RAYMOND JAMES®

Margin accounts

Purchases of securities on credit, commonly known as margin purchases, enable you to increase the buying power of your equity and thus increase the potential for profit or loss. A portion of the purchase price is deposited when buying securities on margin, and Raymond James & Associates extends credit for the remainder. This loan appears as a debit balance on your monthly statement of account. Raymond James & Associates charges interest on the debit balance and requires you to maintain securities, cash or other property to secure repayment of funds advanced.

Interest will be charged for any credit extended to you for the purpose of buying, trading or carrying any securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When funds are paid in advance of settlement on the sale of securities, interest will be charged on such amount from date of payment until settlement date. In the event that any other charge is made to the account for any reason, interest may be charged on the resulting debit balances.

Interest rates

Interest charged on any debit balances in cash accounts or credit extended in margin accounts may be up to 2.75 percentage points above the Raymond James & Associates Base Lending Rate. The Raymond James & Associates Base Lending Rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit and general credit market conditions. The Raymond James & Associates Base Lending Rate may change without prior notice. When the Raymond James & Associates Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged to you is changed for any other reason, you will be notified at least 30 days in advance.

Interest period

Margin interest will post to your account on the last business day of the month. The interest period begins on the prior month's posting date and ends the day before the last business day of the month.

Method of interest computation

At the close of each interest period during which credit was extended to you, an interest charge is computed by multiplying the average daily debit balance by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the Raymond James & Associates Base Lending Rate, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the interest period. The interest charge for credit made to your account at the close of the interest period is added to the opening debit balance for the next interest period unless paid. Raymond James & Associates Base Lending Rate agreements are governed by the laws of the state of Florida.

If there is a credit in the cash account and there is a debit in the margin account, interest will be calculated on the resulting net balance.

If the security you sold short (or sold short against the box) appreciates in market price over the selling price, interest will be charged on the appreciation in value. Correspondingly, if the security you sold depreciates in market price, the interest charged will be reduced since your average debit balance will decline. This practice is known as “marking to the market.” The daily closing price is used to determine any appreciation or depreciation of the security sold short.

If your account is short shares of stock on the record date of a dividend or other distribution, however such short position occurs, your account will be charged the amount of the dividend or other distribution on the following business day.

General margin policies

The amount of credit that may be extended by Raymond James & Associates and the terms of such extension are governed by rules of the Federal Reserve Board and the Financial Industry Regulatory Authority. Within the guidelines of these rules and subject to adjustment required by changes in such rules and our business judgment, Raymond James & Associates establishes certain policies with respect to margin accounts. If the market value of securities in a margin account declines, Raymond James & Associates may require the deposit of additional collateral. Margin account equity is the current market value of securities and cash deposited as security, less the amount owed Raymond James & Associates for credit extended. It is our general policy to require margin account holders to maintain equity in their margin accounts of the greater of 30% of current market value or $3 per share for the common stock purchased on margin. Raymond James & Associates applies other standards for other types of securities. For example, securities valued at $5 per share or less may not be purchased using margin except under exceptional circumstances. The granting of approval for purchases of securities under $5 in the margin account will be at Raymond James & Associates’ sole discretion. Also, certain securities may be ineligible for margin credit from time to time. For information with respect to general margin maintenance policy as to municipal bonds, corporate bonds, listed U.S. Treasury notes and bonds, and other securities for margin credit, please contact your introducing firm.

Notwithstanding the above general policies, Raymond James & Associates reserves the right, at its discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts or classes of accounts as it deems necessary. In making these determinations, Raymond James & Associates may take into account various factors, including the size of the account, liquidity of position, unusual concentrations of securities in an account or a decline in creditworthiness. If you fail to meet a margin call in a timely manner, some or all of your positions may be liquidated by Raymond James & Associates without prior notification.

Deposits of collateral, lien on accounts and liquidation

In the event that additional collateral is requested, you may deposit cash or acceptable securities into your margin account. If satisfactory collateral is not promptly deposited after a request is made, Raymond James & Associates may, at its discretion, liquidate securities held in any of your accounts. In this connection, pursuant to our Margin Agreement, Raymond James & Associates retains a security interest in all securities and other property held in your accounts, including securities held for safekeeping, so long as any credit extended remains outstanding.