

OFFICE	ACCOUNT NUMBER	RR NUMBER	DATE RCVD

## ACCOUNT APPLICATION

**Mail to:** First Southwest Company, 325 North St. Paul Street, Suite 800, Dallas, TX 75201-3852.

For questions regarding this application or the application process, please call your Broker.

Please read our disclosure information before signing your account application.

### 1. SPECIFY SERVICES (ALL BROKERAGE ACCOUNT TYPES ARE ACCESSIBLE ONLINE)

<b>Account Type</b> <input type="checkbox"/> Cash Only <input type="checkbox"/> Cash/Margin	If no boxes are checked, your account will be opened as a cash only account. NOTE: Your request for a margin account is subject to review.	<b>Banking Services (Money Fund Accts Only)</b> <input type="checkbox"/> Check Writing <input type="checkbox"/> VISA Debit Card			
<b>How will you fund your account? (A 5-day credit hold may apply)</b> <input type="checkbox"/> Check (Payable to First Southwest Company) <input type="checkbox"/> Wire <input type="checkbox"/> Transfer (ACAT Form Required)		<b>Initial Deposit Amount</b> \$ _____			
<b>Registration (*Accounts denoted with an asterisk require additional documentation. Call for details. + Accounts denoted with a plus sign, please see the Customer Agreement, Page 11, Paragraph 30.)</b> <input type="checkbox"/> Individual <input type="checkbox"/> Joint Tenants with Rights of Survivorship (JTEN)+ <input type="checkbox"/> Investment Club* <input type="checkbox"/> Custodian <input type="checkbox"/> Trust* <input type="checkbox"/> LLC* <input type="checkbox"/> Corporate* <input type="checkbox"/> Partnership* <input type="checkbox"/> Community Property* <input type="checkbox"/> Joint Tenants in Common (TENCOM)+ <input type="checkbox"/> T.O.D.(Transfer on Death)* <input type="checkbox"/> Non-Profit* <input type="checkbox"/> Sole Proprietorship*    IRA*: <input type="checkbox"/> Rollover <input type="checkbox"/> SEP <input type="checkbox"/> Keogh <input type="checkbox"/> Other _____					
<b>Account Instructions:</b> <table style="width: 100%; font-size: small;"> <tr> <td style="width: 33%;">           Money    <input type="checkbox"/> Pay    <input type="checkbox"/> Hold  <input type="checkbox"/> Difference Check  <input type="checkbox"/> Credit Interest - 4         </td> <td style="width: 33%;">           Sweep Interest    <input type="checkbox"/> Prime - 046    <input type="checkbox"/> Government - 047    <input type="checkbox"/> Tax Free - 448  <input type="checkbox"/> Bank Insured Deposit Program -101         </td> <td style="width: 33%;">           Dividends    <input type="checkbox"/> Pay    <input type="checkbox"/> Hold  <input type="checkbox"/> Request Certificate*            (*Additional fees may apply)         </td> </tr> </table>			Money <input type="checkbox"/> Pay <input type="checkbox"/> Hold <input type="checkbox"/> Difference Check <input type="checkbox"/> Credit Interest - 4	Sweep Interest <input type="checkbox"/> Prime - 046 <input type="checkbox"/> Government - 047 <input type="checkbox"/> Tax Free - 448 <input type="checkbox"/> Bank Insured Deposit Program -101	Dividends <input type="checkbox"/> Pay <input type="checkbox"/> Hold <input type="checkbox"/> Request Certificate* (*Additional fees may apply)
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### 2. Tell US about you

**Account Holder** (If custodial account, enter minor's information and Social Security Number as primary account holder here, enter custodian information in Co-Account Holder section below.)

Name <input type="checkbox"/> Individual	Social Security Number (SSN) or Tax ID (TIN)	Birth Date
<input type="checkbox"/> Entity (Includes Name of Business, Partnership, Trust or Third Party Trustee Information)		
Mailing Address (If P.O.Box, must have physical legal address)		Physical Legal Address
City	State	Zip
Country		<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Citizen of _____
Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed		Number of Dependents
Are you known by any other name? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES", State Name _____		
Home Phone	Business Phone	E-Mail Address
		Driver License or Passport Number include jurisdiction of issuance
<input type="checkbox"/> Employed <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired <input type="checkbox"/> Student	Employer (If Self <input type="checkbox"/> , Type of Business)	How Long?    Occupation
Employer Address (If P.O. Box, must have physical address)		
Account Holder Bank Reference		My Federal Income Tax Bracket is
List any Brokerage Accounts held at other Securities Firms.		% _____
Is either Account Holder or any family member - A director, 10% shareholder or policymaking officer of a publicly traded company? <input type="checkbox"/> Yes <input type="checkbox"/> No    If "YES" to - Affiliated with any securities firm, bank, insurance company or trust company? <input type="checkbox"/> Yes <input type="checkbox"/> No    either, explain: _____		

Name <input type="checkbox"/> Individual		Social Security Number (SSN) or Tax ID (TIN)		Birth Date	
<input type="checkbox"/> Entity (Includes Name of Business, Partnership, Trust or Third Party Trustee Information)					
Mailing Address (If P.O. Box, must have physical legal address)			Physical Legal Address		
City	State	Zip	Country	<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Citizen of _____	
Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed		Number of Dependents	Are you known by any other name? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES," State Name _____		
Home Phone	Business Phone	E-Mail Address		Driver License or Passport Number include jurisdiction of issuance	
<input type="checkbox"/> Employed <input type="checkbox"/> Unemployed <input type="checkbox"/> Retired <input type="checkbox"/> Student		Employer (If Self <input type="checkbox"/> , Type of Business)		How Long?	Occupation
Employer Address (If P.O. Box, must have physical address)					
Account Holder Bank Reference					My Federal Income Tax Bracket is
List any Brokerage Accounts held at other Securities Firms.					% _____
Is either Account Holder or any family member - A director, 10% shareholder or policymaking officer of a publicly traded company? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES" to - Affiliated with any securities firm, bank, insurance company or trust company? <input type="checkbox"/> Yes <input type="checkbox"/> No either, explain: _____					

**3. ACCOUNT AGREEMENT (READ AND SIGN)**

By signing below, you confirm your intention to reinvest cash credit balances held by FSC in your name, and you further confirm that this cash credit balance is being maintained with FSC solely for the purpose of reinvestment. You understand that cash balances of up to \$100,000 are protected by Securities Investor Protection Corporation (SIPC), but SIPC coverage is not available for funds maintained solely for the purpose of earning interest.

Under penalty of perjury, you certify that: (1) the number shown on this form is your correct Social Security Number (SSN) or taxpayer identification number (TIN) or you are waiting for a number to be issued to you; and (2) you are not subject to backup withholding because: (A) you are exempt from backup withholding, or (B) you have not been notified by the Internal Revenue Service (IRS) that you are subject to backup withholding as a result of failure to report all interest or dividends, or (C) the IRS has notified you that you are no longer subject to backup withholding; and (3) you are a U.S. person (including a U.S. resident alien). Certification Instructions - You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item (2) above does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign this certification, but you must provide your correct SSN or TIN.

**DISCLOSURE OF NAME/ADDRESS ON SECURITIES YOU OWN**

Under Rule 14b-1(c) of the Securities Exchange Act of 1934, as amended, FSC is required to disclose to an issuer the name and address, and securities position of its customers, or customers for which FSC clears transactions, who are beneficial owners of that issuer's securities unless the customer objects. Please check the box below if you do not want your ownership disclosed.  I object to the disclosure of such information.

**Important Information About Procedures for Opening a New Account** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means when you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**BY SIGNING BELOW, YOU AGREE TO ALL TERMS OF THE CUSTOMER AGREEMENT INCLUDED WITH THIS ACCOUNT APPLICATION. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS ACCOUNT APPLICATION AND THE CUSTOMER AGREEMENT. YOU UNDERSTAND YOU CAN REVIEW A COPY OF THE ENTIRE CUSTOMER AGREEMENT AT ANY TIME BY ACCESSING WWW.FIRSTSWCLEARING.COM. YOU CERTIFY THAT YOU HAVE READ, UNDERSTAND AND AGREE WITH ALL PROVISIONS OF THE CUSTOMER AGREEMENT. THE CUSTOMER AGREEMENT BENEFITS FIRST SOUTHWEST COMPANY, INTRODUCING BROKERS FOR WHICH IT CLEARS TRANSACTIONS AND PERSONS RELATED TO EACH OF THE FOREGOING. WITHIN THE CUSTOMER AGREEMENT, PAGE 10, PARAGRAPH 27 CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE.**

<b>X</b> Signature of Account Holder		Date		<b>X</b> Signature of Co-Account Holder		Date	
<b>X</b> Print Name				<b>X</b> Print Name			
<b>FOR INTERNAL USE ONLY</b>							
Is the registered representative for this account registered in the customer state? <input type="checkbox"/> Yes <input type="checkbox"/> No							
RR Signature		RR Number	Date	Authorized Principal Signature			Date
<b>X</b> Print Name				<b>X</b> Print Name			

Please complete the following information as required by Rule 17a-3(a)(17) of the Securities Exchange Act of 1934, as amended. In compliance with the requirements of the Rule, the information provided will be sent to the customer.

Account Name \_\_\_\_\_

New Account       Update of Existing Account

Account Number \_\_\_\_\_

**FINANCIAL INFORMATION**

FSC and/or the Broker require the following financial information pursuant to regulatory directives and to assist FSC and/or the Broker in determining your investment needs. Your financial information is kept in the strictest confidence. For Joint Accounts please use combined amounts.

**Approximate Annual Income (Select One)**

\$0 - 24,999       \$25,000 - 49,999       \$50,000 - 100,000       \$100,000 + (List if over \$100,000, \$ \_\_\_\_\_)

**Liquid Net Worth (Cash, Stocks, etc. - Net Worth Less Residence) (Select One)**

\$0 - 29,999       \$30,000 - 49,999       \$50,000 - 99,999       \$100,000 - 500,000       \$500,000 + (List if over \$500,000), \$ \_\_\_\_\_)

**Years of Investment Experience (Select One)**

None       1 - 5 yrs       5 - 10 yrs       10 + yrs       Professional Trader

**Investment Experience (Indicate Years)**

Stocks \_\_\_\_\_ Bonds \_\_\_\_\_ Options \_\_\_\_\_ Margin \_\_\_\_\_

**You would characterize my investment style as (Select One):**       Conservative       Moderate       Aggressive       Day Trading

**Investment Objectives** (Rank the investment objectives for this account 1-5 in order of importance, 1 being highest priority)

- A. Speculation** \_\_\_\_\_ An investment objective of Speculation indicates you seek a significant increase in the principal value of your investments and are willing to accept a corresponding greater degree of risk by investing in securities that have historically demonstrated a high degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include lower quality, long-term fixed income products, initial public offerings, volatile or low priced common stocks, the purchase or sale of put or call options, spreads, straddles and/or combinations on equities or indexes, and the use of short term or day trading strategies.
- B. Growth/ Capital Appreciation** \_\_\_\_\_ An investment objective of Growth indicates you seek to grow the principal value of your investments over time and are willing to invest in securities that have historically demonstrated a moderate to above average degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include common stocks, lower quality, medium-term fixed income products, equity mutual funds and index funds.
- C. Aggressive Income** \_\_\_\_\_ An investment objective of Aggressive Income indicates you seek to generate a greater amount of income from your Income investments and are willing to invest in securities that have historically demonstrated a moderate degree of risk of loss of principal value. Some examples of typical investments might include lower quality, short and medium-term fixed income products, high quality, long-term fixed income products and aggressive bond funds. This strategy may include the sale of call options which would require the execution of an option agreement.
- D. Income** \_\_\_\_\_ An investment objective of Income indicates you seek to generate income from investments and are interested in investments that have historically demonstrated a low degree of risk of loss of principal value. Some examples of typical investments might include high quality, short and medium-term fixed income products, short-term bond funds and covered call options.
- E. Preservation of Capital** \_\_\_\_\_ An investment objective of Preservation of Capital indicates you seek to maintain the principal value of your investments of Capital and are interested in investments that have historically demonstrated a very low degree of risk of loss of principal value. Some examples of typical investments might include money market funds and high quality, short-term fixed income products.

**FOR INTERNAL USE ONLY**

Is the registered representative for this account registered in the customer state?       Yes       No

<b>RR Signature</b>	<b>RR Number</b>	<b>Date</b>	<b>Authorized Principal Signature</b>	<b>Date</b>
<b>X</b> Print Name			<b>X</b> Print Name	

## For FirstSouthwest and/or Broker/Dealers for which it clears transactions

### Introduction

This Customer Agreement contains the terms and conditions that govern your “Account” with First Southwest Company (“FSC”). FSC serves your account either as your personal broker or as clearing agent by contractual arrangement with your personal broker who utilizes the services and facilities of FSC to perform certain execution and clearing functions (referred to herein as “Introducing Broker”). As used herein, “Broker” refers to the personal broker with whom you deal and the brokerage firm (either FSC or Introducing Broker) with whom he or she is associated; and “you” or “your” refer to each person who signs an Account Application (as defined below) with FSC, or any designee of the person who signs the Account Application. **Unless your Broker is an employee of FSC, then neither your Broker nor the brokerage firm (Introducing Broker) with which he or she is associated may contractually bind FSC or make any representations to you on behalf of FSC.**

You should discuss all your investment goals and objectives with your Broker in order for him/her to have a clear understanding of your financial goals. **SHOULD YOU HAVE ANY QUESTIONS CONCERNING ANY ASPECT OF THE INFORMATION CONTAINED HEREIN, YOUR ACCOUNT OR SECURITIES IN GENERAL, CONTACT YOUR BROKER IMMEDIATELY.**

FSC relies on your Broker and his/her agents for instructions concerning your Account. Except in cases where your Broker is employed by FSC, FSC clears only those trades introduced by your Broker and acts only to effect the administrative and clearing functions for your Broker. FSC does not give advice or recommendations concerning customer Accounts to the customers of Introducing Brokers. Therefore, you must consult your Introducing Broker for advice and recommendations concerning your Account.

**\*\* PLEASE NOTE \*\* If you are a customer of an Introducing Broker, please be advised that (i) FSC will not review or analyze your Account for the purpose of providing advice to you and FSC will not provide any advice regarding your Account, (ii) FSC assumes no responsibility for trades made in your Account, and (iii) FSC has no responsibility or liability for any actions or omissions of your Introducing Broker or its representatives, employees or other agents.**

In consideration for FSC opening and maintaining one or more Accounts, you agree to be bound by the terms and conditions of this Customer Agreement, as same may be amended from time to time, as follows:

1. **Opening an Account.** To open an Account, you must complete an application (“Account Application”) with your Broker. If you do not indicate on your Account Application the type of Account you wish to open, FSC will treat your application as an application to open a “Cash Account.” To open an Account, you must furnish your Broker with certain information, including your name, address, social security number or tax identification number, telephone number, citizenship, date of birth, employer, occupation, bank or other brokerage reference, investment experience, and a general overview of your financial situation (investment objectives, income and net worth).

Your Broker has responsibility for:

- opening, approving and monitoring your Account;
- obtaining and verifying new account documentation;
- obtaining knowledge of the customer and the customer’s investment objectives, experience and financial circumstances;
- approving or rejecting new accounts;
- supervising orders and accounts;
- furnishing investment advice;
- handling and supervising discretionary accounts; and,
- handling accounts for employees or officers of certain regulatory agencies and other financial institutions.

FSC will continue to accept from your Broker all orders for the purchase or sale of your Account securities and other property (as defined below), on margin or otherwise, and any other instructions concerning your account, without any inquiry or investigation, until receipt by FSC of written notice from you to the contrary. **If at any time your objectives or financial conditions change, you should notify your Broker.**

FSC and/or your Broker reserve the right to conduct a background check on any or all beneficial owners of the Account. When you submit your Account Application, you authorize FSC or your Broker to verify your creditworthiness and other information (and your spouse’s if you live in a community property state). To obtain verification, we may contact your employer (and your spouse’s, if applicable), obtain credit reports and make other inquiries, but are not obligated to do so. FSC and/or your Broker may request, and you agree to immediately provide, a legible copy of an unexpired, government issued, photo ID bearing the signature and address of any of the Account owners.

When you open an Account, you must inform your Broker if you want the securities registered in your name and delivered to you, or held by FSC for your Account in “street name.” In the absence of specific instructions, FSC will hold all securities and other property in the Account in “street name.” Registrations into a customer’s name require approximately four weeks and involve additional charges; occasionally, even longer delays are incurred in the delivery of securities.

If securities are to be held for your Account in “**street name**,” FSC will receive your dividends or interest and credit them to your Account on or shortly after the payment date or when received. FSC will endeavor to notify you of any subscription rights FSC receives for your Account; however, no guarantee can be made that the notice will be given or that it will be given in a timely manner. FSC, by agreement with Automated Data Processing, Inc. (“ADP”) will forward to you all proxy material, including annual reports, quarterly reports and notices of meetings. FSC is under no obligation to forward any material to you unless FSC is reimbursed by the issuer of the securities for the expenses incurred in mailing this material.

2. **Back-Up Withholding.** Your Broker is required by law to withhold back-up withholding, at a rate mandated by law, on taxable interest, dividends and other taxable income payments, as well as proceeds from the sale of securities, if you fail to furnish FSC with your correct social security number or taxpayer identification number. For most individuals, the tax payer identification number is their social security number. To prevent back-up withholding on these funds, FSC must receive a completed Account Application form, which includes a W-9 form, within 30 days after the date the Account is opened. Once back-up withholding is implemented with respect to a particular Account, it may not be discontinued or reversed. You must properly certify that you are not subject to back-up withholding under Section 3406(a)(1)(c) of the Internal Revenue Code of 1986, as amended (the “Code”). If you are not a citizen of the United States and are exempt from this withholding, you must obtain an appropriate W-8 form and file it with FSC.
3. **Cash Account.** In a “Cash Account,” there is no extension of credit made in connection with the purchase of securities, and you must pay in full for any security that you purchase. Federal Reserve Board’s Regulation T and certain other regulations make it necessary to settle the purchase or sale of securities by the settlement date or within the required payment period. When a security is purchased for your Account, FSC must pay the selling broker on the settlement date and, when it does so, you will be responsible for reimbursement to FSC of the amount so paid, plus interest thereon and other costs associated therewith, if any. When a security is sold for your Account, FSC must deliver the certificate on the settlement date. You and your Broker are responsible for compliance with Federal Reserve Board’s Regulation T.

When you purchase a security, FSC must receive prompt payment. Checks must be made payable to First Southwest Company and mailed to 325 North St. Paul Street, Suite 800, Dallas, Texas 75201-3852. Your Broker can advise you of the exact amount due shortly after any purchase. A written notice of the transaction will be mailed to you as soon as possible after your order has been executed. Since purchases must be paid for within the required payment period or by the settlement date, you should not await the arrival of the mailed confirmation before paying. In the event that payment for securities is not received within the required payment period, your securities may be liquidated in accordance with the provisions of Federal Reserve Board’s Regulation T. You will be responsible for any resulting deficiency or loss, and FSC may charge interest on any debit balance in the Account at the same rate as applicable to margin accounts, in its sole discretion.

When you sell a security, it is essential that you deliver the certificate(s) to FSC promptly, since the proceeds of a sale cannot be paid to you until full settlement of the transaction has occurred (and then only if FSC has received your certificate in good deliverable form). In order for your certificates to be in good deliverable form, you must either sign the certificate on the back thereof or a stock power, in either case exactly as it appears on the front of the certificate (both parties must sign if registered jointly). Additional documentation may be required if there are any variations, such as for corporations, partnerships, trusts and estates. FSC provides no assurances that your certificates will ever be or become in good deliverable form. Negotiable securities must be in your Account prior to entering a sale order for those securities.

4. **Interest on Cash Balances.** FSC will pay interest on cash balances carried in your Account that are pending investment or reinvestment when the monthly accrual is \$2.00 or greater. For your Account to be credited with interest, you must sign the Account Application form, specifying that funds left in your Account are pending investment.

The annual rate of interest paid on a credit balance is generally determined by the cost of borrowing money. The rate is related to short-term money market instruments; however, it is not tied directly to any standard such as the prime or the broker call money rate. The rate is set solely at FSC’s discretion.

5. **Margin Account.** Subject to applicable rules and regulations and the terms hereof, FSC will allow you to purchase securities on margin. A “Margin Account” involves the extension of credit to you by FSC relative to the purchase of a security or the disbursement of funds. Your margin eligible securities are placed in your Margin Account as collateral for your loan. Your Account with FSC will be opened as a Cash Account unless you specify otherwise on your Account Application or complete a “Customer Margin and Short Agreement.”

There are two basic requirements for a Margin Account. First, there is an initial margin requirement at the time of purchase. Thereafter, there is a minimum amount of margin equity that must be maintained in your Account. In most cases, the minimum amount due for initial purchases is established by the Federal Reserve Board in accordance with Regulation T. This requirement is defined as a percentage of the purchase price and it may change periodically. For example, if the margin requirement is 50% when you purchase securities, you are only required to deposit 50% of the total purchase amount. The balance due on the purchase will be loaned to you by FSC and your Account will be debited for that amount. You are required to pay interest on the debit balance as you would on any other loan.

The securities you buy on margin are held by FSC and are collateral for your debt. Although FSC retains your securities as collateral, you receive credit for all dividends or interest, and you may direct your Broker to sell or vote your stock, as you decide, if your Account is in good order.

In addition to the Federal Reserve Board’s initial margin requirements, other regulatory agencies require that a customer opening a Margin Account have a minimum initial equity of \$2,000 in the account. For example, if the initial purchase of securities costs \$2,400, the deposit required is \$2,000, rather than the \$1,200 required by the Federal Reserve Board (assuming the Regulation T requirement is 50%).

Certain regulatory agencies also set the minimum margin maintenance requirements. Under present rules, the margin equity that must be maintained in an Account is based upon a percentage of the market value of all securities held “long” in the Margin Account. FSC may set

margin requirements and maintenance levels above those mandated by the regulatory agencies, and such requirements and levels must be strictly adhered to at all times. If the equity in your Account falls below FSC's defined levels due to a decline in the market value of the securities in your Margin Account as a whole, it will be necessary for you to deposit additional marketable securities or make a cash payment to reduce your indebtedness. Currently, FSC will not permit you to purchase on margin, or deposit as margin collateral, securities having a market price under \$3.00 per share without the prior approval of FSC. Once a security is purchased on margin, if the value of the security falls below \$3.00 per share, you will generally not be permitted to use that security as collateral. For other securities, such as bonds, there may be a higher or lower requirement, depending on the security. FSC's maintenance requirements may change at any time without notice, and FSC may, in its sole discretion, require higher margin or maintenance levels for selected securities or all securities if FSC deems it necessary or appropriate for any reason (e.g., when there is an over-concentration in a particular security or market segment).

If your equity falls below FSC's margin maintenance requirements, or if the margin in any of your Accounts shall be or become unsatisfactory to FSC for any reason, you may receive a notice of a maintenance call informing you of the additional collateral or other action required to increase your Account balance to an acceptable level or to otherwise achieve acceptable compliance. Should you fail to meet a maintenance call, sufficient securities may be sold from your Account to meet your obligations to FSC. Market conditions and other circumstances often make it impractical for FSC to send you a maintenance call notice, since the volatility of the situation may require immediate action by FSC. In such cases, FSC may not notify you prior to taking an action it deems appropriate in order to protect its interests (this may include selling any or all of the securities in your Account). FSC is not required to send a maintenance call, prior notices of a maintenance call should not be construed as a waiver of FSC's right to take immediate action in your Account.

6. **Short Sales.** A "short sale" is a transaction in which you sell a security you do not own. Prior approval from FSC is required on all short sales. You and your Broker are responsible for determining whether or not the particular security you wish to sell short may be borrowed. FSC will assist in the transaction by borrowing the security on your behalf for delivery to the purchaser; however, FSC assumes no responsibility for determining the availability of the security and does not make any assurances that the security will, in fact, be available to cover the short sale. Short sales may only be made in accounts authorized for margin transactions and are subject to special margin and maintenance requirements as noted below. To complete a short sale, FSC must be able to borrow the securities you are selling short in order to cover the delivery to the purchaser. If FSC is unable to borrow the securities, or to re-borrow the securities following a recall by the lender of the securities, FSC may cover your short position by purchasing the securities on the open market at the current market price without any notice to you. You will be liable to FSC for any losses and costs incurred by FSC associated with the close out of a short position.

The credit appearing on your statement as a result of a short sale (including a sale "against the box," meaning a short sale with securities held long in your Account) is often offset by a debit of like amount. The credit generated by a short sale does not reduce your debit balance for the purpose of computing interest until the short position is covered. Your short credit may be reduced substantially or possibly lost altogether when you cover your short position by purchasing the security. There are special margin requirements on a short sale. Regulatory agency rules presently require margin maintenance on a short sale to be a specified percentage of the market value of the security when it sells at or above a specified price per share (FSC's current rate is higher than current regulatory rules), and a higher percentage for securities selling below that price. FSC reserves the right to alter its own maintenance levels at any time without prior notice.

If the security sold short, or short against the box, appreciates in market price over the selling price, interest will be charged on the appreciation in value. If the security sold short depreciates in market price, interest on any debit balance in your Account is reduced according to the depreciation in value. The daily closing price is used to determine any appreciation or depreciation of the security sold short (this practice is referred to as "marking-to-the-market").

You and your Broker have the responsibility, and you hereby agree, to designate as a short sale any order to sell a security that you do not own, and you understand that FSC will mark such order as a short sale. Any order that you do not specifically designate as a short sale will be treated for all purposes as a sale of securities owned by you, and if you do not have the securities in your Account, such a sale is in violation of the terms of this Agreement. In any event, you agree that you will deliver the securities so sold on or before the settlement date. If you fail to make such delivery in the time required, FSC is authorized to borrow such securities as necessary to make delivery for your sale, and you agree to be responsible for any loss FSC may sustain as a result of its inability to borrow such securities or the resulting close out of the short position.

7. **Interest Charges for Margin Accounts.** The rate of interest charged on the debit balance in your Account is determined by FSC's cost of borrowing money. The rate is related to short-term money market instruments, but is not tied directly to any standard, such as the prime or the broker call money rate. The rate is set solely at the discretion of FSC and may be changed without prior notice.
8. **How Interest is Calculated.** Interest is computed on a daily average basis on net debit balances. Each day's debit balance is accumulated into a monthly total. The total debit balance in the period is then averaged to determine the debit balance on which interest is charged. An offsetting free credit balance in a cash account serves to reduce this total. The interest period ends on the last business day of the month, except in December which is carried through December 31. Interest is computed by multiplying the average daily debit balance by the average interest rate (1/360 of the annual interest rate) times the number of days in the interest period. If there is a change in interest rates affecting your Account during an interest period, interest at the new rate will be averaged to determine the rate of interest to be charged on your debit balance.
9. **Security Interest.** You hereby grant to FSC a first and prior lien and security interest in all "securities and other property" (as defined below), now or hereafter held, carried or maintained by FSC in or for any of your Accounts, now or hereafter opened, including any Accounts in which you may have an interest, as security for the payment and discharge of all of your "Obligations" (as defined below) to FSC, to be held by FSC as security for the payment of your Obligations to FSC, to the fullest extent allowed by law. FSC shall have the right to transfer securities and other property so held by FSC from or to any other of your Accounts whenever FSC so determines. As used in this Customer Agreement, "Obligations" means all indebtedness, debit balances, liabilities or other obligations of any kind that you may have to FSC, whether now existing or hereafter arising and regardless of the manner in which same arose, were created or are maintained, all of which Obligations shall be, unless

specified in writing otherwise, payable in full upon the demand of FSC; and “**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.

10. **Liquidation.** Whenever you do not, on or before the settlement date, deliver collected funds as payment in full for any securities purchased for your Account, or deliver negotiable securities in good deliverable form sold for securities for such Account, or if the margin in any Account in which you have an interest shall be or become unsatisfactory to FSC for any reason, or if any other Obligations to FSC remain unpaid, FSC is authorized: (a) to sell any or all securities and other property that FSC may hold for you (either individually or jointly with others); (b) to sell any or all securities and other property in your Accounts with FSC (either individually or jointly with others); (c) to buy any or all securities and other property that may be short in such Accounts; (d) to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, notice of sale or purchase, or other notice or advertisement, and provided further that any prior demand or notice shall not be a waiver of FSC’s rights provided herein; and/or (e) to offset against the Obligations to FSC the amount of any cash held in any Account of yours or against any other obligation of FSC to you. In exercising any of the rights granted herein, FSC shall have full discretion to determine which securities and other property are to be sold, which contracts are to be closed and the method and timing of any or all of these actions, whether or not the taking of such actions, or the timing thereof, produces the best results for you. Any such sales or purchases may be made at FSC’s discretion on any exchange, the over-the-counter market (“**OTC**”) or any other market where such business is usually transacted, or at public auction or private sale, and FSC may be the purchaser for FSC’s own account.

In the event securities held in your Account (i) shall be or become illiquid such that they may not be sold in any recognized market, (ii) become nontransferable and (iii) with respect to which it becomes impossible or impractical to secure the issuance of stock certificates for physical delivery of such securities to you, then FSC shall transfer such securities from your Account into an account maintained by FSC for “**worthless stocks**.” Upon such transfer from your Account, you shall no longer hold any ownership interests or rights in and to such transferred securities.

You hereby constitute and appoint FSC as your lawful attorney-in-fact and grant to FSC a power of attorney with full power and authority, in your name, place, and stead, to exercise, do, or perform any act in connection with, arising out of, or relating to the exercise of any of the foregoing rights and powers granted herein. This power of attorney further authorizes FSC to sign, endorse, execute, acknowledge, deliver, receive, and possess all such notices, filings, agreements, covenants, conveyances, receipts and other documents or instruments in writing of whatever kind and nature as may be necessary or proper in the exercise of the rights and powers herein granted.

11. **Refusal to Execute and Cancellation.** FSC shall have the right to refuse to accept and/or attempt to execute any transaction whatsoever, in its sole discretion. FSC is authorized, in FSC’s discretion, should FSC for any reason whatsoever deem it necessary for FSC’s protection, without notice, to refuse direction from you and/or your Broker, to cancel any outstanding order, to close out your Account(s), in whole or in part, or to close out any commitment made on your behalf.
12. **Hypothecation.** Within the limitations imposed by applicable law, all securities now or hereafter held by FSC, or carried by FSC in any Account of yours (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in FSC’s general loans and may be pledged, re-pledged, hypothecated, re-hypothecated, separately or in connection with other securities for the sum due to FSC thereon or for a greater sum and without retaining in FSC’s possession or control for delivery a like amount of similar securities. It is understood, however, that FSC will deliver to you upon demand, upon payment of the full amount due thereon and provided there are no other Obligations for which the securities serve as collateral, all securities in such Accounts, but without obligation to deliver the same certificates or securities deposited by you originally. Any securities in your Margin Account or short account may be borrowed by FSC or loaned by FSC to others. In certain circumstances, such loans may limit, in whole or in part, your ability to exercise voting or other attendant rights of ownership with respect to the loaned or pledged securities.
13. **Option Accounts.** In order for you to engage in option transactions, you must complete and submit an “**Options Account Application**” and acknowledge that you understand the risks associated with trading in options. You should receive, read and fully understand the terms, conditions and risks of options trading as set forth in the option disclosure booklet issued by the Options Clearing Corporation, and you must provide your Broker with pertinent financial information and a statement of your investment objectives. Should your financial situation or your investment objectives change, you must notify your Broker immediately. Notice to your Broker, however, will not bind FSC, and FSC may continue to accept orders for your Account until you notify FSC in writing to no longer accept instructions from your Broker.

Before purchasing or selling (writing) an option, you should be completely informed of the risks involved. Familiarize yourself with the business and financial condition of the issuer of the underlying security. Carefully consider if the option transaction is appropriate, relative to your financial situation, investment objectives and tax considerations.

The purchase and/or sale (writing) of PUT and CALL options involve a high degree of risk and are not suitable for all investors. You should not purchase an option unless you are capable of sustaining a total loss of the premium (cost of the option) and other related costs of purchasing the option. You should not sell (write) an option unless you own the underlying security or are in a position to assume the substantial risks inherent in writing “**naked**” options.

When purchasing an option, you must pay the full premium. An option purchase cannot be margined. There are special margin requirements governing the sale of options you must understand prior to commencing an option-writing program. FSC has stringent rules regarding short options. Details of these rules and margin requirements for options are available through your Broker. When you purchase an option, FSC must pay the selling broker the day after the transaction, making your payment also due on that date. Your Broker should be able to advise you of the amount you owe on the day of the transaction.

Option contracts are traded for a specified period of time and may lose their entire value upon expiration. You must advise your Broker if you want to enter offsetting transactions by closing out your position or exercising the option prior to the expiration date. **Failure to do this may result in the option expiring “worthless,” even though it has monetary value on the expiration date.**

You agree that, in connection with any call option for your Account, you will not sell, during the life of such option, the underlying securities collateralizing such option, including any cash or securities that may accrue on the underlying securities, until such options are closed, exercised or expired, unless you have met the collateral requirements established by FSC and/or your Introducing Broker for carrying uncovered call options. You also agree that FSC and/or the Introducing Broker, in their respective discretion, may refuse any orders 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 FSC and/or the Introducing Broker for carrying uncovered call options. FSC shall have the right, in its sole discretion, to permit you to apply the proceeds of such sale to such collateral requirements.

You bear full responsibility for taking action to exercise or sell valuable options. However, in the absence of notification by you to your Broker to exercise a valuable option contract by 3:00 p.m., Central Standard Time, on the last business day prior to the expiration date of the option contract and the absence of instructions from the Introducing Broker to FSC to sell or exercise valuable options on your behalf within such time, you agree that FSC may sell or exercise the options contract on your behalf. In the event of such action by FSC, you agree to relinquish your ownership in said option to FSC, and FSC may exercise such option for your Account. You understand and agree, however, that FSC is not obligated to take, and may not necessarily take, any action with respect to your options absent instructions from you or your Broker, and should FSC not, for whatever reason, exercise or sell a valuable option on your behalf without instructions from you or your Broker, you waive any and all claims for damages or losses as against FSC that you might sustain or incur arising out of the fact that the option was not exercised or sold.

You acknowledge and agree that when transactions on your behalf are to be executed and options traded in more than one marketplace, FSC may use its discretion in selecting the market in which to enter your order unless you specifically instruct FSC or your Broker otherwise.

- 14. Allocation of Option Exercise Assignment Notices.** You should be aware that FSC utilizes a random method of allocation for options assignments received from the Options Clearing Corporation. Exercise assignment notices for options contracts are allocated among all customers' short positions within that series. This allocation is accomplished by a procedure that randomly selects from among all customer short option positions, including positions established on the day of assignment, those contracts that are subject to exercise. Certain short option positions are liable for assignment at any time. If an exercise notice is assigned to your Account, in the case of a call, you must deliver the underlying security to FSC, and in the case of a put, you must deposit cash with FSC sufficient to properly margin the security within a stated period of time. You may receive a more detailed description of this process from FSC upon request.
- 15. Agency and Principal Transactions.** Many stocks and bonds are traded in the OTC. When you buy or sell a security in this market, FSC or your Broker may act as an agent or principal and the confirmation you receive will designate such. When FSC or your Broker acts as a principal, FSC or your Broker is selling securities to you that it either owns, expects to buy, or is buying from you for its own account. In these instances, only the net cost or proceeds are reflected on your confirmation. When FSC or your Broker acts in an agency capacity when you purchase or sell securities in the OTC, FSC or your Broker is dealing on your behalf with another broker/dealer or customer of their respective firm. In this instance, any commission will be reflected on your confirmation.
- 16. Confirmations and Statements of Account.** Once your order is executed, you will receive a written confirmation (a confirmation is not an invoice) of every transaction. This confirmation will contain information concerning your transaction, including the quantity, name of the security, net cost or proceeds, commission, any taxes and/or fees and an indication of whether the trade was a principal or agency transaction. You should familiarize yourself with the codes, symbols and other information contained in your confirmation. The confirmation contains the terms of your trade. Should you have any questions regarding your confirmation, contact your Broker immediately.

It is extremely important that you retain your purchase and sale confirmations for tax reporting purposes of gains and/or losses. Confirmations should also be retained for all bearer securities in the event it is necessary to evidence proof of ownership.

A quarterly statement will be provided to you reflecting money and security positions in your Accounts. If there is qualified activity during the quarter, a statement will be provided to you for the month during which the entry was made. Your statement may also reflect dividends and/or interest payments FSC has credited for securities, or monies available for investment, held in your Account. If you maintain a Margin Account with FSC with a debit balance, the interest charged to that Account will also appear on your statement.

Additionally, FSC is required by law to report to the Internal Revenue Service any dividends, interest, sales proceeds and other taxable income payments credited to your Account. FSC will furnish you with a Form 1099 confirming income and sales proceeds reported as of the end of the calendar year.

It is your responsibility to review upon first receipt all confirmations of transactions. Transactions shall be conclusive and binding upon you if no objection in writing is made to FSC within five (5) days after the confirmation is mailed. It is also your responsibility to review upon first receipt all Account statements. The information contained in an Account statement (excluding transactions which are covered above in this paragraph regarding confirmations) shall be conclusive and binding upon you if no objection is made in writing to FSC within ten (10) days after the Account statement is mailed. In all cases, FSC reserves the right to determine the validity of any objection to the information contained in the Account statement or any objection to a transaction referenced in a confirmation.

- 17. Bulk Segregation and Callable Securities.** FSC maintains securities in our custody for your benefit under the method of “**bulk segregation.**” Bulk segregation is used when certificates are not specifically assigned to each security account being held in bulk for all customer positions.

You have all rights and privileges of beneficial ownership under the bulk segregation system, with the option to request and obtain possession of specific certificates at your discretion. FSC is a member of various clearing facilities (e.g., the Depository Trust Clearing Corp.) and portions of the securities held in safekeeping by FSC are on deposit in bulk segregation form with such depositories.

18. **Securities Investor Protection Corporation.** FSC and the broker/dealer with whom your Broker is associated are required to be members of the Securities Investor Protection Corporation (SIPC), a federal corporation authorized to borrow funds from the U. S. Treasury, which provides customers with insurance protection for amounts account up to \$500,000 each, with a limitation of \$250,000 on claims for cash balances. You may obtain information about SIPC, including an explanatory brochure, on its website at [www.sipc.org](http://www.sipc.org), or by telephone at (202) 371-8300. FSC has also acquired "Excess SIPC" insurance from a third party insurer to protect clients accounts up to their net equity for loss of securities and cash held at First Southwest Company. This "Excess SIPC" protection is in addition to the protection provided by the Securities and Investors Protection Act, which is administered by SIPC, and is subject to certain conditions and limitations, details of which are available upon request. The above coverage does not protect against loss of the market value of securities.
19. **Commissions and Other Fees.** Consult your Broker for details of his/her commission charges. As reflected on your confirmations, your Broker will establish the commissions to be charged. FSC reserves the right to charge interest (1) on payments made to you before the settlement date of securities sold; (2) on payments to you for securities sold where good delivery of the security has not been made; and (3) when payment has not been received from you on or before the settlement date for securities purchased. FSC may also charge other fees as agreed to with your Broker, or as independently established by FSC. Please contact your Broker for a list of these fees.
20. **Applicable Rules and Regulations.** All transactions effected by you or on your behalf shall be subject to all applicable laws, rules and regulations and shall also be subject to the constitution, rules, regulations, customs and practices of the exchanges or markets and their clearing houses, if any, upon which such transactions are executed.
21. **Liability for Costs of Collection.** The costs and expenses of collection of the Obligations owed by you to FSC, including without limitation, reasonable attorneys' fees and expenses, incurred and payable or paid by FSC shall be and become a part of the Obligations, payable to FSC by you upon demand.
22. **Accounts Carried as Clearing Broker.** The following processes are applicable to customers of Introducing Brokers:

You understand that FSC is carrying your Account(s) as clearing broker by contractual arrangement with your Introducing Broker through whose courtesy your Account(s) have been introduced to FSC. Until receipt from you of written notice to the contrary, FSC may accept and rely upon the verbal or written instructions and directions from such Introducing Broker and its representatives, employees and other agents, without any inquiry or investigation by FSC, and those instructions are hereby authorized and approved by you regardless of the circumstances, with respect to (a) orders for the purchase or sale in your Account(s) of securities and other property, and (b) any other instructions concerning your Account(s), and you agree to accept all transactions initiated, effected and/or created by the Introducing Broker on your behalf. You represent that you understand that FSC will act only to clear trades introduced by your Introducing Broker and to affect other back office functions for your Introducing Broker. You confirm to FSC that you are relying for any advice concerning your Account(s) solely on the Introducing Broker. You understand that all representatives, employees and other agents with whom you communicate concerning your Account(s) are agents of the Introducing Broker, and are not FSC representatives, employees or other agents. You understand that FSC is not a principal of or partner with, and does not control in any way, the Introducing Broker or its representatives, employees or other agents. FSC has no responsibility to supervise or monitor the activities of the Introducing Broker, and the Introducing Broker is exclusively responsible for ensuring that transactions in your Account(s) comply in all respects with applicable laws, rules and regulations. The foregoing notwithstanding, FSC reserves the right to enter into additional contractual or other arrangements with your Introducing Broker in the future, and should FSC elect to do so, such will not affect or modify in any respect any rights or privileges that FSC may have hereunder or any duties, obligations or responsibilities that you may have hereunder.

23. **Privacy Policy.** It is the policy of FSC to respect the privacy of customers who maintain accounts with FSC. Whether accounts are introduced to FSC by Introducing Brokers for whom FSC provides clearing services or the accounts are brokerage clients of FSC (collectively, referred to in this section as "**Account Holders**"), the security and confidentiality of Account Holders' nonpublic personal information is protected by FSC. Information collected to provide financial services requested by Account Holders are from sources such as:

- Applications and account documents received from Account Holders;
- Transactions of Account Holders; and,
- Information we receive from a consumer reporting agency.

FSC does not disclose any nonpublic personal information about Account Holders or former Account Holders to anyone, except as required or permitted by law and to effect, administer or enforce transactions requested by Account Holders in the ordinary course of processing, servicing or maintaining their accounts. Furthermore, FSC does not reserve the right to disclose Account Holders nonpublic personal information in the future without first notifying the Account Holders of a change in privacy policy and providing a convenient opportunity for Account Holders to opt out of information sharing with nonaffiliated third parties.

FSC restricts access to Account Holders' nonpublic personal information to employees who need to know for providing financial services to accounts primarily used for personal, family or household purposes. FSC maintains physical, data processing and procedural safeguards in compliance with regulations to protect Account Holders' nonpublic personal information. If you are a customer of an Introducing Broker, you

should be aware that the privacy policy and practices of your personal brokerage firm with whom you maintain your brokerage account may be significantly different from that of FSC, which is the clearing firm for your Account. Please read the privacy notice of the Introducing Broker for important privacy information as it relates to you as their customers independently of FSC clearing firm policies.

Under the USA PATRIOT Act of 2001 (Public Law 107-56) (together with all rules and regulations promulgated thereunder, collectively, the “**Patriot Act**”), FSC and/or your Introducing Broker may be required or requested to disclose to one or more regulatory and/or law enforcement bodies certain information regarding transactions relating to your Account involving transactions with foreign entities and individuals, other transactions in your Account as required in the Patriot Act and other activities described in the Patriot Act as “**suspicious activities.**” Neither FSC nor your Introducing Broker shall have any obligation to advise you of any such disclosures or reports made in compliance with the Patriot Act.

24. **Payment for Order Flow.** The Securities and Exchange Commission (“SEC”), as well as the Financial Industry National Regulatory Authority (“FINRA”), requires that all broker/dealers inform their customers, when a new account is opened, and on an annual basis thereafter, and on confirmations, of payment for order flow practices (compensation received by placing orders through “**market makers**” and specialists on registered U.S. exchanges). Consistent with the overriding principle of best execution, orders placed through FSC will be routed to primary exchanges and other market centers, including regional securities exchanges and dealers, which make markets OTC. In an effort to obtain best execution, FSC may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities), whether it will receive cash or non-cash payments for routing order flow and reciprocal business arrangements. Further information about the source and nature of the compensation for a particular transaction will be provided upon written request. Order routing statistics required under SEC Rule 11Ac1-6 are available on the Internet at [www.firstsw.com](http://www.firstsw.com).
25. **Customer’s Responsibility Regarding Certain Securities.** Certain securities may grant the holder thereof valuable rights that may expire unless the holder takes action. These securities include, without limitation, warrants, stock purchase rights, convertible securities, options, bonds and securities subject to a tender or exchange offer. You are responsible for knowing the rights and terms of all securities in Accounts maintained by you. FSC is not obligated to provide, and will not necessarily provide, notice of any upcoming expiration or redemption dates, or to take any other action on your behalf without specific instructions from you or your Introducing Broker, except as required by law and applicable rules and regulations. However, if any such security is about to expire and become worthless, is to be redeemed for significantly less than its fair market value, or is the subject of a cash tender offer, and FSC has not received instructions regarding same, FSC may, at its discretion, sell or tender the security and credit your Account with the proceeds, all without any further approval or direction from you.

Similarly, you are responsible for knowing about reorganizations related to securities, that you own, including without limitation, stock splits and reverse stock splits. FSC is not obligated to provide, and will not necessarily provide, notice of any such reorganizations. If, due to reorganization, you sell more shares of a security than you own, or if you become uncovered on an option position, or if you become otherwise exposed to risk requiring FSC to take market action in your Account, you will be responsible for any losses incurred. Overselling in a cash or margin account is an impermissible short sale and may result in the imposition of broad and severe restrictions on such account.

26. **“Control” or “Restricted” Securities.** Prior to placing an order in connection with the sale or transfer of any securities subject to Rules 144, 145, 148 and 701 under the Securities Act of 1933, as amended, you must advise FSC of the status of the securities and furnish FSC with the necessary documents (including opinions of legal counsel, if requested) to clear legal transfer. Even if the necessary documents are furnished in a timely manner, there may be delays with the processing of such securities. FSC, in its sole discretion, may require that such securities not be sold or transferred until they clear legal transfer. You are responsible for all costs associated with compliance or failure to comply with all the requirements of Rules 144, 145, 148 and 701.
27. **ARBITRATION AGREEMENT. THIS AGREEMENT CONTAINS A PRE-DISPUTE 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 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.
  - G. THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED IN THIS AGREEMENT.

ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN YOU AND FSC, OR THE INTRODUCING BROKER, AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, OFFICERS OR CONTROL PERSONS OF FSC OR

THE INTRODUCING BROKER, ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (a) ANY PROVISIONS OF OR THE VALIDITY OF THIS CUSTOMER AGREEMENT OR ANY RELATED AGREEMENTS, (b) THE RELATIONSHIP OF THE PARTIES HERETO, OR (c) ANY CONTROVERSY ARISING OUT OF FSC'S BUSINESS, THE INTRODUCING BROKER'S BUSINESS OR YOUR ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY NATIONAL REGULATORY AUTHORITY. ARBITRATIONS MUST BE COMMENCED BY SERVICE OF A WRITTEN DEMAND FOR ARBITRATION OR A WRITTEN NOTICE OF INTENTION TO ARBITRATE. IF FSC IS A PARTY TO SUCH ARBITRATION, TO THE EXTENT PERMITTED BY THE RULES OF THE APPLICABLE ARBITRATION TRIBUNAL, THE ARBITRATION HEARING SHALL BE CONDUCTED IN DALLAS, TEXAS. 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 CUSTOMER AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

ALL ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN THE ENGLISH LANGUAGE, UNLESS OTHERWISE AGREED BY THE PARTIES BY WRITTEN STIPULATION ENTERED INTO IN THE COURSE OF SUCH ARBITRATION PROCEEDING.

IF YOU ARE NOT RESIDING IN THE UNITED STATES AT THE TIME OF ANY CONTROVERSY BETWEEN YOU AND FSC SUBJECT TO THIS ARBITRATION AGREEMENT, YOU AGREE TO THE PROVISIONS SET FORTH ABOVE AND THE FOLLOWING ADDITIONAL PROVISIONS: (i) THE RULES OF THE FINANCIAL INDUSTRY NATIONAL REGULATORY AUTHORITY SPECIFICALLY PROVIDES FOR THE DESIGNATION OF THE PLACE WHERE THE ARBITRATION IS TO BE HELD; AND (ii) YOU SUBMIT TO THE PERSONAL JURISDICTION OF THE STATE OF TEXAS AND AGREE THAT THE COURTS OF SUCH STATE SHALL HAVE AUTHORITY AND JURISDICTION TO INTERPRET AND ENFORCE THESE ARBITRATION PROVISIONS AS SET FORTH IN THIS CUSTOMER AGREEMENT.

To the extent allowed by law, all applicable statutes of limitation and defenses based upon the passage of time related to any civil action or claim shall be tolled while the arbitration procedures specified in this section are pending. You agree to take any actions necessary to effectuate such tolling. You further agree that, to the extent allowed by law, any obligations owed to FSC that arise in connection with your Account(s) are collectable from marital community property estate assets.

28. **Cancellation Requests; Late and Corrected Reports.** When you place a request to cancel an order, the cancellation of that order is not guaranteed. The order will only be canceled if such request is received in the marketplace and matched up with your order before the order is executed. Market orders are subject to immediate execution. During market hours, it is rarely possible to cancel a market order. For the best chance of ensuring that a market order is canceled, a cancellation request should be placed at least fifteen minutes prior to the opening of the market.

You cannot and should not assume that any order has been executed or canceled until a transaction confirmation from FSC has been received. Also, please be aware that FSC, from time to time, receives late reports from exchanges and market makers reporting the status of transactions. Accordingly, you will be subject to late reports related to orders that were previously unreported or reported to you as being expired, canceled, or executed. In addition, any reporting or posting errors, including errors in execution prices, will be corrected to reflect what actually occurred in the marketplace.

29. **Telephone Recording.** You understand and agree that, for the mutual benefit of FSC and you, FSC may, in its discretion, electronically record any telephone conversations conducted with you without prior or further notice.

30. **Joint Accounts:** If you open a Joint Account, each of the persons executing the Account Application (each a "joint owner") jointly and severally agrees that each joint owner shall have authority on behalf of the joint account to (i) buy, sell (including short sales, if the Account is approved for short selling), and otherwise deal in, through FSC as broker, stocks, bonds, options, and other securities, commodities and/or property on margin or otherwise; (ii) to receive, on behalf of the joint account, demands, notices, confirmations, statements, reports and communications of every kind related to the Account; (iii) to receive on behalf of the joint account money, securities, and/or property of every kind and to dispose of the same; (iv) to make, terminate, or modify on behalf of the joint account this Customer Agreement and/or any other written agreement relating to the Account or waive any of the provisions of such agreements; and (v) generally to deal with FSC on behalf of the joint account as fully and completely as if each of the joint owners alone was the sole owner of the Account, all without notice to the other joint owner(s) in said account. Each of the joint owners agrees that notice to any joint owner shall be deemed to be notice to all joint owners. Each joint owner further agrees that he or she shall be jointly and severally liable for the Account. FSC may follow the instructions of any of the joint owners concerning the Account and make delivery to any of the joint owners of any and all securities and other property in the Account, and make payments to any of the joint owners, of any or all monies in the Account as any of the joint owners may order and direct, even if such deliveries and/or payments shall be made to one of the joint owners personally. FSC shall be under no obligation to inquire into the purpose of any such demand for such deliveries and/or payments. The authority hereby conferred shall remain in full force until written notice of the revocation by hand delivery or registered mail, addressed as follows: First Southwest Company, Attention: New Accounts Department, 325 North St. Paul Street, Suite 800, Dallas, Texas 75201-3852 (or such other address as FSC advises the joint owners).

Each of the joint owners further agree, jointly and severally, that all property FSC may at any time be holding or carrying for any one or more of the joint owners, shall be subject to a lien in FSC's favor for the discharge of the obligation of the joint account to FSC, such lien to be in addition to and not in substitution of the rights and remedies FSC otherwise would have.

Laws governing joint ownership of property vary from state to state. Each of the joint owners understand that each of the joint owners is responsible for verifying that the joint registration he or she selects is valid in his or her state. Generally, however, for Joint Tenants with Rights of Survivorship, in the event of the death of either tenant, the entire interest in the joint account shall be vested in the surviving joint tenant(s) on the same terms and conditions. For Tenants in Common, the interest in each tenancy shall be equal unless specified in writing to FSC, and in the event of the death of either tenant, the interest in the share of the tenancy shall vest in the decedent's estate. State laws regulating community property vary. Each of the joint owners should consult his or her personal legal advisor concerning whether community property is applicable in his or her state.

For Community Property accounts, in the event of the death of either spouse, the surviving spouse shall give FSC written notice thereof, and upon notice, FSC may require certain documents it deems necessary. Unless the surviving spouse notifies FSC otherwise, and provides such documentation FSC deems necessary, FSC may presume the deceased spouse's said interest of the Account shall vest in the deceased spouse's estate. FSC may require the executor of the deceased spouse's estate to provide all documents FSC deems necessary and to instruct FSC how to distribute the said interest of the deceased spouse's portion of the account.

It is further agreed that in the event of the death of any of the joint owners, the survivor or survivors shall immediately give FSC written notice thereof, and FSC may, before or after receiving such notice, take such proceeding, require such papers of inheritance or estate tax waivers, retain such portion of and/or restrict transactions in the account as FSC may deem advisable to protect FSC against any tax, liability, penalty or loss under any present or future laws or otherwise. The estate of any of the decedent joint owner shall be liable and each survivor shall continue to be liable, jointly and severally, to FSC for the net debit balance or loss in said Account in any way resulting from the completion of transactions initiated prior to the receipt by FSC of the written notice of the death of the decedent or incurred in the liquidation of the account or the adjustment of the interest of the respective parties.

Any taxes or other expenses becoming a lien against or being payable out of the Account as the result of the death of any of the joint owners, or through the exercise by his or her estate or representatives of any rights in the Account, shall be chargeable against the interest of the surviving joint owner(s) as well as against the interest of the decedent joint owner's estate.

Unless the joint owners notify FSC otherwise and provide such documentation as FSC may require, FSC may presume that it is the express intention of the joint owners to hold the Account as joint tenants in common. In the event of the death of any of the joint owners, the decedent's interest in the Account shall be included as part of the decedent's estate on the same terms and conditions as theretofore held, without in any manner releasing the decedent joint owner's estate from liability.

Any taxes, costs, expenses or other charges becoming a lien against or being payable out of the account as a result of the death of the decedent, or through the exercise by his or her estate or representatives of any rights in the account shall, so far as possible, be deducted from the interest of the estate of such decedent. This provision shall not release the decedent's estate from any liability stated previously.

FSC reserves the right to require written instructions from all Account holders, in its sole discretion. This Agreement shall benefit FSC, FSC's successors and assigns, as well as, any introducing broker(s) for which FSC clears.

**31. Electronic Services and On-Line Trading Agreement.** Your Broker may offer certain electronic services to you that may include order execution and financial market information access (collectively, the "**On-Line Services**"). Your use of the On-Line Services, or your signed acknowledgment, indicates your acceptance of and agreement to all the following additional terms and conditions:

- A. **Financial Market Information.** You understand and agree that the financial market information made available through the On-Line Services (the "**Information**") has been independently obtained by various securities markets, exchanges, their affiliates and others (together, the "**Data Sources**") through sources believed to be reliable. The accuracy, completeness, timeliness or proper sequencing of the information is not guaranteed by FSC, your Broker, the Data Sources, any parties transmitting the Information (the "**Data Forwarders**") or other information service providers (the "**Service Providers**"). You understand and agree there may be delays, omissions or inaccuracies in the Information and that neither FSC, your Broker, the Data Sources, the Data Forwarders nor the Service Providers shall have any liability, contingent or otherwise, for the accuracy, completeness, timeliness or correct or proper sequencing of the Information, or for any decision made or action taken by you in reliance upon the Information or the On-Line Services, or for interruption of any data, information or aspect of the On-Line Services.

**THERE IS NO WARRANTY OF MERCHANTABILITY, NO WARRANTY OF FITNESS FOR A PARTICULAR USE OR PURPOSE AND NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE INFORMATION OR ANY ASPECT OF THE ON-LINE SERVICES.**

- B. **Proprietary Interests in the Information.** You understand and agree that each of the Data Sources, Data Forwarders and Service Providers asserts, or may assert, a proprietary interest in the market data it furnishes, the means by which it is transmitted and/or the manner by which same is disseminated. You also understand that these matters are or may be covered by copyright, patents or other means of protecting proprietary interests and you agree not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate, or commercially exploit the Information in any manner without the express written consent of your Broker and the relevant Data Sources, Data Forwarders and/or Service Providers. You also agree to use real-time quotes and other Information only for your individual use and shall not furnish such data to any other person or entity; and you shall not otherwise use the Information for any unlawful purpose.

- C. **Manner of Use of On-Line Services.** You shall be the only authorized user of the On-Line Services under this Customer Agreement. You shall be responsible for the confidentiality and use of the user identification number, sign-on password, trading password and other security information established for your Account with your Broker. You shall be solely responsible for all orders entered through the On-Line Services using your user identification number, sign-on password and trading password, regardless of whether or not the order was actually entered by you or was entered without your knowledge and/or consent. You agree to pay all subscription, service and use fees, if any, which are charged to you for the On-Line Services and that such fees may be changed from time to time without prior notice to you. You also agree to pay all federal, state and local taxes applicable to your use or receipt of the On-Line Services. Further, you agree to immediately notify your Broker if:
- i. an order has been placed through the On-Line Services and you have not received an order number relating thereto;
  - ii. an order has been placed through the On-Line Services and you have not received an accurate acknowledgement (whether through hard copy, electronic, or verbal means) of the order or of its execution within five (5) business days of the date of the order;
  - iii. you have received acknowledgement in any form of an execution for an order that you did not place or you receive any similar conflicting information regarding an order; or
  - iv. you become aware of any loss, theft or unauthorized use of your user identification number, sign-on password, trading password or other security data or procedures established for your Account with your Broker.

The foregoing notwithstanding, you understand and agree that the providing of notice to your Broker as required herein above shall not relieve you of any responsibility with respect to orders entered through the On-Line Services using your user identification number, sign-on password and trading password until such time as your Broker has been instructed by you, in writing, that further use of the On-Line Services is no longer authorized by means of your then existing user identification number, sign-on password or trading password. In any event, FSC shall be entitled to rely on, and act upon, any and all instructions received from your Broker with regard to your Account, notwithstanding any different instructions and/or authorizations that may have been provided by you to your Broker, until such time as FSC receives written directions from you to the contrary. FSC shall be under no obligation to determine whether or not instructions from your Broker were properly authorized, properly executed or in conformity with any agreement or understanding you may have with your Broker for On-Line Services or otherwise.

- D. **Certain Limitations Relating to On-Line Services.** You agree to read, become familiar with and be bound by the terms of any user license agreements related to any software provided or used in the On-Line Services and further agree that the terms of such licenses are incorporated in this Customer Agreement by reference and made a part hereof, specifically including, without limitation, provisions thereof relating to the restrictions on the use of such software and the Information provided through the On-Line Services. Either FSC or your Broker may terminate, suspend, restrict or otherwise place limitations on your access to the On-Line Services, or any portion thereof, at any time and for any reason whatsoever, it being understood and agreed that the availability of the On-Line Services is provided to you as a customer service in the discretion of your Broker and FSC and not as a contractual right or commitment. Your Broker reserves the right to require a cash or equity deposit prior to the execution of any transaction through the On-Line Services; and such Broker shall not be responsible for any delay or failure to provide On-Line Services, such as the execution of an order, in the event of any failure or delay by you in making such deposit. Further, you understand and agree that response times for transactions entered through the On-Line Services may vary from one transaction to another and from time to time, depending upon a number of factors and circumstances, including without limitation, communications failures, delays or interruptions, volume of usage, variances in transmission speeds and capacities, services provider failures, errors or irregularities, and software and hardware malfunctions, failures or corruptions; and neither FSC nor your Broker shall be responsible for any losses, costs or expenses incurred or sustained by you as a result of any such variations in response times.
- E. **No Advice Given Regarding the Information.** Neither the On-Line Services nor the Information provided thereby is intended to supply tax or legal advice to you or any other person; and, while the Information may contain recommendations, suggestions or other subjective evaluations upon which investment decisions may be based, no such recommendations, suggestions or evaluations are prepared, submitted or endorsed by your Broker or FSC. No investment advisory services are provided by FSC or your Broker in the On-Line Services and neither offers any advice or counsel regarding the nature, extent, value, suitability, potential benefits or risks associated with any particular transaction or investment strategy. All transactions conducted through the On-Line Services are made by you at your own risk.
- F. **Indemnity.** You agree to indemnify and hold harmless your Broker and FSC of and from any and all claims, losses, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees and expenses) arising out of your violation of any of the provisions of this Customer Agreement or of any copyright, patent, proprietary or privacy rights of any third party. This indemnity and hold harmless provision shall survive any termination of this Customer Agreement.
- G. **Limitation of Liability.** In no event will FSC or your Broker be liable to you or to any other person or entity for any consequential, incidental, special or indirect damages (including, without limitation, trading losses, lost profits, or damages resulting from delays or interruptions in the use of the On-Line Services). You acknowledge and agree that neither FSC nor your Broker shall be liable for any loss resulting from a cause over which they do not have direct control, including, without limitation, the failure or ineffectiveness of electronic or mechanical equipment or communication lines, telephone or other interconnect problems, software malfunction, failure or corruption, unauthorized access, theft, operator errors, severe weather, earthquakes, floods, fires, strikes or other labor problems, war, insurrection, riot, or government action.

32. **Unauthorized Transactions.** FSC shall have the right to refuse to process any transaction or take any action based upon documents, directions, instructions or instruments that FSC believes in good faith to have been (i) forged or otherwise illegally altered or modified, (ii) issued or given without due and proper authorization, or (iii) obtained or secured by duress, fraud, theft or other unlawful means. The foregoing

notwithstanding, FSC shall have no obligation whatsoever to undertake, and FSC will not necessarily undertake, any investigation or perform any due diligence to determine or detect whether any such illegal or unauthorized actions has occurred with respect to any document, transaction or proposed transaction relating in any manner to your Account. Further, you understand and agree that FSC does, from time to time in the ordinary course of its business, issue signature guarantees in connection with certain securities transfers, which guarantees are issued to facilitate the timely and efficient transfer of securities and provide certain protections for the issuer of the securities and its transfer agents. You hereby waive any rights you may have to claims for damages, losses, liabilities, costs and expenses that may be incurred by reason of the issuance of signature guarantees by FSC or by reason of FSC's failure to determine or detect that any guaranteed signatures were forged, unauthorized or illegally obtained.

33. **Successors.** You hereby agree that this Customer Agreement and all the terms hereof shall be binding upon your heirs, executors, administrators, personal representatives and assigns. This Customer Agreement shall inure to the benefit of FSC and its successors, assigns and agents. FSC may assign its rights and duties under this Customer Agreement to any of its subsidiaries or affiliates without giving you notice, or to any other entity upon prior written notice to you.

34. **Representations.** You hereby represent that you are of full age and that either (i) you are not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing either as broker or as principal in securities, bills of exchange, acceptances or other forms of commercial paper, or (ii) if you are an employee of one or more of the foregoing, you have fully disclosed your affiliation to your Introducing Broker and have obtained appropriate approvals from the compliance officer or other supervisory person of your employer prior to opening this Account. You agree that you will promptly notify FSC in writing if you become so employed in the future.

If you are a corporation, partnership, trust or other entity, you represent that your governing instruments permit this Customer Agreement, that this Customer Agreement has been authorized by all applicable persons and all appropriate action and that the signatory on the Account Application is authorized to bind you.

35. **Notices and Other Communications.** Notices and other communications, including without limitation, margin and maintenance calls, delivered or mailed to the mailing address provided by you shall, until FSC has received notice in writing of a different address, be deemed to have been personally delivered to you whether actually received or not.

36. **Disclosure of Beneficial Ownership.** Under SEC Rule 14b-1(c), promulgated under the Securities Exchange Act of 1934, as amended, FSC is required to disclose to an issuer of securities the name, address and securities position of its customers who are beneficial owners of that issuer's securities, unless the customer objects to such disclosure. Unless you notify FSC in writing that you object to the disclosure of such information, FSC will make such disclosures regarding you and your securities position(s) to issuers.

37. **Indemnification and Limitation of Liability.** You hereby agree to indemnify and hold harmless FSC and its officers, directors, employees, agents and representatives ("**Indemnified Parties**") from any and all claims, losses, liabilities, costs, damages and expenses (including reasonable attorneys' fees) that may be brought or made or assessed against or incurred by any Indemnified Party caused by, arising out of or resulting from (i) your failure or refusal to follow any directions or instructions from FSC regarding your Account(s), or (ii) the use in any manner by you of the services provided by FSC pursuant hereto, except where such results from the gross negligence or willful misconduct of FSC. In no event shall FSC be liable to you, or anyone claiming by, under, or through you, or on your behalf, for any indirect, incidental, consequential or special damages arising from this Customer Agreement.

38. **Extraordinary Events.** FSC and/or its agents will not be liable for losses caused directly or indirectly by government restriction, exchange or market rulings, suspension of trading, computer or communication failure, war, earthquakes, strikes or any other conditions or circumstances that are beyond FSC's control.

39. **Business Continuity Plan.** FSC maintains a Business Continuity Plan ("**BCP**") that addresses the possibility of a future significant business disruption. The BCP outlines how FSC plans to respond to events of varying scope, including describing the diverse geographic location of FSC's branch offices, alternative business recovery site, data back-up capabilities, recovery of mission critical systems, customers access to funds and securities, and alternate communications between FSC and customers. In the event of a significant business disruption customers can call 800-678-4084 (primary) or 713-651-9580 (alternative). Information summarizing the firm's BCP will be included with new account information that is mailed to all customers upon opening an account and will be provided at least annually to existing customers. A more expanded summary is available on the firm's web site at [www.firstsw.com](http://www.firstsw.com) and by mail upon customer request.

40. **Miscellaneous.** If any provision of this Customer Agreement is held to be unenforceable, it shall not affect any other provision of this Customer Agreement. The headings of each section of this Customer Agreement are descriptive only and do not modify or qualify any provision of this Customer Agreement. This Customer Agreement and its enforcement shall be governed by the laws of the State of Texas and shall cover individually and collectively all Accounts that you have previously opened, now have open or may hereafter open or reopen with FSC, FSC's predecessor or any Introducing Broker, and any and all previous, current and future transactions in such Accounts. Except as provided in this Customer Agreement, no provision of this Customer Agreement may be altered, modified or amended unless in writing signed by FSC's authorized representative.