whether one or more. "Obligations" means all indebtedness, debit balances, liabilities or other obligation of any kind of the undersigned to Apex, whether now existing or hereafter arising. "Options" means all types of options, including puts, calls, equity, debt, index or otherwise. "Securities and other property" shall include, but shall not be limited to money, securities, commodities or other property of every kind and nature and all contracts and options relating thereto, whether for present or future delivery. "Apex" refers to Apex Clearing Corporation.
- 2. Limits.** The undersigned shall not, acting alone or in concert with others, exceed the position/exercise limits set forth by any exchange or market or by any other regulatory authority having jurisdiction.
- 3. Authority, Execution of Orders, Security Interest.** The undersigned hereby authorizes Apex in its discretion, should Apex deem it necessary for Apex's protection for any reason, including death of the undersigned, to buy, sell, or sell short for the undersigned's account any risk, puts, calls or other forms of option and/or to buy, sell or sell short any part or all of the underlying shares represented by options endorsed by Apex for the undersigned's account. Any and all expenses incurred by Apex in connection with such transactions shall be reimbursed by the undersigned to Apex. The undersigned understands and acknowledges that when transactions on the undersigned's behalf are to be executed and the options are traded in more than one marketplace Apex may use its discretion in selecting the market in which to enter the undersigned's order unless the undersigned specifically instructs otherwise. All monies, securities, or other property which Apex may hold in any account of the undersigned shall be held subject to a general lien for the discharge of the undersigned's obligations to Apex under this Agreement or otherwise. The decision to enter into options transactions was made entirely by the undersigned without any investment advice from Apex or the introducing broker.
- 4. Notice, Exercise, Random Allocation.** The undersigned is aware of Apex's requirements and time limitations for accepting an exercise notice and expiration date. The undersigned understands that the undersigned may not receive actual notice of exercise until the week following exercise. The undersigned bears full responsibility for taking action to exercise or sell valuable options; however, in the absence of the undersigned notifying the introducing broker to exercise a valuable options contract by 3 P.M. Central Standard Time on the last business day prior to the expiration date of the options contract, and the introducing broker instructing Apex to sell valuable options on the undersigned's behalf within such time, the undersigned agrees that Apex may exercise the options contract on the undersigned's behalf. In the event of such exercise, the profit in excess of commission costs created thereby will be credited to the undersigned's account. In the event that the commissions to be charged for such an expiration transaction exceeds the proceeds to be realized, the undersigned agrees and hereby relinquishes the undersigned's ownership in said option to Apex, and Apex may exercise such option for its own account. If the undersigned does not instruct the introducing broker to exercise the valuable option by the time stated above, and Apex for whatever reason, does not exercise such option on the undersigned's behalf, the undersigned hereby waives any and all claims for damage or loss which the undersigned might at the time or any time thereafter have against Apex arising out of the fact that the option was not exercised. The undersigned is aware that Apex utilizes a random method of allocation for all option(s) assignments received from the Option Clearing Corporation. Exercise assignment notices for options contracts are allocated among all customers' short options, including positions established on the day of assignment, those contracts which are subject to exercise. All American short positions are liable for assignment at any time. The undersigned understands that a more detailed description of this procedure is available upon request by the undersigned.
- 5. Uncovered Options.** The undersigned agrees that in connection with any uncovered options(s) for the undersigned's account, uncovered options are prohibited in IRA accounts. The undersigned agrees not to sell, during the life of the options in the account, the underlying securities collateralizing such options, including any cash or securities which may accrue on the underlying covered securities until such options are closed, exercised or expired or the undersigned has met the collateral requirements established by Apex and or the introducing broker for carrying uncovered options. The undersigned also agrees that the introducing broker and or Apex, in its respective sole discretion, may refuse any order to sell such underlying securities received from the undersigned or by means of a "give up" basis through another firm unless, prior to such sale, the undersigned has met the collateral requirements established by Apex and/or the introducing broker for carrying uncovered options Apex has the right, in its sole discretion, to permit the undersigned to apply the proceeds of such sale to such collateral requirements.
- 6. Risks.** The undersigned is aware of the high degree of risk involved in options transactions and has given the introducing broker, in strict confidence, information to demonstrate that this account and the trading anticipated in connection therewith is not unsuitable for the undersigned in light of the undersigned's investment objectives, financial situation and needs, experience and

knowledge. The undersigned agrees to advise the introducing broker of any changes in the undersigned's investment objectives, financial situation or other circumstances that may be deemed to materially affect the suitability of executing options transactions for the undersigned's account.

- 7. Options Account Form, Disclosure Documents.** The undersigned has reviewed the contents of the options account form and represents that they are accurate. Although certain types of transactions are indicated as anticipated, Apex and the introducing broker may execute any other types of transactions for the undersigned's account upon the undersigned's instructions. The undersigned has received an Options Disclosure Document relating to options on the categories of underlying securities which the undersigned has been approved for trading.
- 8. Accounts Carried as Clearing Broker.** The undersigned understands that Apex is carrying the accounts of the undersigned as clearing broker by arrangement with the undersigned's introducing broker through whose courtesy the account of the undersigned has been introduced to Apex. Until receipt from the undersigned of written notice to the contrary, Apex may accept and rely upon the introducing broker for (a) orders for the purchase or sale in said account of securities and other property, and (b) any other instructions concerning the undersigned's accounts. The undersigned represents that the undersigned understands that Apex acts only to clear trades introduced by the undersigned's introducing broker and to effect other back office functions for the undersigned's introducing broker. The undersigned confirms to Apex that the undersigned is relying for any advice concerning the undersigned's accounts solely on the undersigned's introducing broker. The undersigned understands that all representatives, employees and other agents with whom the undersigned communicates concerning the undersigned's account are agents of the introducing broker, and not Apex's representatives, employees or other agents. The undersigned understands that Apex will not review the undersigned's accounts and will have no responsibility for trades made in the undersigned's accounts, including but not limited to for appropriateness or suitability Apex shall not be responsible or liable for any acts or omissions of the introducing broker or its representatives, employees or other agents. The execution of any such trades shall not be deemed to be an approval of such trades.
- 9. ARBITRATION AGREEMENT. THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:**
  - a. 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 FORM IN WHICH A CLAIM IS FILED;**
  - b. ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**
  - c. THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS;**
  - d. 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.**
  - e. THE PANEL OF ARBITRATORS MAY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**
  - f. 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.**
  - g. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.**

**THE FOLLOWING ARBITRATION AGREEMENT SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURES ABOVE. ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN THE CUSTOMER AND YOU, OR THE INTRODUCING BROKER, OR THE AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, OFFICERS OR CONTROL PERSONS OF YOU OR THE INTRODUCING BROKER, ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (a) ANY PROVISIONS OF OR THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENTS, (b) THE RELATIONSHIP OF THE PARTIES HERETO, OR (c) ANY CONTROVERSY ARISING OUT OF YOUR BUSINESS, THE INTRODUCING BROKER'S BUSINESS OR THE CUSTOMER'S ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). THE DECISION AND AWARD OF THE ARBITRATOR(S) SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND ANY JUDGMENT UPON ANY AWARD RENDERED MAY BE ENTERED IN A COURT HAVING JURISDICTION THEREOF, AND NEITHER PARTY SHALL OPPOSE SUCH ENTRY.**

**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.

- 10. Other Agreements.** The undersigned agrees to be bound by the terms of Apex's Retirement Custodial Account Agreement, Apex's Customer Account Agreement and/or Apex's Customer Margin and Short Account Agreement. The undersigned understands that copies of this agreement are available from Apex and, to the extent applicable, are incorporated by reference herein. The terms of this other agreement is in addition to the provisions of this Agreement and any other written agreements between Apex and the undersigned.
- 11. Data Not Guaranteed.** The undersigned expressly agrees that any data or online reports is provided to the undersigned without warranties of any kind, express or implied, including but not limited to, the implied warranties of merchantability, fitness of a particular purpose or non-infringement. The undersigned acknowledges that the information contained in any reports provided by Apex are obtained from sources believed to be reliable but is not guaranteed as to its accuracy or completeness. Such information could include technical or other inaccuracies, errors or omissions. In no event shall Apex or any of Apex's affiliates be liable to the undersigned or any third party for the accuracy, timeliness, or completeness of any information made available to the undersigned or for any decision made or taken by the undersigned in reliance upon such information. In no event shall Apex or Apex's affiliated entities be liable for any special incidental, indirect or consequential damages whatsoever, including, without limitation, those resulting from loss of use, data or profits, whether or not advised of the possibility of damages, and on any theory of liability, arising out of or in connection with the use of any reports provided by Apex or with the delay or inability to use such reports.
- 12. Credit Check.** Apex is authorized, in Apex's discretion, should Apex for any reason deem it necessary for Apex's protection to request and obtain a consumer credit report for the undersigned.
- 13. Miscellaneous.** The undersigned is aware of and agrees that this Agreement and all transactions in the undersigned's accounts shall be governed by the constitution, rules, regulations, customs, usages and bylaws of the Options Clearing Corporation and the Financial Industry Regulatory Authority, and all exchanges or other facilities upon which options are traded for the account of the undersigned. If any provisions of this Agreement are held to be unenforceable, it shall not affect any other provisions 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 and its enforcement shall be governed by the law of the state of Texas and shall cover individually and collectively all accounts which the undersigned has previously opened, now has open or may open or reopen with Apex, or any introducing broker, and any and all previous, current and future transactions in such accounts. Except as provided in this Agreement, no provision of this Agreement may be altered, modified or amended unless executed in writing by Apex's authorized representative. This Agreement and all provisions shall inure to the benefit of Apex and Apex's successors, whether by merger, consolidation or otherwise, Apex's assigns, the undersigned's introducing broker, and all other persons specified in Paragraph 9. Apex shall not be liable for losses caused directly or indirectly by any events beyond Apex's reasonable control, including without limitation, government restrictions, exchange or market rulings, and suspension of trading or unusually heavy trading in securities, a general change in economic, political or financial conditions, war or strikes. Apex may transfer the accounts of the undersigned to Apex's successors and assigns. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the undersigned.

## SUPPLEMENTAL PROVISIONS

- A. **Pledging.** The undersigned understands that under Section 408(e)(4) of the Internal Revenue Code of 1986, as amended, if the undersigned pledges any portion of the undersigned's IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in the undersigned's gross income for the taxable year in which the undersigned pledges the assets to the extent it represents earnings or be subject to excise taxes.
- B. **Prohibited Transactions.** The undersigned understands that the extension of credit through margin, short selling positions, and uncovered options are not permitted in IRA accounts. If the undersigned or the undersigned's beneficiary engage in a prohibited transaction with the undersigned's IRA, as described in Section 4975 of the Internal Revenue Code of 1986, as amended, the undersigned's IRA may lose its tax-deferred or tax-exempt status, and the undersigned must generally include the value of the earnings in the undersigned account in gross income for the taxable year the undersigned engages in the prohibited transactions.
- C. **ERISA.** The undersigned hereby represents, warrants, and covenants that the undersigned's IRA is not subject to the Employee Retirement Income Security Act of 1974, as amended, and the undersigned will not engage in any transaction in the undersigned's IRA that involves any extension of credit by Apex.
- D. **No Advice.** The undersigned has been provided with an opportunity to consult with the undersigned's tax adviser regarding the advisability of holding options or conducting options strategies in the undersigned's IRA account. The undersigned has not and will not rely on Apex for legal or tax advice in connection with engaging in options transactions in the undersigned's IRA. The undersigned will not hold Apex responsible for any adverse tax consequences or penalties that the undersigned or the undersigned's IRA may incur in connection with options transactions.
- E. **Obligations.** The undersigned understands that the undersigned is solely responsible for ensuring that sufficient assets are maintained in the undersigned's IRA to cover all potential obligations arising from the holding of options and conducting any options strategies, including any potential assignment and exercise. The undersigned acknowledges responsibility for not conducting options transactions that can result in liabilities or obligations in excess of the undersigned's IRA account balance. Apex shall not be responsible for the dishonor of any transaction due to an insufficient balance in the undersigned IRA. If an assignment creates a short position or debit balance, Apex is authorized to immediately cover deficit in the undersigned's IRA with other assets in the undersigned IRA account.
- F. **Indemnification.** By signing this Agreement, the undersigned hereby agrees to indemnify and hold Apex, Apex's affiliates, and their respective officers, directors, employees and agents, and their respective successors and assigns, harmless from and against any and all losses (including but not limited to consequential damages), liabilities, tax consequences (including excise taxes, penalties and interest), demands, claims and expenses, attorneys' fees, damages (including consequential, incidental, special or exemplary) arising out of any actions or omissions by Apex, or Apex's agents in connection herewith, which are not caused by Apex's gross negligence or willful misconduct. 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.
- G. **Option Levels.** Each qualifying customer account may choose not to be enrolled in any options level. However, if enrolled, an account can only be enrolled in one options level at a time. Each level grants access to specific strategies, along with all strategies from earlier levels. For example, a Level 3 account can also trade Level 1 and 2 strategies.
- Options levels range from 1 to 6 and are defined as the following:

<b>Level</b>	<b>Strategy</b>
1	Covered Calls
	Buy-writes
	Covered Call Roll-ups / Roll-downs
2	Married Puts
	Long Calls
	Long Puts
	Covered Puts
	Long Straddles
	Long Strangles
3	Equity Debit Spreads
	Equity Credit Spreads
	Equity Calendar / Diagonal Spreads
	Index Debit Spreads
	Index Credit Spreads
	Index Calendar / Diagonal Spreads
4	Naked (Short) Equity Puts
5	Naked (Short) Equity Calls
6	Naked (Short) Index Calls
	Naked (Short) Index Put

## **DISCLOSURE: CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS**

Please review the most current OCC (Options Clearing Corporation) and Apex Fintech Solutions disclosures relating to options trading:

OCC Options Disclosure Document

<https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>

Apex Fintech Solutions Disclosures

<https://apexfintechsolutions.com/legal/disclosures/>

## DISCLOSURE: SPECIAL STATEMENT FOR UNCOVERED OPTION WRITERS

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all 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 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 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 option 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 given to you at the time you opened your account. Additional copies are also available upon request 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.