

# OPTION APPLICATION AMENDMENT

**Account Registration Information**
**\*\*this section is for office use only\*\***

Account Number \_\_\_\_\_ Account Short Name \_\_\_\_\_

Office Number \_\_\_\_\_ Financial Professional \_\_\_\_\_

**Customer Profile**
**Applicant Information**
**USA PATRIOT ACT Important Information About 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. What this means to you: When you open an account, we will require 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.

<b>Primary Applicant</b> Individual or Business/Trust/Entity/Name/Custodian	<b>Co-Applicant Applicant</b> Individual or Business/Trustee/Entity/Name/Custodian/Power or Attorney/Trade Authorization
Name	Name
Physical Street Address (P.O. Box is not acceptable)	Physical Street Address (P.O. Box is not acceptable)
City, State, Country, & Zip Code	City, State, Country, & Zip Code
Mailing Address (if different from the above: P.O. Box can be used)	Mailing Address (if different from the above: P.O. Box can be used)
City, State, Country, & Zip Code	City, State, Country, & Zip Code
Social Security Number/Tax ID Number	Social Security Number/Tax ID Number
Date of Birth (MM/DD/YYYY)	Date of Birth (MM/DD/YYYY)
Primary Phone Number	Primary Phone Number
Secondary Phone Number	Secondary Phone Number
Email Address	Email Address
Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed	Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed
Number of Dependents	Number of Dependents
Citizenship Status <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Resident Alien <input type="checkbox"/> Non-Resident Alien (Non-Resident Alien must provide a valid government issued photo ID and a Completed W-BEN)	Citizenship Status <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Resident Alien <input type="checkbox"/> Non-Resident Alien (Non-Resident Alien must provide a valid government issued photo ID and a Completed W-BEN)
Type of Photo Identification <input type="checkbox"/> Driver's License <input type="checkbox"/> Passport/Visa <input type="checkbox"/> Other _____	Type of Photo Identification <input type="checkbox"/> Driver's License <input type="checkbox"/> Passport/Visa <input type="checkbox"/> Other _____
State/Country Issued	State/Country Issued
ID Number	ID Number
Date of Issuance (MM/DD/YYYY)	Date of Issuance (MM/DD/YYYY)
Date of Expiration (MM/DD/YYYY)	Date of Expiration (MM/DD/YYYY)

## Customer Profile Continued

Primary Applicant	Co-Applicant Applicant
Employer (if Self-Employed or retired specify type of business)	Employer (if Self-Employed or retired specify type of business)
Occupation/Job Title	Occupation/Job Title
Business Phone Number	Business Phone Number
Employer Street Address	Employer Street Address
City, State, Country, & Zip Code	City, State, Country, & Zip Code

### Description of Terms

#### Investment Objective Descriptions

- Capital Preservation**  
 The objective of capital preservation is to protect your initial investment by choosing investments that minimize the potential of a loss of principal. The long-term risk of this strategy is that returns may not offset inflation.
- Income**  
 The primary objective of the income strategy is to provide current income rather than the long-term growth of principal.
- Growth**  
 The objective of the growth strategy is to increase the value of your investment over time while recognizing a high likelihood of volatility.
- Speculation**  
 A speculative objective assumes a higher risk of loss in anticipation of potentially higher-than-average gains by taking advantage of expected price changes. You recognize and are able to bear the full risk of the loss of some or all principal in such investments.

#### Risk Tolerance Descriptions

- Low (Conservative)**  
 I want to preserve my initial principal in this account, with minimal risk, even if that means this account does not generate significant income or returns and may not keep pace with inflation.
- Moderate**  
 I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns and understand I could lose a portion of the money invested.
- High (Aggressive)**  
 I am willing to accept high risk to my initial principal, including high volatility, to seek higher returns over time, and understand I could lose all or a substantial amount of the money invested.

#### Financial Information

- Annual income**  
 Includes income from sources such as employment, alimony, social security, investment income, etc.
- Net worth**  
 Is the value of your assets minus your liabilities. For purposes of this application, assets include stocks, bonds, mutual funds, other securities, bank accounts, and other personal property. Do not include your primary residence among your assets. For liabilities, include any outstanding loans, credit card balances, taxes, etc. Do not include your mortgage.
- Liquid Net Worth**  
 Is your net worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property and automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to substantial penalties if they were sold or if assets were withdrawn from them.

**Primary Investment Objective with your associated Risk Tolerance (check one box only)** Select the categories that best describe your investment objectives (and if joint that of any co applicants) and the risk that you are willing to assume in this account. Different investment products and strategies involve different degrees of risk. The greater the expected returns of a product or strategy, the greater the risk that you could lose some or all your investment. Investments should be chosen based on your objectives, timeframe, and tolerance for market fluctuations.

Investment Objective	Risk Tolerance		
<input type="checkbox"/> Capital Preservation	<input type="checkbox"/> Low		
<input type="checkbox"/> Income	<input type="checkbox"/> Low	<input type="checkbox"/> Moderate	<input type="checkbox"/> High
<input type="checkbox"/> Growth		<input type="checkbox"/> Moderate	<input type="checkbox"/> High
<input type="checkbox"/> Speculation			<input type="checkbox"/> High

## Financial Information (Combine information for joint accounts)

The more we know about you and your goals for this account, the better we can serve you. Please answer the following questions about your investment experience and financial situation to help us determine which investment products and strategies are suitable for you.

Investment Experience (Include year of experience)	Annual income (From all sources)	Net Worth (Exclusive of residence)	Liquid Net Worth (Cash, Securities, etc.)	Federal Tax Rate
<input type="checkbox"/> Stocks _____	<input type="checkbox"/> Under \$25,000	<input type="checkbox"/> Under \$50,000	<input type="checkbox"/> Under \$50,000	<input type="checkbox"/> 10%
<input type="checkbox"/> Bonds _____	<input type="checkbox"/> \$25,000 - \$49,999	<input type="checkbox"/> \$50,000 - \$99,999	<input type="checkbox"/> \$50,000 - \$99,999	<input type="checkbox"/> 12%
<input type="checkbox"/> Options _____	<input type="checkbox"/> \$50,000 - \$99,999	<input type="checkbox"/> \$100,000 - \$249,999	<input type="checkbox"/> \$100,000 - \$249,999	<input type="checkbox"/> 22%
<input type="checkbox"/> Commodities _____	<input type="checkbox"/> \$100,000 - \$249,999	<input type="checkbox"/> \$250,000 - \$499,999	<input type="checkbox"/> \$250,000 - \$499,999	<input type="checkbox"/> 24%
<input type="checkbox"/> Futures _____	<input type="checkbox"/> \$250,000 - \$999,999	<input type="checkbox"/> \$500,000 - \$999,999	<input type="checkbox"/> \$500,000 - \$999,999	<input type="checkbox"/> 32%
<input type="checkbox"/> Mutual Funds _____	<input type="checkbox"/> \$1,000,000 - \$2,999,999	<input type="checkbox"/> \$1,000,000 - \$2,999,999	<input type="checkbox"/> \$1,000,000 - \$2,999,999	<input type="checkbox"/> 35%
<input type="checkbox"/> Var. Annuity _____	<input type="checkbox"/> Over \$3,000,000	<input type="checkbox"/> \$3,000,000 - \$49,999,999	<input type="checkbox"/> Over \$3,000,000	<input type="checkbox"/> 37%
<input type="checkbox"/> Margin Accts _____		<input type="checkbox"/> Over \$50,000,000		
<input type="checkbox"/> Other List _____				

### The Investment in this account will be (Check One)

- |   |   |
|---|---|
| <input type="checkbox"/> Less than ¼ of my financial portfolio    | <input type="checkbox"/> Roughly ¼ to ½ of my financial portfolio |
| <input type="checkbox"/> Roughly ½ to ¾ of my financial portfolio | <input type="checkbox"/> More than ¾ of my financial portfolio    |

## Option Account Agreement

(Please read, complete and sign below if you wish to trade on options.)

Investment Objective	Prior option trading frequency
<input type="checkbox"/> Income	<input type="checkbox"/> No Trading
<input type="checkbox"/> Speculation	<input type="checkbox"/> Infrequent
	<input type="checkbox"/> Moderate
	<input type="checkbox"/> Active

## Option Strategy Levels Requested

Check the strategy level that you wish to utilize in this account

### NOTE: UTMA is only eligible for levels 1 & 2 (no margin)

- Level 1: Sell Covered Calls/Cash Secured Puts
- Level 2: Level 1 plus buying calls and/or puts.

### NOTE: UTMA is NOT eligible for levels 3 & 4.

- Level 3: Levels 1 and 2 plus put writing, spreads, and straddles. **(Note: Requires the use of margin)**
- Level 4: Levels 1, 2 and 3 plus uncovered call writing. **(Note: Requires the use of margin)**

By signing below, I acknowledge that I have read the HTS Option Account Agreement below and I understand and agree to be bound by the terms and that I have received Form CRS and the Brokerage Services Disclosure Brochure. I feel that I have sufficient knowledge to invest in options and I represent that I will maintain extra awareness due to the short life and price volatility of options. I REPRESENT THAT I AM CAPABLE OF EVALUATING, CARRYING AND BEARING THE FINANCIAL RISKS AND HAZARDS OF THE OPTION STRATEGIES AS I HAVE REQUESTED.

### OPTION ACCOUNT AGREEMENT

In connection with any transactions in Put and Call options (including combinations of the two) that HTS and/or your Financial Professional may handle, purchase, sell, and/or endorse for your account, you confirm and agree to the following:

- The terms and provisions of the Customer Agreement apply to accounts of HTS and the Broker/Dealers for which it clears. This provision of the Customer Agreement shall be considered supplementary to the Cash and Margin Agreement(s) (if applicable) that you have signed. Except as specifically amended by the Customer Agreement, all the terms and conditions set forth in the Cash Account Agreement and the Margin & Short Account Agreement shall remain effective with respect to your option account.
- By signing the Option Agreement, you acknowledge your understanding of the risks involved in dealing in options. Where the term "option" is used, this includes all standardized Put and Call options issued by the Options Clearing Corporation.
- You acknowledge receipt of the current Options Clearing Corporation Disclosure Document and the Special Statement for Uncovered Option Writers, if applicable, and confirm that all your option transactions are subject to the rules and regulations of the Options Clearing Corporation, the appropriate option exchange, FINRA, and any additional terms and conditions which may be imposed.

**Option Account Agreement Continued (Please read and Sign below if you wish to trade on margin)**

4. You agree that acting alone or in concert with others, you will not exceed the position and exercise limits imposed by the Options Clearing Corporation or other regulatory bodies. You further understand that it may be necessary to report your position in a class of options having the same underlying security to the proper regulatory authority, indicating your name, address, and Social Security number.
5. You acknowledge that you have furnished your Financial Professional with your financial information and investment objectives. Should your financial situation or investment objectives change, you will notify your Financial Professional immediately. HTS or your Financial Professional reserve the right to deny, revoke or discontinue option privileges on any account.
6. You acknowledge that HTS or your Financial Professional have the right to determine whether an order is acceptable, as well as, the position limits that HTS or your Financial Professional are prepared to undertake for your account.
7. You acknowledge that both the purchase and sale (writing) of Put and Call options involve a high degree of risk and are not suitable for all investors. You are aware that you should not purchase an option unless you are able to sustain a total loss of the premium (cost of option) and the costs associated with purchasing the option. Further, you are aware that 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. You agree not to hold the financial professional liable for any loss incurred due to the purchase or sale of such securities.
8. You are aware that when you purchase an option, you must pay the full premium and that an option purchase cannot be margined. In addition, there are special margin requirements governing the sale of options with which you will become familiar before commencing an option program. Complete details on the margin requirements for options are available through your Financial Professional.
9. As additional consideration for the opening sale of Call option(s) for your accounts, you agree that you will not sell, during the life of such option(s), the underlying collateralizing securities until such option(s) are closed, exercised, expire, or you have been approved for and have met the collateral requirements established by the financial professional for carrying Uncovered Call options. You also agree that the financial professional, in the financial professional's sole discretion, may refuse any orders to sell such underlying securities which the financial professional receives from you or by means of a "give-up" basis through another financial professional unless, prior to such sale, you have met the collateral requirements established by the financial professional for carrying Uncovered Call options. The financial professional has the right, at the financial professional's sole discretion, to permit you to apply the proceeds of such sale to collateral requirements.
10. Since option contracts are traded for a specified period of time and have no value upon expiration, you agree to advise your Financial Professional if you wish 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 might have a monetary value on the expiration date. You understand that you bear full responsibility for taking action to exercise or sell valuable options. In the absence of you notifying the financial professional to exercise a valuable options contract by 3:00 PM, CST, on the last business day prior to expiration date of the options contract, you agree that the financial professional may exercise the options contract on your behalf. This is in no way to be construed as an obligation on HTS's part to sell or exercise such options on your behalf.
11. You acknowledge that you are aware that all short American-style option positions are subject to assignment at any time and that European-style option contracts are only exercisable on the option's date of expiration. Since an American-style option provides an investor a greater degree of flexibility than a European-style option, the premium an American-style option is at least equal to or higher than the premium for a European-style option which otherwise has all the same features.
12. When HTS receives an exercise notice from the Options Clearing Corporation, HTS assigns the notice to a customer who is a writer of an identical option contract. Exercise assignment notices for option contracts are allocated among customer short positions pursuant to a procedure that randomly selects from among all customer short option positions that are subject to exercise. All short options positions are liable for assignment at any time. A more detailed description of HTS's random allocation procedure is available upon request.
13. If an exercise notice is assigned to your account, you must deliver the underlying security to HTS in the case of a Call, and deposit funds or securities with HTS in the case of a Put, sufficient to properly margin the security promptly.

**Customer Signature**

X _____ Primary Applicant's Signature	_____ Date	_____ Primary Applicant's Printed Name
X _____ Co-Applicant's Signature	_____ Date	_____ Co-Applicant's Printed Name

