OPTION RISK DISCLOSURE STATEMENT

NOTE: This statement is not intended to enumerate all of the risks entailed in trading options. It is expected that you will read the booklet entitled "Characteristics and Risks of Standardized Options" (see www.optionsclearing.com). In particular, please direct your attention to Chapter X, "Principal Risks of Options Positions."

RISK OF BUYING OPTIONS

An option buyer (holder) runs the risk of losing the entire amount paid for the option in a relatively short period of time.

The risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will lose his entire investment in the option.

The more an option is out-of-the-money and the shorter the time remaining to expiration the greater the risk that an option holder will lose all or part of his investment in the option.

Risk of Covered Call Writing
The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying instrument above the option price, but continues to bear the risk of a decline in the value of the underlying instrument.

SPECIAL RISKS FOR UNCOVERED OPTION WRITERS

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions. These risks include:

a) The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.
b) As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
c) Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, Fenix may request significant addition-al margin payments from you. If you do not make such margin payments, Fenix may liquidate stock or options positions in your account, with little or no prior notice in accordance with your margin agreement
d) For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.
e) If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.

The writer of an "American-style" option is subject to being assigned an exercise (i.e., having the option exercised) at any time after he has written the option until the option expires. By contrast, the writer of a "European-style" option is subject to exercise assignment only during the exercise period.

SPECIAL STATEMENT FOR COMBINATION AND SPREAD TRADERS

Options spread traders must understand the additional risks associated with this type of trading before using Fenix's spread and combination orders and systems. While it is generally accepted that spread trading may reduce the risk of loss, an investor MUST understand that this risk reduction can lead to other risks. These risks include:

a) **Early Exercise and Assignment Can Create Risk and Loss**. Spreads are subject to early exercise or assignment that can remove the very protection that the investor/trader sought. This can lead to margin calls and greater losses than anticipated when the trade was originally entered.

b) **Execution of Spread Orders is Often "Not Held" and at the discretion of Marketplace**. Spreads are not standardized contracts as are exchange-traded puts and calls. Spreads are the combination of standardized put and call contracts. There is NO spread market in securities that are subject to such benchmarks such as "time and sales" or "NBBO" (National Best Bid/Offer) and therefore the "market" cannot be "held" to a price.

c) **Spreads are Executed Differently Than "Legged" Orders.** Spreads are used by strategists as examples of risk protection, profit enhancement and as a basis for results and return on investments. However, these strategies assume that the trade can actually be executed as a spread when market forces may and can make the actual execution impossible. Spreads entered through

Fenix's order entry systems are submitted as spreads and as such are subject to the market risk and may be affected by conditions related to human execution of dual or combination orders.

d) **Spreads are Bona-Fide Trades and not Individual Separate Trades that are "Legged" or "Paired".** For example, options prices on crossed-markets are misleading for the spread trader. An option may be offered on one exchange and bid on another exchange that can lead the trader to believe that their spread trade should be filled, when, in fact, the bids and offers must be on the SAME exchange, as all bona-fide spreads are routed and executed on one exchange.

e) **Spreads are Generally Entered on a Single Exchange and are Acted Upon by a Market Maker or Floor Broker.** Spreads are executed at the discretion of a market maker or floor broker and when cancelled or filled require that the market maker take manual action and require manual reporting at times. Delays for reporting of fills and cancels may create additional risks, especially in fast or changing markets.

f) **Closing Transactions May Not be Possible**. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an option writer would remain obligated until expiration or assignment.

g) **Style of Expiration Poses Unique Risks**. American-style options may be exercised against the writer at any time prior to expiration, which may create unexpected risks and requirements. If a short option is assigned against your Account, action may be required to avoid losses and for other reasons. By contrast, European-style options may create risks at expiration when exercised, since such options may only be exercised on the expiration date.

ADDITIONAL INFORMATION

INVESTMENT OBJECTIVES

Preservation of Capital: An investment objective of Preservation of Capital indicates you seek to maintain the principal value of your investments 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.

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.

Capital Appreciation: An investment objective of Capital Appreciation 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.

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. You may seek to take advantage of short-term trading opportunities, which may involve establishing and liquidating positions quickly. 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, straddlesand/or combinations on equities or indexes*, and the use of short-term or day trading strategies.
*Retirement accounts may not be approved for margin trading privileges. Margin is required to sell covered puts and uncovered put and call options, conduct spreads, and to write straddles and combinations on equities or indexes.

OPTIONS ACCOUNT CUSTOMER AGREEMENT

In consideration of the undersigned opening one or more options accounts with Fenix Securities LLC, it is agreed:

Meaning of Words in this Agreement

a) "Account" means any options accounts Customer opens with Fenix.
b) "Customer", "you" or "your" refers to the undersigned and any other actual or beneficial owner of Securities and other property in the Account.
c) "Securities and other property" means securities or other property held, carried or maintained by Fenix or any of its affiliates, in Fenix's or any of its affiliates' possession and control, for any purpose, in your Account, including any account in which you may have an interest. "Securities and other property" includes, without limitation,money, securities and financial instruments of every kind and nature, and related contracts and options.
d) "Fenix", "we", "us" or "our" refers to Fenix Financial Markets LLC.
e) The heading of each section or paragraph is for descriptive purposes only and should not be deemed to modify any rights or obligations of the parties.

Customer Agreement. This Agreement amends your Customer Agreement, which is incorporated herein by reference. If any provision of this Agreement is inconsistent or conflicts with your Customer Agreement, the provision of this Agreement shall control for matters or services related to this Agreement. Unless otherwise defined in this Agreement, defined terms have the same meaning as in your Customer Agreement.

Applicable Rules and Regulations. You agree that each option transaction is subject to the Governing Regulations described in Section 4 of the Customer Agreement and also the constitution, rules, regulations, customs and usages of The Options Clearing Corporation (the "OCC"), the Chicago Board Options Exchange, and each other ex-change or market, and its clearinghouse, if any, on which listed options are traded, the Financial Industry Regulatory Authority ("FINRA") and various state and federal regulatory entities.

Position Limits. You agree that you, acting alone or in concert with others, will not violate directly or indirectly (through Fenix as broker or otherwise), or contribute to the violation of, the position or exercise limits of FINRA or the exchanges on which options are traded. Information on these limits can be obtained by contacting a representative of Fenix. You authorize Fenix to liquidate or close out any of your option positions, without your consent or notice to you, in Fenix's sole discretion, if and when your open positions exceed applicable position limits in order to reduce such open positions to a level that is in compliance with applicable limits. You will bear and be solely responsible for any losses, costs and expenses resulting from such reduction or liquidation.

Confirmations. You confirm your understanding that: (a) you will be required to pay a premium for any option that you purchase, (b) you will be required to deposit margin in connection with any uncovered option that you sell, (c)options may be subject to different requirements regarding exercise and, as explained in Section 6 below, you maybe assigned exercise notices in connection with options you write, (d) the exercise of an option may require you to deliver securities or make payments, (e) options that you purchase may expire worthless, and the premium paid will be forfeited, (f) options sold by you could result in significant loss and (g) options are subject to automatic exercise as described below.

Random Allocation. You understand that exercise assignment notices for option contracts are allocated among customer short positions under an automated procedure. Therefore, contracts that are subject to exercise are randomly selected from among all customer short option positions, including positions established on the day of assignment. You further understand that all short positions in "American-style" options may be assigned at any time. A more detailed description of this random allocation procedure is available from Fenix upon request.

Consent to Execution through an Affiliate. It is possible that when Fenix sends your order for the purchase or sale of listed options to an options exchange for execution, affiliates of Fenix may be making bids or offers on the option series contained in your order at the same time, and your order may be matched by a bid or offer by affiliates of Fenix. By placing an order for an options transaction, you will be deemed to consent to the execution of all or part of that order with an affiliate of Fenix, unless you otherwise advise Fenix at the time you enter your order. Your consent will not relieve Fenix of its obligation to try to obtain for you the most favorable terms reasonably available in the market at that time.

Your Responsibility and Representations. You agree to trade options only within the limits for which you have been approved by Fenix. It shall be your sole responsibility to exercise, in a proper and timely manner, any right, privilege or obligation of any option which Fenix may purchase, handle, endorse or carry for your Account. You represent that: (a) you have sufficient knowledge, experience and access to professional advice to make your own legal, tax, accounting and financial evaluation of the merits and risks involved in the purchase and sale of listed options, that such purchase and sale may involve complex legal, tax and regulatory considerations that are highly dependent on facts and circumstances related to you, that Fenix will have insufficient information regarding your specific circumstances, and that you and your legal, tax and financial advisors will be solely responsible for evaluating all necessary factors involving your purchase and sale of listed options; (b) you have the financial ability to bear the economic risk involved in the purchase and sale of options, and have adequate means of providing for your current needs and personal or other contingencies; (c) you understand that options contain a high degree of risk and are often speculative in nature. Based on your investing experience and financial experience, you fully understand and are fully prepared financially to undertake such risks and withstand any losses incurred, including losses that may exceed the value of your Account; and (d) you understand that due to the short-term nature of options it is likely that you will be trading options more frequently than stocks or bonds, and that you will be charged a commission each time you trade. You agree that the decision to trade options is yours alone, and that neither Fenix nor your Broker has assisted you in arriving at your decision to trade options, except to answer your questions. You further agree that you are solely responsible for determining that each and every investment you make or transaction you engage in is consistent with your investment objectives and financial and investment profile.

Exercise Procedures for Expiring U.S. Listed Options. Customer acknowledges and agrees that Customer bears full responsibility for taking action to exercise an option. You understand that the OCC, national securities exchanges, associations and market places have established exercise cut-off times and your options can become worthless in the event you do not deliver instructions in a timely manner. The following sets forth the current procedures that apply to your expiring U.S.-listed stock and index options positions. To ensure that your expiring options are handled appropriately you are responsible for communicating your intended exercise activity to your Fenix representative in accordance with the procedures outlined below.

(a) **To Exercise**. Unless Fenix's Client Services Team is notified otherwise, all U.S.-listed stock, ETF and index options in your Account that are at least $0.01 in-the-money at the time of expiration will be automatically exercised. Absent contrary instructions from you, no positions that are in-the-money by less than $0.01 (or that are out-of-the-money) will be exercised. As a reminder, many

U.S.-listed options expire on the Saturday following thethird Friday of the month of their expiration, although many expire on different days.

(b) **To Prevent Exercise of an Option that is at Least $0.01 in-the-Money.** In order to prevent an option that is in-the-money by at least $0.01 from being exercised automatically, Fenix's Client Services Team must receive written instructions not to exercise the option no later then 4:15 p.m. (ET) on the U.S. business day preceding the expiration of the option.

(c) **To Exercise an Option that is Less Than $0.01 in-the-Money.** In order to exercise an option that is less than $0.01 in the money, Fenix's Client Services Team must receive written instructions to exercise the option no later than 4:15 p.m. (ET) on the U.S. business day preceding the expiration of the option.

All expiring options that are less than $0.01 in-the-money, and for which you do not provide exercise instructions, will expire without exercise and you hereby waive any and all claims for damage, expense or loss which you may have against Fenix arising out of the non-exercise of such in-the-money options. Fenix cannot guarantee the exercise of an option if the instruction to exercise such option is received after 4:15 p.m. (ET) on the U.S. business day preceding the expiration of such option.

(d) **Special Notice for Options Purchased on the Day Immediately Preceding Their Expiration Date.** Expiring options positions in your Account purchased on the day immediately preceding their expiration may need special attention. Please remember to communicate exercise instructions for these positions to Fenix's Client Services Team. In the event you do not communicate your exercise instructions for any option purchased on the day immediately preceding their expiration, the option will be subject to the same provision stated above. If Fenix does not receive exercise instructions from you, options that ar e less than $0.01 in-the-money will not be exercised and all options that are at least $0.01 in-the-money will be exercised.

(e) In the event any of your options are exercised, you understand that all resulting positions will be maintained in your Accoun t and you must instruct Fenix to close such positions if you wish to do so. If the position that arises from an exercise cannot be maintained (e.g., short stock in a retirement account, no shares available for a short sale, insufficient buying power, etc.), you understand that Fenix will liquidate the position at your sole risk, for which you shall be charged two commissions. You agree to make full and timely settlement for any underlying security covered by the exercised options

(f) Please be reminded that to fund any exercises, you will need to have cash or cash equivalents available in your Account or Fenix must otherwise determine to extend you a margin loan.

A Fenix representative may from time to time provide you with information regarding your expiring op -ions positions and although Fenix may provide you with this information, Fenix has no obligation to do so and will have no liability to you for failure to prov ide this information or for any inaccuracies in the information. In order to ensure that your option pos itions are handled in the manner in which you would like in connection with any options expiration, you are responsible for providing Fenix with your intended exercise instructions b y 4:15 p.m. (ET) on the U.S. business day preceding the expiration of such option.

PROTECTION OF FENIX

(a) You understand that before writing (selling) any option you must have in your Account a minimum equity or appropriate positio n in such amounts as Fenix may specify from time to time, and that no withdrawals of cash or securities will be permitted from the Account which would reduce either the equity or position below Fenix's requirements. You further understand that any orders to sell any securities held in your Account pursuant to such minimum maintenance requirements may be refused by Fenix at our sole discretion, and Fenix shall not be liable for any loss or damage that you may sustain due to Fenix's refusal to p ermit the sale of said securities during such period.

(b) In order to exercise fully paid for in-the-money options, you must have in your Account the required as-sets (cash or marginable securities) to meet Regulation T. If such assets are not in your Account, then Fenix may, but is not required to, reduce or l iquidate your position prior to the close of business on the last trading day before exercise.

(c) Where you have written (sold) an option, Fenix is authorized in its sole discretion and without notice to you, in the event y ou do not meet your margin call in a timely manner, to take any and all steps necessary t o protect Fenix from loss or damage arising out of any option transaction made for your Account. Such steps shall include, but not be limited to, buying or selling short or short exempt, for your Account and risk, part or all of the shares or instruments r epresented by options in your Account, or buying for your Account any put option, call option or other option as Fenix may deem necessary or appropriate to protect Fen ix from any loss or damage. Customer agrees to reimburse Fenix for any and all losses and expenses, including attorneys' fees, incurred by Fenix.

(d) Except to the extent to which they conflict with this Agreement, the provision of your Margin Supplement are incorporated herein by reference. In the event of a conflict, the provision of this Agreeme nt shall control. If any provision of this Agreement becomes inconsistent with any present or future law or regulation of an entity having regulatory jurisdiction over it, that provision will be superseded or amended to conform with such law or regulation, but the remainder of this Agreement remains in force and effect.

This Agreement. This Agreement shall be applicable to all options which we may previously have purchased, sold, executed, handled, endorsed or carried for your Account, and to all options which we may hereafter purchase,sell, execute, handle, endorse or carry for your Account.
Information. Fenix is under no obligation to provide to you any information, advice or notification relating to any securities, instruments or option transaction which Fenix may purchase, sell, execute, handle, endorse or carryfor your Account. Any information, advice or notification which Fenix does provide to you shall not be construed as creating an implied agreement or course of dealing between Fenix and you and shall not impair any provision of this Agreement or any other agreement between Fenix and you.

MISCELLANEOUS

(a) You acknowledge and agree that, when transactions on your behalf are to be executed in options traded in more than one market place, in the absence of any specific instructions from you, Fenix may use its discretion inselecting the market in which to enter your orders so long as such market provides the best published price for your transaction.

(b) This Agreement and its enforcement shall be governed by the laws of the State of New York excluding conflict of laws provision. This Agreement shall inure to the benefit of Fenix and its successors, and to the benefit of and be binding upon your estate, executors, administrators, successors and assigns.