

TD Ameritrade, Inc. ("TD Ameritrade") is furnishing this document to you to provide some basic facts about purchasing securities on margin and to alert you to the risks involved with trading securities in a margin account. Please contact a Client Services representative regarding any questions or concerns you may have with your margin account.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from TD Ameritrade. If you choose to borrow funds, they will be held in a margin account. The securities held in your account are TD Ameritrade's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan. As a result, TD Ameritrade can take action, such as issue a margin call and/or sell securities in your account, in order to maintain the required equity percentage in the account. The sell-out will incur a fee rate plus the broker commission.

It is important that you fully understand the risks involved in trading securities on margin. The risks include, but are not limited to, the following:

You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to TD Ameritrade to avoid the forced sale of those securities or other securities in your account.

TD Ameritrade can force the sale of securities in your account. If the equity in your account falls below the margin maintenance level required by law, or below our higher "house" requirements, TD Ameritrade can sell the securities in your account to cover the margin deficiency. You will also be responsible for any shortfall in the account after such a sale.

Securities can be sold without contacting you prior to the sale. Some investors mistakenly believe they must be contacted before a margin call becomes valid, and that the securities in their accounts cannot be liquidated to meet the call, unless they have been contacted first. This is not the case. Most firms will attempt to notify you of margin calls, but are not required to do so. However, even if TD Ameritrade has contacted you and provided a specific date by which you can meet a margin call, TD Ameritrade can still take the necessary steps to protect its financial interests, including immediately selling the securities without notice to you.

You are not entitled to choose which securities in your margin account are liquidated or sold to meet your margin call. Because the securities are collateral for the margin loan, TD Ameritrade has the right to decide which security to sell in order to protect its interests.

TD Ameritrade can increase its "house" maintenance requirements at any time and is not required to provide you with written notice in advance. These changes in policy can take effect immediately and may result in the issuance of a margin maintenance call. Your failure to satisfy this call may cause a forced liquidation in your account.

You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to clients under certain conditions, a client does not have a right to the extension.

Individual Retirement Account ("IRA") or Qualified Plan Margin Accounts

IRA or Qualified Plan Margin Accounts approved for margin and options will be permitted to trade more advanced option strategies than a traditional Cash IRA/QIP account. An IRA or Qualified Plan Margin Account will not be permitted to borrow funds or have the ability to have a debit balance. Clients may not short stock or sell naked (uncovered) options.

Trades that require margin such as American-style option spreads may result in a short stock position, involving a high degree of risk and may result in a loss of funds greater than the amount you have deposited in your IRA. Client(s) must understand that in the event of an assignment of an option resulting in a short stock position that TD Ameritrade, Inc. reserves the right to liquidate this position using same-day substitution.

You must determine whether trading on margin in an IRA or Qualified Plan is advisable based on your financial circumstances, your tolerance for risk, the number of years until your retirement, and other factors. You should consult a professional financial advisor to determine if margin trading on a limited basis in your IRA is consistent with your financial goals.

You acknowledge and accept that you must closely monitor your account to avoid adverse tax consequences. Trades requiring margin including American-style options spreads, may require a deposit of additional funds to your account to maintain sufficient margin. Internal Revenue Code places restrictions/limits on the amount of funds that can be deposited to an IRA. Deposits to the account in excess of such limits may cause adverse tax consequences, including but not limited to forfeiture of tax advantages inherent in a Qualified Plan Account and/or the risk of penalties imposed by the IRS.

TD Ameritrade, Inc. reserves the right to liquidate all or a portion of a client's positions in the event that you cannot or are not able to deposit sufficient funds to satisfy the margin requirements.

This statement does not disclose all of the risks and other significant aspects of trading options in your IRA or Qualified Plan Margin account. In light of the risks, you should initiate such transactions only if you understand the nature of the trades you are entering into and the extent of your exposure to risk. Trading in options is not suitable for many customers. Finally, you should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

Investment Products: Not FDIC Insured * No Bank Guarantee * May Lose Value

