



OPTIONS APPLICATION

Due to the risks associated with options, the Financial Industry Regulatory Authority (FINRA) requires the information requested below. This information will be used by Scottrade to assess your eligibility to open an options account and will be treated confidentially.

Scottrade Account Number (if application is for an existing account - otherwise leave blank):

Applicant			Co-Applicant		
For Corporations/Trusts/etc.- Indicate Entity Name			For Corporations/ Trusts/etc.- Indicate Authorized Person		
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.	First Middle Last		<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.	First Middle Last	
Date of Birth	Marital Status	# of Dependents	Date of Birth	Marital Status	# of Dependents
Annual Income (US\$)	Source: <input type="checkbox"/> Employment <input type="checkbox"/> Self-Employment <input type="checkbox"/> Investment <input type="checkbox"/> Retirement/Trust <input type="checkbox"/> Spousal/Parental Support		Annual Income (US\$)	Source: <input type="checkbox"/> Employment <input type="checkbox"/> Self-Employment <input type="checkbox"/> Investment <input type="checkbox"/> Retirement/Trust <input type="checkbox"/> Spousal/Parental Support	
Net Worth (US\$)	Liquid Assets (US\$)		Net Worth (US\$)	Liquid Assets (US\$)	
Years of Experience Stocks: Options:			Years of Experience Stocks: Options:		

Investment Objectives and Trading Strategies			
Request an approval level appropriate to your risk tolerance and investment objectives. Scottrade does not determine the appropriateness of the approval level you selected.			
Approval Level	Trading/Investment Objectives	Options Strategies	Available In
<input type="checkbox"/> Level I	Income	Covered Calls + Cash-Secured Puts	All Accounts
<input type="checkbox"/> Level II	Income & Growth	Level I + Long Purchases	All Accounts EXCEPT: Coverdell ESAs, Custodian, Guardianship, Conservatorship, Keogh and Qualified Retirement Plans
<input type="checkbox"/> Level IV	Growth & Speculation	Long Purchases + Covered Calls + Uncovered Put Writing	All Accounts EXCEPT: Cash Accounts, International Accounts, IRAs, Coverdell ESAs, Custodian, Guardianship, Conservatorship, Keogh and Qualified Retirement Plans, Testamentary Trusts (Margin Required)

Please read the Scottrade® Options Agreement on the following pages before signing this application. Once signed, return the Scottrade® Options Application to your local branch office and retain the Scottrade® Options Agreement for your records.

By signing this form, I acknowledge that a copy of a separate document, **Characteristics and Risks of Standardized Options**, has been made available to me via a physical copy or by accessing it online at Scottrade.com (Forms Center / Frequently Requested / Options Application / **Characteristics and Risks of Standardized Options**).

I further acknowledge that I have received, read and agree to abide by the terms of the Scottrade® Options Agreement, which contains a pre-dispute arbitration clause on pages 4 and 5, item 10.

When applying for uncovered options through Scottrade, I agree I have received and read the Special Statement for Uncovered Options Writers concerning the risks of this type of trading.

By signing below, I acknowledge that I have read and will adhere to the terms and conditions as stated in this Agreement. If my account is being opened on behalf of a corporation, partnership, investment club, retirement plan, trust, limited liability company or any other type of entity in which I have or have been granted control, authority, trusteeship, agency or fiduciary responsibility, I hereby represent and warrant that the entity is permitted to engage in options transactions and that I have been granted the authority on behalf of the entity to enter into this Agreement.

Date _____ X _____
Applicant's Signature

Date _____ X _____
Co-Applicant's Signature

Signature Verification via ☐ Application ☐ Signature Page ☐ ID

OCC Brochure delivered electronically

Associate Initials





OPTIONS AGREEMENT
Client Copy (Please Retain for Your Records)

THIS IS A CONTRACTUAL AGREEMENT - DO NOT SIGN THE OPTIONS APPLICATION UNTIL YOU HAVE READ THIS AGREEMENT CAREFULLY.

With respect to any transaction effected by or on behalf of SCOTTRADE, INC. and its family of companies ("Scottrade," "We," or "Us") on my behalf for the purchase and/or sale of any options contract (puts, calls, etc.), listed on any exchange or traded in any market, I agree and represent hereby as follows:

This Options Agreement ("Agreement") is entered into with respect to any options transaction effected by or on behalf of Scottrade, Inc. and its affiliates ("Scottrade," "we," or "us") and you ("you" or "your"). By entering into this Agreement, you are requesting that Scottrade establish and maintain an options account on your behalf and you agree that the following terms and conditions shall apply to your account.

1. Options Trading and its Risks

You understand that the purchasing or selling of options involves a high degree of risk and speculation. When purchasing options, there is the risk that the entire premium paid for the option can be lost if the option is not exercised or otherwise sold. When selling ("writing") options, including uncovered ("naked") options, the risk of loss can be much greater and can exceed the amount of premium you received. You also understand you may not be able to close a position in the event that a secondary market in the market in the option ceases to exist or the listing exchange restricts or suspends trading in the option. You acknowledge that you have received and reviewed a copy of the options disclosure brochure and supplements entitled "Characteristics and Risks of Standardized Options," which describes the risks associated with options trading in more detail and contains important information about this type of trading activity.

2. Buying and Selling Options

Whether acting alone or in agreement with others, you agree not to exceed the position limits set for your account by Scottrade, any exchange or market or any other regulatory authority having jurisdiction.

Unless you receive prior authorization from Scottrade, you may not place trades that are not permitted under the option level for which you are approved.

Scottrade may, in its sole discretion and without notice, restrict or prohibit option trading or certain types of option transactions or specific option transactions in your account.

In order to buy or sell an option, your account must have cleared funds equal to or greater than the premium of the options contracts.

3. Uncovered Options

You must receive approval by Scottrade to write an uncovered ("naked") option. You understand that certain Individual Retirement Accounts ("IRAs") are limited to long option purchases, cash secured puts and covered call writing are not eligible for uncovered options transactions (provided, however, that long option purchases may not be available for Custodian, Coverdell and certain types of retirement plan accounts and IRAs). You acknowledge and agree that the limitations described above are not intended to be exhaustive and that they may change from time to time.

You acknowledge that you have received and examined a copy of the Special Statement for Uncovered Option Writers, which describes the special risks associated with uncovered options writing.

4. Exercising Options

It is your sole responsibility to exercise, in a proper and timely manner, any right, privilege or obligation of any put, call or other option which Scottrade may purchase, handle, endorse or carry for your account.

If your account has a long option position on the last trading day prior to expiration that closes \$0.01 or more "in the money," Scottrade may (but is not required to) exercise the option for your account unless you contact Scottrade with explicit contrary instructions by 4 p.m. ET.

Scottrade reserves the right to require cash or securities in your account before exercising an option automatically or on your instruction, regardless of any historical patterns of action taken or not taken by Scottrade.

You agree not to, during the life of the options in your account, sell 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 expire. You also agree that Scottrade may refuse any order to sell such underlying securities received from you or by means of a "give up" basis through another firm unless, prior to such sale, you have met the collateral requirements established by Scottrade for carrying uncovered options. Scottrade has the right, in its sole discretion, to permit you to apply the proceeds of such sale to such collateral requirements.

You agree to immediately deliver any funds or securities required as the result of the exercise or assignment of options contracts in your account.

You are responsible for knowing the deliverables prior to engaging in an option transaction, as well as any changes in the deliverables while maintaining positions in your account.

5. Allocation of Exercise Notices

If you write an American-style option, the writer is subject to being assigned an exercise at any time after he/she has written the option until the option expires. Your entire position may be assigned or you may be assigned in successive days. In contrast, the writer of a European-style option is subject to assignment only at expiration.

You understand that Scottrade uses a random method for allocation of exercise assignment notices for option contracts. This allocation method randomly selects from among all your short option positions, including positions established on the day of assignment. You agree to be bound by such allocation method and also agree that, if an exercise notice is assigned to your account, the underlying security (or sufficient cash in the case of stock index options) will be delivered to Scottrade within the stated period of time in the case of a call, and sufficient cash to effect settlement of the assignment will be delivered to Scottrade in the case of a put.

6. Steps Scottrade May Take to Protect Itself

Scottrade, in its sole discretion and without notification to you, is authorized to take any and all steps necessary to protect Scottrade from loss or damage arising out of or relating to your account or any options transaction in your account.

If, without limitation, (1) Scottrade determines in its sole discretion that it is necessary for its protection for any reason; (2) you die; (3) you exceed any applicable position or exercise limit; (4) you fail to meet a margin call promptly; and/or (5) your account fails to meet Scottrade or New York Stock Exchange capital requirements, you authorize Scottrade to: (a) buy, sell or sell short any option or security in any of your accounts held at Scottrade; (b) close out any option position(s), (c) exercise any option(s); (d) block any option(s); (e) request additional margin deposits; (f) liquidate your account; and/or (g) enter offsetting transactions in your account.

Any proceeds in excess of commission costs created by these actions will be credited to your account. You are responsible for all orders, including any orders Scottrade executes to purchase or sell options in your account, even if the account does not contain sufficient cleared funds.

You agree that in connection with any uncovered options in your account, you will comply with the margin requirements Scottrade has established for carrying uncovered options. Please review the Scottrade® Margin Agreement for further information on both your and Scottrade's rights and obligations governing your margin account. If the value of the underlying

instrument moves against you as an uncovered options writer, we may request additional margin payments. If you do not make such margin payments in the time frame established by us, we may, in our sole discretion and without prior notice, liquidate stock or options positions in any one of your accounts or take other measures described in the Scottrade® Margin Agreement to satisfy the margin call. If any option position in your account becomes uncovered, we may, without prior notice to you, take immediate action to cover your position, and you shall be responsible for any resulting losses and you further agree to reimburse any and all expenses Scottrade incurs in connection with such transactions.

7. Accuracy of Your Information Provided to Scottrade

You have carefully reviewed and completed your Options Application and confirm to Scottrade the accuracy of all information contained therein, including those items concerning your income, liquid assets, net worth and options experience. If there is any change in your financial condition or other circumstances arise which may affect your ability to engage in options transactions, you will promptly provide written notice to Scottrade.

8. IRAs

You represent, warrant and covenant that any IRA which you maintain at Scottrade that holds options or conducts options strategies is not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, and that you will not engage in any transaction in such IRA that involves any extension of credit by Scottrade.

You understand that you are solely responsible for ensuring that sufficient assets are maintained in the IRA to cover all potential obligations arising from the holding of options and conducting any options strategies, including any potential assignment and exercise. You acknowledge responsibility for not conducting options transactions that can result in liabilities or obligations in excess of your IRA account balance. Scottrade shall not be responsible for the dishonor of any transaction due to an insufficient balance in the IRA. If an assignment creates a short position or debit balance, Scottrade is authorized to immediately cover any deficit in the IRA with other assets in the IRA account.

You understand that under Section 408(e)(4) of the Internal Revenue Code of 1986, as amended (the "IRC"), if you pledge any portion of the IRA as collateral for a loan, the amount pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings, or may be subject to excise taxes. You understand that the extension of credit through margin, short selling positions, and uncovered options is not permitted in IRAs. If you or your beneficiary engages in a prohibited transaction with the IRA, as

described in Section 4975 of the IRC, the IRA may lose its tax-deferred or tax-exempt status.

As a reminder, Scottrade does not offer tax or legal advice. Please consult with a qualified tax professional should you have any additional questions related to the advisability of holding options or conducting options strategies in any IRA or other account which you hold at Scottrade.

You have not and will not rely on Scottrade for legal or tax advice in connection with engaging in options transactions in any such IRA or other account.

You will not hold Scottrade responsible for any adverse tax consequences or penalties that you or such IRA or other account may incur in connection with options transactions.

9. Limits to Scottrade's Responsibilities

Generally

You agree to reimburse any and all expenses Scottrade incurs in connection with any transaction or other action Scottrade makes or takes pursuant to this Agreement. You further agree to waive and to release Scottrade and its directors, officers, employees and agents from any and all claims of damage or loss arising out of or relating to: (1) any such transactions made or taken by Scottrade pursuant to this Agreement; (2) the exercise or non-exercise of an option contract, whether by Scottrade or you; or (3) otherwise any execution, handling, selling, purchasing or endorsing of options for your account, whether by Scottrade or you.

Scottrade does not warrant or guarantee the dependability of the Internet nor your ability to access services during periods of peak Internet activity or market volatility.

No Additional Disclosures

Scottrade is not under any obligation to convey any information to you relating to the underlying securities or indexes covered by any option, or to any securities or indexes related thereto, and no information so conveyed shall be construed as creating an implied agreement or course of dealing requiring Scottrade to convey any further information to you.

You Are Responsible for Your Account Activity

You are solely responsible for reviewing and monitoring all activities in your account, including the expiration of option contracts. You understand that Scottrade is not required, and does not represent that it will monitor such activities for you.

If an investment advisor manages your account, you understand that Scottrade may rely on the advisor's investment experience in conjunction with your qualifying information when determining your eligibility and approval to trade options. Your options trading may be limited to closing transactions if you terminate your professional relationship with your investment advisor.

In such a case, you must re-apply for options approval

to maintain options trading privileges in your account.

No Advice

You understand that Scottrade will make no recommendations to you related to any investment or trading strategies in your account and you agree not to hold Scottrade responsible for the suitability of trades or any subsequent losses in your account. The execution of any trades by Scottrade will not be deemed to be an approval of such trades.

Force Majeure

You agree and acknowledge that Scottrade shall not be liable for losses caused directly or indirectly by any events beyond its reasonable control, including without limitation, government restrictions, exchange or market rulings, suspension of trading or unusually heavy trading in any security, war, strikes, or a general change in economic, political or financial conditions.

10. Arbitration

You acknowledge that you have received, read and agree to abide by the terms of Scottrade's Brokerage Account Agreement which contains a **pre-dispute arbitration clause**. **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 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; (e) the panel of arbitrators will typically 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; and (g) the rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Agreement.**

You agree to arbitrate any controversy between you and Scottrade (including any of Scottrade's officers, directors, employees, or agents) arising out of or relating in any way to our relationship, your account(s), any account that you may cause to be opened with us in the future, or any service provided by us, including but not limited to: (a)

transactions of any kind made on your behalf, through or with us; or (b) the performance, construction or breach of this Agreement or any other agreement between you and us. If you are not a resident of the United States at the time a controversy subject to arbitration arises, you agree that any arbitration hearing shall be held in St. Louis, Missouri, you consent to the personal jurisdiction of all courts located in the state of Missouri for purposes of enforcing this arbitration agreement and any arbitration award and you agree that any arbitration proceeding shall be conducted in the English language. If any party unsuccessfully resists confirmation or enforcement of an arbitration award rendered under this Agreement, then all costs, attorney's fees, and expenses incurred by the other party or parties in confirming or enforcing the award shall be fully assessed against and paid by the party resisting confirmation or enforcement of the award. 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 putative class until: (a) the class certification is denied; (b) the class is decertified; or (c) the client 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.

11. Miscellaneous

Other Scottrade® Agreements

The Scottrade® Brokerage Account Application and Agreement between Scottrade and you and any margin agreement you may have with Scottrade are incorporated into this Agreement by reference.

Governing Law

All transactions under this Agreement shall be subject to the rules, regulations, customs and practices of the exchange or market, and the Options Clearing Corporation, where such transactions are executed and/or cleared. All transactions are also subject to the rules and regulations of the Securities Exchange Commission, the Board of Governors to the Federal Reserve System, the Commodity Futures Trading Commission, the Financial Industry

Regulatory Authority and all other applicable federal agencies, state agencies and self-regulatory organizations. Notwithstanding the foregoing, this Agreement is governed by Missouri law.

Whenever any statute shall be enacted or regulation made under any statute by any exchange, market or the Options Clearing Corporation that shall be applicable to and affect in any manner or be inconsistent with any of the provisions of this Agreement, the provisions of this Agreement so affected shall be deemed modified or superseded by such statute or regulation.

Notices

Communications may be sent to you at your address of record, and all communications sent, whether by first-class postage-paid mail, overnight courier or otherwise, shall be deemed given to you personally, whether actually received or not. Communications sent to you by first-class postage-paid mail shall be deemed received three business days thereafter. Communications sent to you by overnight courier or similar method, shall be deemed received one business day thereafter.

Severability

If any provision of this Agreement is held to be unenforceable, it shall not affect any other provisions of this Agreement.

Assignment

You may not assign this Agreement without the express written consent of Scottrade. This Agreement will inure to the benefit of your successors and permitted assigns.

SPECIAL STATEMENT FOR UNCOVERED OPTIONS WRITERS

(CLIENT COPY - PLEASE RETAIN FOR YOUR RECORDS)

There are special risks associated with uncovered options writing that expose the investor to potentially significant loss. Therefore, this type of strategy is not suitable for everyone and persons considering this strategy should be aware of these conditions:

I. 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 rises above the exercise price of the option.

II. The risk of writing uncovered put options is substantial. The writer of an uncovered put position bears a risk of substantial loss if the value of the underlying instrument declines below the exercise price of the option. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

III. Therefore, uncovered options writing is 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.

IV. The potential risk for combination writing, where the investor writes both a put and a call on the same underlying instrument, is unlimited.

V. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and the options writer could remain obligated until expiration or assignment.

VI. The writer of an American-style option is subject to being assigned an exercise at any time after the option is written until expiration. By contrast, European-style options may be exercised only at expiration.

NOTE: It is expected that you will read the booklet entitled **CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS** available from your broker. In particular, your attention is directed to the chapter entitled "Risks of Buying and Writing Options." This statement is not intended to enumerate all the risks entailed in writing uncovered options.