

# Security Futures Addendum



## Required Information:

Investment Objectives:  Aggressive Growth  Growth  Income  
 Growth & Income  Preservation of Capital

### Individual (1)

Marital Status: \_\_\_\_\_ Number of Dependents: \_\_\_\_\_  
Annual Income: \_\_\_\_\_ Liquid Net Worth: \_\_\_\_\_

### Individual (2)

Marital Status: \_\_\_\_\_ Number of Dependents: \_\_\_\_\_  
Annual Income: \_\_\_\_\_ Liquid Net Worth: \_\_\_\_\_

### Investment Experience: Individual (1)

|                | Stock | Options | Futures | Security Futures |
|----------------|-------|---------|---------|------------------|
| # Trades/Month | _____ | _____   | _____   | _____            |
| \$/Trade       | _____ | _____   | _____   | _____            |
| Years          | _____ | _____   | _____   | _____            |

### Investment Experience: Individual (2)

|                | Stock | Options | Futures | Security Futures |
|----------------|-------|---------|---------|------------------|
| # Trades/Month | _____ | _____   | _____   | _____            |
| \$/Trade       | _____ | _____   | _____   | _____            |
| Years          | _____ | _____   | _____   | _____            |

NOTE: Non-Individuals do not have to supply the personal information.

I hereby verify the above information is true and accurate as of the date hereof.

### For Individual/Joint Accounts:

Signature of Individual Account Holder: \_\_\_\_\_

Printed Name of Individual Account Holder: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Joint Account Holder(s): \_\_\_\_\_

Printed Name of Joint Account Holder(s): \_\_\_\_\_ Date: \_\_\_\_\_

### For All Other Account Types:

Printed Name of Account Holder: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

This Security Futures Addendum supplements the terms and conditions of the customer agreement(s) by and between the undersigned Customer (if this is a joint account, the term “Customer” herein refers to each account holder) and MF Global Inc. (“MF Global”) (or any predecessor of MF Global). The particular agreement(s) supplemented by this Addendum is (are) determined by Customer pursuant to paragraph 17 herein. In particular, if Customer has elected to carry security futures contracts and associated margin in a securities account, then this Addendum supplements the terms and conditions of the Customer Agreement - Cash and Margin Accounts (“Securities Agreement”) entered into by and between Customer and MF Global. If Customer has elected to carry security futures contracts and associated margin in a futures account, then this Addendum supplements the terms and conditions of both the Securities Agreement and the Customer Agreement (“Futures Agreement”) entered into by and between Customer and MF Global.

In consideration of MF Global accepting and carrying one or more accounts for Customer for execution, clearance and/or carrying security futures contracts traded on or subject to the rules of various national securities exchanges, alternative trading systems, contract markets, derivatives transaction execution facilities and other exchanges or markets (domestic or foreign), the parties agree as follows:

- Account Type.** All security futures contracts and associated margin carried by MF Global for Customer will be deemed to be carried in Customer’s securities margin account or futures account, as designated by Customer pursuant to paragraph 17 herein, unless otherwise specifically directed by Customer or unless MF Global transfers such positions and the associated margin upon notice to Customer. Customer understands and agrees that any security futures contracts and the associated margin carried in Customer’s securities margin account will be subject to protection under SEC Rules 8c-1, 15c2-1, 15c3-2 and 15c3-3 and under the Securities Investor Protection Act of 1970 (“SIPA”) and will be entitled to Securities Investor Protection Corporation (“SIPC”) insurance coverage. Customer further understands and agrees that any security futures contracts and associated margin carried in Customer’s futures account will be subject to the CFTC’s customer segregated funds rules. Customer also understands that security futures contracts carried in Customer’s securities margin account will not be protected under the CFTC’s customer segregated funds rules, and understands that security futures contracts carried in Customer’s futures account will not be afforded protection under SEC Rules 8c-1, 15c2-1, 15c3-2 or 15c3-3 or SIPA, will not be entitled to SIPC insurance coverage and in the unlikely event of MF Global’s insolvency, Customer’s rights shall be determined pursuant to the commodity broker liquidation provisions of the Bankruptcy Code and the CFTC’s Part 190 Regulations.
- Relationship to Agreement.** Except as otherwise provided in this Addendum, the terms and conditions of the Securities Agreement and/or Futures Agreement, as applicable, shall remain in full force and effect, and shall apply to all security futures contracts that MF Global may execute, clear and/or carry on behalf of Customer. If there are any conflicts between the terms and conditions of this Addendum and the Securities Agreement or Futures Agreement, the terms and conditions of this Addendum will govern with respect to transactions in security futures contracts. Customer hereby acknowledges and reaffirms, with respect to transactions in security futures, any and all representations, warranties and covenants made by it in the Securities Agreement and/or Futures Agreement, as applicable.

3. **Definitions.** All terms used but not otherwise defined in this Addendum shall have the meanings ascribed to them in the Securities Agreement and/or Futures Agreement, as applicable. The terms “security,” “securities,” “futures contracts,” “contract” and “property” in the Securities Agreement and/or in the Futures Agreement, as applicable, shall be defined to include security futures contracts. The terms “exchange,” “market,” “marketplace” and “trading facility” in the Securities Agreement and/or Futures Agreement, as applicable, shall be defined to include any national securities exchange, alternative trading system, contract market, derivatives transaction execution facility or other exchange or market (domestic or foreign) on which security futures contracts are traded. The term “clearing house” in the Securities Agreement and/or Futures Agreement, as applicable, shall be defined to include The Options Clearing Corporation or any other applicable clearinghouse that clears security futures contracts for an exchange. The terms “account” and “Account” in the Securities Agreement and/or the Futures Agreement, as applicable, shall be defined to include Customer’s MF Global security futures trading account(s). The term “Agreement” in the Securities Agreement and/or the Futures Agreement, as applicable, shall be defined to include this Addendum.
4. **Customer Information.** Customer represents and warrants that: (a) Customer has the requisite capacity, power and authority to execute, deliver and perform Customer’s obligations under this Addendum and each and every transaction entered into hereunder; (b) all information provided for or on the Security Futures Addendum is complete, current and accurate; (c) if Customer is a collective investment vehicle, Customer is in compliance with any applicable registration requirements under the Commodity Exchange Act and the rules of the CFTC promulgated thereunder; and (d) if Customer’s account has given discretionary trading authority to a third party or to an MF Global representative or agent, Customer specifically authorizes such third party or MF Global representative or agent, as applicable, to engage in security futures transactions for Customer’s account. In the event of any change in the foregoing information or status, Customer agrees to promptly notify MF Global of such change.
5. **Acknowledgement of Risks.** Customer acknowledges and agrees that Customer will not enter an order for security futures contracts unless and until Customer has received and read the current Risk Disclosure Statement on Security Futures Contracts (the “Disclosure Document”), which advises Customer of the duties, responsibilities and risks associated with trading security futures contracts. **Customer hereby acknowledges receipt of the Disclosure Document and agrees to comply with any applicable duties and responsibilities set forth in the Disclosure Document. Customer represents that Customer is aware of the risks and obligations of trading security futures contracts and hereby assumes such risk and obligations.**
6. CUSTOMER UNDERSTANDS THAT TRANSACTIONS IN SECURITY FUTURES CONTRACTS INVOLVE A HIGH DEGREE OF RISK AND OFFER NO GUARANTEE OF GAIN OR ASSURANCE AGAINST LOSS. CUSTOMER ALSO UNDERSTANDS THAT, PRIOR TO ENGAGING IN ANY SECURITY FUTURES TRANSACTIONS, CUSTOMER SHOULD REVIEW CUSTOMER’S PRESENT FINANCIAL SITUATION AND OBJECTIVES AND DETERMINE IF A PARTICULAR TRANSACTION OR STRATEGY IS SUITABLE FOR CUSTOMER. FURTHERMORE, CUSTOMER UNDERSTANDS THAT CUSTOMER SHOULD NOT BUY OR SELL UNCOVERED SECURITY FUTURES POSITIONS UNLESS CUSTOMER IS PREPARED TO

SUSTAIN LARGE LOSSES, WHICH ARE NOT LIMITED TO THE AMOUNT OF MARGIN DEPOSITED WITH RESPECT TO SUCH POSITION. CUSTOMER UNDERSTANDS THAT CUSTOMER SHOULD NOT BUY PHYSICALLY SETTLED SECURITY FUTURES CONTRACTS UNLESS CUSTOMER IS PREPARED TO TAKE DELIVERY OF, AND PAY FOR, THE UNDERLYING SECURITIES, AND THAT CUSTOMER SHOULD NOT SELL PHYSICALLY SETTLED SECURITY FUTURES CONTRACTS UNLESS CUSTOMER IS PREPARED TO DELIVER THE UNDERLYING SECURITIES UPON THE EXPIRATION OF THE CONTRACT. CUSTOMER FURTHER UNDERSTANDS THAT NOT ALL SECURITY FUTURES CONTRACTS PERMIT THE DELIVERY OF UNDERLYING SHARES OF STOCK IN SETTLEMENT OF THE CONTRACT. CUSTOMER ALSO UNDERSTANDS THAT CUSTOMER MAY NOT BE ABLE TO OFFSET PURCHASES AND SALES OF SECURITY FUTURES CONTRACTS THAT ARE EXECUTED ON DIFFERENT EXCHANGES, AND AS A RESULT, CUSTOMER MAY BE REQUIRED TO POST MARGIN FOR AND PERFORM THE OBLIGATIONS UNDER LONG AND SHORT CONTRACTS EVEN THOUGH THOSE CONTRACTS ARE ECONOMICALLY OFFSETTING.

7. **Execution.** Customer is solely responsible for Customer's order routing decisions and for determining the exchange on which each order for security futures contracts entered through MF Global is to be executed. **MF Global makes available order entry and order routing facilities that permit Customer to route such orders to the exchange venue of its choice.** MF Global does not make any recommendation as to where such orders should be executed and does not undertake to notify Customer of price improvement opportunities or more advantageous execution quality at particular exchanges. Customer acknowledges and agrees that Customer must specify the exchange venue on which each of Customer's orders are to be executed. **Customer further agrees that without prior notice from MF Global, when MF Global executes orders on Customer's behalf, MF Global, its directors, officers, employees, agents and affiliates may take the opposite side of Customer's orders or engage in pre-execution discussions with other market participants to facilitate execution of Customer's orders, subject to the limitations and conditions, if any, contained in any applicable regulations or exchange rules.**
  
8. **Delivery of Securities.** Customer agrees to comply with all delivery notices and to deliver the shares underlying physically settled security futures contracts to MF Global in a timely manner, in accordance with the applicable delivery requirements. If Customer fails to timely deliver, or provide evidence satisfactory to MF Global of Customer's ability to deliver, the underlying shares of stock, MF Global may, but is not required to, buy-in such shares at the current market price or roll forward Customer's security futures contracts to a later delivery month for Customer's account and risk. Customer understands and agrees that Customer is responsible, and Customer's account will be debited, for any loss, cost or expense incurred by MF Global in connection with Customer's failure to timely deliver underlying shares. If Customer carries security futures contracts in a futures account, then Customer understands that Customer will be required and hereby expressly agrees and authorizes MF Global to open a separate securities account in order to take delivery of the shares underlying a security futures contract.

9. **Payment of Shares of Stock.** Customer agrees to pay for all shares underlying a physically settled security futures contract delivered to Customer's account. MF Global is authorized to sell any such underlying shares at the current market price if Customer fails to timely pay for, or provide evidence satisfactory to MF Global of its ability to pay for, such shares and Customer understands and agrees that Customer is responsible, and Customer's account will be debited, for any loss, cost or expense incurred by MF Global in connection with Customer's failure to timely pay for underlying shares. If Customer carries security futures contracts in a futures account, then Customer understands that Customer will be required and hereby expressly agrees and authorizes MF Global to open a separate securities account in order to take delivery of the shares underlying a security futures contract.
10. **Short and Long Sales Provision of Securities Agreement.** The "Short and Long Sales" provisions of the Securities Agreement do not apply to security futures orders or transactions.
11. **Industry Affiliates.** Customer, if an individual, represents and warrants to MF Global that, except as notified by Customer to MF Global in writing, Customer is not an employee of: (a) any corporation, firm or individual engaged in the business of dealing, either as a broker or as a principal, in securities or futures; (b) an exchange or any entity of which an exchange is a majority owner; or (c) the Financial Industry Regulatory Authority ("FINRA"), and neither Customer nor any member of Customer's immediate family is associated with a firm that is a member of the FINRA or the National Futures Association ("NFA").
12. **Applicable Law.** All security futures contract transactions effected pursuant to this Addendum shall be subject to applicable federal and state laws, the rules of the SEC and CFTC, and the rules, interpretations, bylaws, constitutions, and customs and usages of all applicable self-regulatory organizations, including but not limited to FINRA and the NFA, and the exchanges and clearinghouses on or through which such transactions are executed or cleared. Customer is aware of, and agrees to be bound by, such laws and rules applicable to the trading of security futures contracts.
13. **Transfer of Funds.** Customer authorizes MF Global or any of its affiliates to transfer funds, securities or other property to, between or among any of Customer's securities or securities margin account(s), futures account(s) or non-regulated account(s) held at MF Global or any of its affiliates, when in MF Global's sole judgment a transfer of any excess funds in such account(s) may be necessary to satisfy margin calls, debit balances or for such other reasons as MF Global deems appropriate. Promptly following such transfer, MF Global will confirm the transfer in writing to Customer. All such transfers shall be made in compliance with the Commodity Exchange Act, the Securities Exchange Act of 1934 and the applicable regulations promulgated thereunder.
14. **EFP and EFS Transactions.** If Customer engages in exchange for physical ("EFP") or exchange for swaps ("EFS") transactions involving security futures contracts, Customer agrees to provide MF Global, upon request, with documentation of the cash or swap transaction in the security(ies) underlying the security futures contract(s) associated with the EFP or EFS transaction, as applicable.

15. **Position Limits.** Customer is aware of, and agrees to abide by, position limits applicable to security futures contracts as may be established from time to time and agrees not to violate such limits alone or acting in concert with others. If at any time Customer’s account is in violation of any applicable position limit, Customer agrees that MF Global may liquidate any security futures contract or other positions in any of Customer’s accounts with MF Global, without prior notice to Customer, to bring Customer’s account into compliance with such position limits and/or exercise any other remedy permitted under the Securities Agreement or Futures Agreement, as applicable, as MF Global deems appropriate, in its sole discretion, to protect itself.

16. **Customer Acknowledgements.** Customer represents that Customer has received and understands the following disclosure statements and/or documents, and acknowledges receipt thereof by initialing on the line in front of the numbered items:

\_\_\_\_\_/\_\_\_\_ 1. Security Futures Risk Disclosure Statement

\_\_\_\_\_/\_\_\_\_ 2. Authorization to Transfer Customer Funds (see paragraph 13).

17. **Account Designation.** Customer hereby requests that all security futures contracts and associated margin carried by MF Global for Customer be carried in the following type of account (please initial next to choice of account type):

\_\_\_\_\_/\_\_\_\_ Futures Account (subject to the CFTC’s segregated customer funds rules in which case this Addendum supplements the terms of the Futures Agreement and, if applicable, of the Securities Agreement)

OR

\_\_\_\_\_/\_\_\_\_ Securities account (subject to SEC customer protection rules, SIPA, SIPC and excess SIPC coverage in which case this Addendum supplements the terms of the Securities Agreement)

For Individual/Joint Accounts:

Signature of Individual Account Holder:

Printed Name of Individual Account Holder:

Date:

Signature of Joint Account Holder(s):

Printed Name of Joint Account Holder(s):

Date:

For All Other Account Types:

Printed Name of Account Holder: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

MF GLOBAL INC.

Securities Futures Principal Signature: \_\_\_\_\_

Securities Futures Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_