



MARGIN APPLICATION

Scottrade Account Number	Scottrade Account Title
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Risks of Margin Trading and Margin Disclosure Statement

Scottrade is furnishing you this information to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account.

You understand that trading on margin (including effecting short sales) involves a high degree of risk and may result in a loss of funds greater than the amount you have deposited in your Account. Before trading stocks in a Margin Account, you should carefully review Section IV of the Scottrade® Brokerage Account Agreement and the margin information in Scottrade's Agreements and Disclosures Center at Scottrade.com. Please contact your Scottrade® branch office or independent investment advisor (if your Account is a SAS Account) with any questions or concerns you may have. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Scottrade. If you choose to borrow funds, it will be done in a Margin Account. The securities held in your Margin Account are Scottrade's collateral for the loan to you. If the securities in your Margin Account decline in value, so does the value of the collateral supporting your loan and, as a result, Scottrade can take action, such as issuing a margin call and/or selling securities or other assets in any of your Scottrade Brokerage Accounts, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include, but are not limited to:

- **You can lose more funds than you deposit in a Margin Account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to Scottrade to avoid the forced sale of those securities or other securities in any of your Scottrade® Brokerage Accounts.
- **Scottrade can force the sale of securities or other assets in your account(s).** If the equity in your Margin Account falls below the maintenance Margin Requirements or Scottrade's higher House Requirements, Scottrade can sell the securities or other assets in any of your Scottrade® Brokerage Accounts to cover the margin deficiency. You will be responsible for any shortfall in your Margin Account after the sale.
- **Scottrade can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts unless the firm has contacted them first. This is not the case. Although Scottrade usually attempts to notify customers of margin calls, it is not required to do so. Even if Scottrade has contacted a customer and provided a specific date by which the customer can meet a margin call, Scottrade can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities in your Margin Account are liquidated or sold to meet your margin call.** Because the securities are collateral for your margin loan, Scottrade has the right to decide which security to sell in order to protect its interests.
- **Scottrade may increase or decrease its House Requirements at any time and is not required to provide you with advance notice.** These changes in policy can take effect immediately and may result in the issuance of a margin call. Your failure to satisfy this call may cause a forced liquidation of your account.
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available under certain conditions, you do not have a right to the extension. Scottrade has the sole and absolute discretion to provide an extension.

BY SIGNING THIS APPLICATION I ACKNOWLEDGE THAT MY SECURITIES MAY BE LOANED TO SCOTTRADE OR OTHERS AND THAT I HAVE READ AND AGREE TO THE MARGIN DISCLOSURE STATEMENT AND MARGIN AGREEMENT.

X		X	
Applicant/Authorized Person's Signature	Date	Co-Applicant/Authorized Person's Signature	Date

Signature Verification via ☐ Application ☐ Signature Page ☐ ID



SF1011/11-15

Scottrade, Inc. - Member [FINRA](#) and [SIPC](#)

Associate Initials



MARGIN AGREEMENT

Customer Copy - Retain for your records

In consideration of Scottrade opening a Margin Account for you, you agree to the foregoing and following provisions.

A. Margin Loans

We may, in our sole and absolute discretion, make loans to you for the purpose of purchasing, carrying or trading in securities, options or other property ("Margin Loans"). Margin Loans will be made in a "Margin Account." You agree that you are solely responsible for determining whether margin is appropriate for you in light of your financial resources, objectives and other relevant circumstances. You understand and agree that Scottrade will not make this determination on your behalf. Subject to regulatory requirements, the minimum and maximum amount of any particular Margin Loan may be established by us at our discretion regardless of the amount of collateral delivered to us, and we may change such minimum and maximum amounts.

B. Requirements to Maintain Sufficient Margin

Your margin transactions are subject at all times to the initial margin and maintenance margin requirements ("Margin Requirements") established by us and FINRA, the Federal Reserve Board or the applicable exchange. You shall monitor your Margin Account to ensure that it contains sufficient equity at all times to meet the applicable Margin Requirements. We may modify such Margin Requirements for open and new positions at any time, in our sole and absolute discretion. The margin that we require ("House Requirements") may exceed the margin required by any exchange or association. We may reject any order if you do not have a sufficient account balance to meet Margin Requirements and may delay the processing of any order while determining the correct margin status of your Account. You shall maintain, without notice or demand from us, a sufficient account balance at all times in order to continuously meet the Margin Requirements.

The general formulas provided for calculating Margin Requirements are only illustrative and may not accurately reflect the actual requirements in effect at a particular time for your Margin Account. You acknowledge that we are not obligated to: (i) request additional securities or other property for margin purposes in the event the Account falls below minimum margin requirements; (ii) notify you of any such deficiency; or (iii) allow you time to deposit additional securities or other property. You agree to promptly satisfy all margin calls. With regard to initial margin, Regulation T of the Federal Reserve Board and FINRA Rule 4210 require that all margin accounts meet a \$2,000 minimum equity requirement (\$25,000 is required if you are a "Pattern Day Trader" per FINRA Rule 4210); margin accounts must also meet an initial 50 percent requirement of the amount purchased or sold short. With regard to maintenance requirements, we typically issue a "Margin Call" (a request for the immediate deposit of additional collateral) if the equity in your Margin Account drops below 30 percent of the market value (50 percent for non-U.S. residents who have an International Account). In some situations such as (but not limited to) concentrated positions, low-priced stocks or volatile stocks, we may require substantially greater collateral than normal initial or maintenance requirements. We reserve the right to calculate the foregoing on an intra-day basis.

C. Margin Calls

Margin calls may be issued in writing, via telephone, electronically, or by other means of communication. In some situations, such as during volatile market conditions, we may not immediately issue a margin call when your Account equity falls below 30 percent. You are responsible for acting immediately on any maintenance calls, buy-in or sell-out notices given orally or in writing. Your failure to promptly deposit additional money or securities in response to a margin call, regardless of the equity level in your Margin Account, may result in the liquidation of part or all of the securities in your Account. Although we will generally attempt to notify you of a margin call and give you an opportunity to deposit additional equity to secure your Margin Account, we reserve the right to institute immediate discretionary liquidation of any and all securities without prior notice and without giving you the opportunity to deposit additional equity. This sole and absolute discretion applies regardless of any historical pattern of delivering verbal/written notices, or of any current verbal/written representations by Scottrade that indicate a different dollar amount/liquidation time or suggest additional time based on due date. This sole and absolute discretion to liquidate immediately applies regardless of time zone differentials, language interpretations or delays in wiring funds, and includes the sole and absolute discretion to choose which position to liquidate and in what order. It is your responsibility to monitor and liquidate positions to minimize your losses before we are forced to liquidate on your behalf to protect our interest as a creditor. We reserve the right in our sole and absolute discretion to close out any positions for any account that represents a negative liquidation value.

D. Interest Charges on Debit Balances

You agree to pay interest on all debit balances in your Margin Account. Interest on your average daily net debit balance will be determined by us and may be changed at any time in our sole and absolute discretion. Interest rates are influenced by market conditions, loan demand, broker call rate and/or prime rate. Additional discounts may apply. Interest is accrued daily, posted or compounded monthly, and calculated on a 360-day year. The use of a 360-day year results in higher interest payments than if a 365-day year were used. We reserve the right to change the rate at any time and without advance notice. Free credit balances in your Margin Account will be used to reduce your margin debit balance before interest is calculated. You understand that the interest charge made to your Margin Account at the close of a charge period will be added to the opening balance for the next charge period unless paid. For the most current margin rates, go to Scottrade.com.

E. Short Sales

You agree to advise us prior to entering a sell order if it is a "Short Sale" (the sale of a security you do not own). You agree that all Short Sale transactions will be executed in a Margin Account. You understand that to facilitate a Short Sale, we must borrow the securities you sell short. We may charge you a fee in connection with your Short Sale as set forth in the then-current Commissions and Fees schedule. Short Sales can be subject to a buy-in from settlement date and thereafter. Scottrade does not guarantee a minimum time to short a position. If Scottrade is unable to borrow or re-borrow a security you have sold short, or for any other reason we deem prudent, we may cover your position (by buying the stock at the current market price) at our discretion and without notice to you; you agree to be liable to Scottrade for any resulting debit balance. Margin Accounts are marked to the market daily and any increase in value of a short position will result in that unrealized loss being added to your debit balance, with interest charged as described above. Similarly, a drop in value will decrease your debit balance.

If the lender should call in your borrowed securities for any reason, such as a tender offer, and you cannot cover in time to make delivery, we may hold you responsible for any resulting loss. You agree that if market conditions change, we are unable to borrow the securities, the lender recalls the securities, or the provisions covered by the closeout requirements of SEC Regulation SHO become applicable, we may attempt to re-borrow the securities, but you understand that we may need to cover the short position in your Margin Account on the open market at the then-current market price and market conditions. You understand that you will be responsible for any resulting loss, short rebate expense or associated costs incurred by us in connection with short transactions. The initial margin requirement is 50 percent of the Short Sale amount and the minimum maintenance level is 135 percent of the market value of the short position on securities priced at or above \$14.30 per share. On securities priced between \$5 and \$14.30, the maintenance requirement is \$5 per share plus the cost to buy back. Securities under \$5 may not be sold short. Short Sale proceeds help secure our loan to you and may not be withdrawn. You are liable for any dividends paid on securities you have sold short.

F. Loan of Securities; Pledge of Securities, Options and other Property

Loan of Securities. We are authorized to lend ourselves (as principal or otherwise) or others any securities held in your Margin Account and have no obligation to retain under our possession and control a like amount of such securities. In connection with such loans, we may receive and retain certain benefits (including interest on posted collateral) to which you shall not be entitled. Such loans may limit, in whole or in part, your ability to exercise voting rights of the securities lent.

Pledge of Securities, Options and other Property. All securities and other property now or hereafter held, carried or maintained by us in or for your Margin Account may, from time to time and without notice to you, be pledged, repledged, hypothecated or re-hypothecated by us, either separately or in common with other securities and other property. The values received may be greater than the amount you owe us. Any losses, gains or compensation resulting from these activities will not accrue to your Margin Account. We are required under SEC rule 15c3-3 to retain in our possession and control all fully paid-for securities. Securities used as collateral for margin loans are not fully paid for and therefore are not subject to the same obligation.