



June 2015

Important IRA/ESA Account Agreement and Disclosure Information

Contents

optionsXpress IRA/ESA Account Agreement	3
Introduction	3
optionsXpress IRA/ESA Account Agreement Definitions	3
Cash Account	4
1. Provision of Services	4
2. SIPC Protection	4
3. Services and Fees	4
4. When Deposits by Check Are Available for Withdrawal or Transfer	5
5. Unauthorized Wire Transfers, Missing Checks, Unauthorized Signatures and Alterations	6
6. Our Liability for Failure to Complete Transactions	6
7. Stop Payment Orders	6
8. Automated Clearing House (ACH) Stop Payment Orders	6
9. Trading Rules and Regulations	7
10. Payment, Equity Deposit, Settlement and Liquidation	7
11. Payment of Indebtedness	7
12. Remittance	7
13. Your Responsibility Concerning the Sale of Control or Restricted Securities	7
14. Your Responsibility for Understanding Terms of Securities	8
15. Impartial Lottery for Securities Subject to Partial Call or Partial Redemption	8
16. Accuracy of Account Information	8
17. Custodial Accounts	8
18. Termination	8
19. Approval of Application, Credit Verification and Account Information	9
20. Governing Law	9
21. Account Control Certifications	9
22. Assignment	9
23. Arbitration	9
24. Losses Due to Extraordinary Events	10
25. Provision of Market Data	10
26. Non-Publicly Traded Securities and Canceled or Invalidated Securities	10
27. Order Entry Services	12
28. Investment Advice	13
29. Market and Limit Orders	13
30. No Recommendation of Day Trading	14
31. Good 'til Canceled Orders	14
32. Order Routing	14
33. Order Change or Cancellation Requests	14
34. Cash-in-Lieu Payments	14
35. Interest, Dividend and Other Payments	14
36. Notification	14
37. Trade Reports, Confirmations, Statements and Other Account-Related Communications	14
38. Consent to Electronic Delivery of Records and Regulatory Information	15
39. Nontrading Assets	16
40. Unrelated Business Taxable Income Provisions (UBTI)	16
41. Monitoring Conversations	16
42. Trading or Disbursement Restrictions	16
43. Disclosure of Account Information	16

44. Separability	17
45. Entire Agreement, Amendment and Waiver	17
46. Headings Are for Descriptive Purposes	17
47. Wire Transfers and Automated Clearing House (ACH) Transfers	17
48. Receipt of Deposits and Transfers	18
49. Extended Hours Trading and Access to Other Products	18
50. Clearly Erroneous Policy	19
51. Phone Channel Access	19
52. Unclaimed Property	19
53. Errors or Questions About Your Electronic Fund Transactions	20
54. Electronic Copies	20
55. Optional Dividends	20
56. Processing and Execution of Electronic Transactions	20
57. Unique Risks of Stop Limit and Stop Limit on Quote Orders	20
58. Advanced Order Risks	21
59. Risks of Xspreads®	21
60. NBBO Guarantee	22
61. Expiration Process and Risks	22
62. Additional Risks of Spread Trading	22
63. Exchange Provided Terms	23
64. Clearing Status	23
65. Lost Securities	23
66. Our Cash Features Program	23

Options Account Terms and Agreement 26

1. Impact of Option Transactions in IRAs and Cash Accounts on Cash Features	26
2. You Understand that Options Contain a High Degree of Risk and Are Often Speculative in Nature	26
3. You Have Received, Read and Understand “Characteristics and Risks of Standardized Options” Delivered by optionsXpress as Issued by the Options Clearing Corporation	26
4. 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	26
5. You Understand that You Bear Full Responsibility for Taking Action to Exercise a Valuable Option	26
6. You Understand that optionsXpress Uses a Random Method for the Assignment of OCC Exercise and Assignment Notices	26
7. You Hereby Agree to Observe All Exchange-Established Position Limits and Will Not Purposely on Your Own or in Concert with Others Violate Such Limits	26
8. Special Notice to Owners of “Long” Fully Paid-For Options	26
9. Special Statement for Combination and Spread Traders	26
10. Early Exercise and Assignment Can Create Risk and Loss	27
11. Execution of Spread Orders Is Often “Not Held” and at the Discretion of Marketplace	27
12. Spreads Are Executed Differently than “Legged” Orders	27
13. Spreads Are Bona-Fide Trades and Not “Legged” or “Paired” of Individual Separate Trades	27
14. Spreads Are Generally Entered on a Single Exchange and Are Acted upon by a Market Maker or Floor Broker	27
15. Closing Transactions May Not Be Possible	27
16. Style of Expiration Poses Unique Risks	27

Options Risk Disclosure 27

1. Trading in Options Is Not Suitable for Many Members of the Public	27
2. Risk-Reducing Orders or Strategies	28
3. Variable Degree of Risk	28

Additional Risks Common to Options	28
1. Terms and Condition of Contracts	28
2. Suspension or Restriction of Trading and Pricing Relationships	28
3. Deposited Cash and Property	28
4. Commission and Other Charges	28
5. Transactions in Other Jurisdictions	28
6. Currency Risks	28
7. Trading Facilities	28
8. Electronic Trading.	28
9. Off-Exchange Transactions	28

Electronic Services Agreement	28
1. Use of Electronic Services	28
2. Risks of Electronic Trading	28
3. Fast and Volatile Market Conditions	29
4. Financial Market Information; No Warranty.	29
5. Limitations of Liability	29
6. Consent to Email Communications and Opting Out.	30
7. Use of Proprietary Information	30
8. Use of Quotes	30
9. Order Change or Cancellation Requests	30
10. No Legal or Tax Advice	30
11. Investment Advice	30
12. Written Acknowledgement and Confirmation	30
13. Transactions through the Electronic Services	30
14. No Reliance on Prices or Values	31
15. Market and Limit Orders.	31
16. Order Execution	31
17. Cancellation of Orders	31
18. Good 'til Canceled and Good-Through Orders	32
19. Access, Passwords and Security	32
20. Data Transmission	32
21. Use of Software, Programs, Applications or Other Devices to Access Electronic Services	32
22. Subscription, Service and Use Fees	32
23. Account Restrictions	32
24. Indemnification	32
25. Our Ability to Terminate Electronic Services	32
26. Electronic Communications	33
27. General.	33
28. Modifications.	33
29. Governing Law	33
30. Third-Party Beneficiaries	33

Terms for Customers Residing Outside the United States	33
1. Fees	33
2. Administration of Foreign Currency Conversion Transactions	33
3. Residency Status	34
4. Account Control Certifications.	34
5. Errors or Questions About Transactions.	34
6. Australia Disclosure.	34

optionsXpress IRA/ESA Account Agreement

Introduction

optionsXpress, Inc. (optionsXpress) is a member firm of the Financial Industry Regulatory Authority (FINRA). As such, we are required to inform you of the availability of a FINRA Investor Brochure, which includes information on the FINRA Public Disclosure Program. You may contact FINRA by using their public hotline at 1-800-289-9999, or on the Internet at www.finra.org.

This Account Agreement contains important terms and conditions that apply to optionsXpress IRAs and services for optionsXpress IRAs, including the Traditional IRA and the Roth IRA. Any language in this Account Agreement or related agreements that may conflict or be inconsistent with the applicable Plan, custodial agreement or trust agreement, including Principal Trust Company's Self-Directed Individual Retirement Trust Agreement and any other retirement Plan to which this Agreement applies, or Sections 401, 408 or 4975 of the Internal Revenue Code, and the regulations thereunder, shall be interpreted to be consistent and in compliance with the applicable Plan, custodial agreement or trust agreement (as applicable) and those sections of the Code and regulations thereunder. To the extent it is not possible to interpret such language to be consistent and compliant with that Plan, custodial agreement, trust agreement or these Code provisions and regulations, then such language shall be of no force or effect to the extent of such inconsistency or noncompliance. This Section shall be effective retroactive to the first date on which the agreement concerning the optionsXpress IRA was entered into by the Account Holder.

This Account Agreement also contains important terms and conditions that apply to optionsXpress Education Savings Accounts and services for all optionsXpress Education Savings Accounts (ESAs). Any language in this Account Agreement or related agreements that may conflict or be inconsistent with the applicable Plan, custodial agreement or trust agreement, including Principal Trust Company's Coverdell Education Savings Trust Account Agreement, or Sections 530 or 4975 of the Internal Revenue Code, and the regulations thereunder, shall be interpreted to be consistent and in compliance with the applicable Plan, custodial agreement or trust agreement (as applicable) and those sections of the Code and regulations thereunder. To the extent it is not possible to interpret such language to be consistent and compliant with that Plan, custodial agreement, trust agreement or these Code provisions and regulations, then such language shall be of no force or effect to the extent of such inconsistency or noncompliance. This Section shall be effective retroactive to the first date on which the agreement concerning the optionsXpress Education Savings Account was entered into by the Account Holder.

Please read this Account Agreement carefully and retain it for future reference.

optionsXpress IRA/ESA Account Agreement Definitions

As used in the Account Agreement, the terms listed below are defined as follows:

- **"Account"**—Account means the brokerage account established under your Account Application and Account Agreement.
- **"Account Agreement"**—The agreement you make with us to open an Account, consisting of the Account Application, this Account Agreement; Principal Trust Company's Self-Directed Individual Retirement Trust Agreement, Principal Trust Company's Coverdell Education Savings Trust Account Agreement, the Plan Adoption Agreement (if any), any other retirement Plan to which this Agreement applies and any other written agreements between you and us concerning your Account, all as amended from time to time.
- **"Account Application"**—The application you submit to open an optionsXpress Individual Retirement Account (IRA) or optionsXpress Education Savings Account (ESA).

- **“Business Day”**—Business Day is any day that the New York Stock Exchange and the Federal Reserve Bank of New York are open. (Although our offices may be open on certain bank holidays, these days are not considered Business Days for purposes relating to the transfer of funds.)
- **“Cash Account”**—The basic IRA we offer.
- **“Day Trading”**—Regular transmission of intraday orders to effect both purchase and sale transactions in the same security or securities.
- **“Debit Balance”**—An account balance representing money owed to us.
- **“Electronic Fund Transfer”**—Any transfer of funds initiated or authorized by you through an electronic payment system such as the Automated Clearing House (ACH) Network.
- **“FDIC”**—The Federal Deposit Insurance Corporation.
- **“Free Credit Balance”**—Defined for purposes of this Account Agreement as the uninvested cash in your Account, minus the following: (i) funds necessary to pay for purchase transactions due to settle on that Business Day; (ii) charges to your Account, including, but not limited to, Electronic Fund Transfers, wire transfers and checking transactions; and (iii) credit balances that are designated as collateral for your obligations, such as Requirement Cash or a cash balance resulting from a short sale. In determining whether to sweep funds into your Cash Feature, we may, but are not obligated to, offset credits and debits against each other. Proceeds from the sale of securities will become part of the Free Credit Balance on settlement date. Credits that result from dividends or interest payments, deposits, wired funds, reorganization activities or other non-trade related transactions will become part of the Free Credit Balance the same Business Day as processed by optionsXpress. For purposes of the Free Credit Interest Feature only, the term “Free Credit Balance” is defined as the uninvested cash in your Account, minus the following: (i) funds necessary to pay for purchase transactions due to settle on that Business Day and (ii) charges to your Account, including, but not limited to, Electronic Fund Transfers, wire transfers and checking transactions.
- **“Good Delivery”**—The delivery by a customer of cash, securities or other property in a manner acceptable to optionsXpress, and not effective until accepted by optionsXpress.
- **“IRA”/“IRA Account”/“optionsXpress IRA”**—The brokerage account established in connection with Principal Trust Company’s Self-Directed Individual Retirement Trust Agreement and/or Principal Trust Company’s Coverdell Education Savings Trust Account Agreement and any other retirement plan to which this Account Agreement applies.
- **“Long Sale”**—The sale of a security that you own.
- **“Other Property”**—Money, instruments (including certificates of deposit and other financial instruments) and any other property or rights.
- **“Plan”**—Principal Trust Company’s Self-Directed Individual Retirement Trust Agreement, Principal Trust Company’s Coverdell Education Savings Trust Account Agreement and any other retirement plan to which this Account Agreement applies.
- **“Requirement Cash”**—The cash balance held as collateral for long options equal to or greater than the requirement to exercise the options in an IRA or Cash Account on the last day prior to expiration.
- **“Securities”**—Securities of any kind and nature, including those you may deposit or redeposit with us for any reason (including safekeeping), as well as uncertificated securities, such as money market fund shares.
- **“Settlement Day”**—A stock trade settles three Business Days from trade date, and option, bond and mutual fund trades settle one Business Day after trade date.
- **“Sweep Bank”**—An FDIC-insured depository institution that may be, but is not required to be, affiliated with optionsXpress at which interest-bearing Deposit Accounts are maintained on your behalf.
- **“To close any or all transactions”**—To complete or liquidate any or all unsettled transactions; to cancel open orders; to sell any or all long Securities and Other Property, including options; to buy any or all Securities and Other Property that are short in your Account or required for delivery against any sale order or other obligation; and to purchase option contracts to close any outstanding short option positions.
- **“Unrelated Trade or Business Taxable Income (UBTI)”**—The taxable portion of the gross income derived from any trade or business that is regularly carried on and not substantially related to the organization’s exempt purpose or function. UBTI includes income from leveraged real estate investments, as well as income from active businesses.
- **“We”/“Us”/“Our”/“optionsXpress”**—optionsXpress, Inc.
- **“You”/“Your”/“Account Holder”**— All persons who have signed the IRA Account Application and/or the Education Savings Account Application, their agents, and, in certain circumstances, any other persons who have or claim to have a legal or beneficial interest in the IRA or ESA Account.

Cash Account

1. Provision of Services

To open an Account, you complete an Account Application. When we approve your Account Application, which may be subject to credit verification, we will open an Account for you and act as your broker to purchase and sell securities for your Account based on your instructions. When transferring assets from another firm, be advised that we will not accept or honor any oral or written instructions from you to purchase or sell securities prior to our actual receipt of your assets and the completion of the transfer process. You may initiate orders relating to the transferred cash and/or securities only after the transfer process has been completed and the assets have been received by optionsXpress. With our approval, you may elect to trade covered options in your cash account.

2. SIPC Protection

The Securities Investor Protection Corporation (SIPC) provides up to \$500,000 of protection in accounts you hold in a separate insurable ownership capacity (for instance, as custodian, joint tenant or sole owner), with a limit of \$250,000 for claims in cash balances. For further details, please see www.sipc.org. This protection does not cover fluctuations in the market value of your securities. Account protection is not provided for the accounts of banks or broker-dealers maintained for their own account, nor for many limited partnership interests. Please consult with your attorney or investment advisor with regard to your particular investment.

To obtain information about SIPC, including an explanatory SIPC brochure, please contact SIPC at www.sipc.org or 1-202-371-8300.

3. Services and Fees

Enrollment in a Service—optionsXpress offers a number of account types, service features and benefit packages, each of which is referred to as a “Service” for purposes of your Account Agreement. Each Service may have unique fees and additional terms and conditions. By enrolling in a Service or otherwise using a Service and not discontinuing your enrollment in that Service, you agree to abide by the terms and conditions or supplemental agreement (“Terms of Service”) applicable to such Service, in addition to this Account Agreement.

Fees and Incorporation of the Pricing and Commissions Page— Fees for particular Services and Accounts are generally set forth on the *Pricing & Commissions* page of our website at http://www.optionsxpress.com/about_us/pricing_commissions.aspx.

The *Pricing & Commissions* page is incorporated as part of this Account Agreement.

You agree to pay the Service fees as well as other fees that apply based on your transactions, activities and requests, as set forth on the *Pricing & Commissions* page or as optionsXpress otherwise informs you. These other fees may include, but are not limited to, the following:

- Commissions, transactions (including mutual funds), and order handling fees;
- Account service fees;
- Cashiering services;
- Custody of certain assets;
- Reports relating to your Account requested by you or that are required by law;
- Fees associated with transactions in money market funds;
- Termination and transfer fees; and
- Charges for failing to maintain minimum balance requirements.

Some Services may have a special fee schedule that is not included on the *Pricing & Commissions* page. If so, Terms of Service that you receive at the time you receive or enroll in the Service will include that additional pricing information. You agree to review the Terms of Service and not to use or not to continue use of the Service if you do not agree to pay the applicable fees.

You agree to pay all applicable fees, as well as any applicable federal, state and local taxes. optionsXpress's failure to deduct fees from your Account at the time you incur those fees does not waive optionsXpress's right to deduct those fees from your Account at a later time.

optionsXpress may modify the *Pricing & Commissions* page or fee schedule applicable to a Service at any time. optionsXpress will provide notice to you of any change in fee or new fee applicable to you in accordance with applicable laws and regulations. Your continued use of your Account or a Service following such a change in fee or new fee will evidence your consent.

Some fees may be charged to a debit or credit card, if permitted by optionsXpress. By authorizing optionsXpress to charge a debit or credit card, you are authorizing optionsXpress or its respective designated representatives or agents to automatically continue charging that card (or any replacement credit card account if the original card is renewed, lost, stolen or changed for any reason by the credit-issuing entity, and such entity informs optionsXpress of such new replacement card account) for all fees and charges associated with your transactions or the products or Services you receive.

optionsXpress reserves the right, but has no obligation, to negotiate different prices or arrangements than those described in on the *Pricing & Commissions* page or elsewhere with Account Holders and with unaffiliated third parties acting as agents for certain Account Holders.

Transfer (Out) Fee and Account Minimums—optionsXpress may establish from time to time minimum balance requirements to open an Account. This minimum may not apply to all account types. The minimum deposit may consist of a check, money order, Electronic Fund Transfer and/or transfer of assets from another institution. If your optionsXpress IRA falls below the minimum value required to open that account, you authorize us to take such actions as are appropriate, in our discretion, to close your Account. Unless there is no balance in your Account, you will be given notice prior to our closing your Account. You authorize us to liquidate shares of any security, including, but not limited to, shares of any mutual funds or other entities whose shares are in a continuous offering ("funds") held for you that are not transferred to the issuer for any reason. Upon closing your Account, we will either mail to you certificates or request a book-entry statement from the agent for securities that are not "funds" held for you (if the

physical certificates are being issued and transferred by the company and/or the Transfer Agent) or a check reflecting the cash balance in your Account at the time it is closed, or both, in our sole discretion. If after your Account is closed for any reason, securities or other property from any source are credited to your Account, you authorize us to mail to you either certificates for securities that are not "funds" or a check reflecting the cash balance in your Account, or both. In computing the cash balance of your Account at the time it is closed, we reserve the right to deduct any unpaid fees or charges (including account service fees), a certificate processing fee or other charges related to closing your Account. You agree not to hold us responsible for any losses incurred in connection with the closing of your Account. You acknowledge that, if we close your Account, you may incur tax consequences from receiving a distribution of your account balance, and you hereby elect to waive any federal and state income tax withholding on the distribution.

optionsXpress may charge a fee when you request a transfer of assets from the Account to another financial institution (a "TOA"), as set forth in on the *Pricing & Commissions* page of our website. A TOA occurs when you request (either personally or through another financial institution) that optionsXpress transfer securities or cash out of the Account. A TOA of all the assets in the Account is a "full TOA"; a TOA in any amount less than this is a "partial TOA." optionsXpress reserves the right to later change fees or waive the minimum or fees on any account in circumstances that we deem appropriate. You agree to pay our brokerage commissions and transaction, processing and other fees as they exist from time to time and apply to your Account for transactions and services you receive. optionsXpress's failure to deduct fees from your Account at the time you incur those fees does not waive optionsXpress's right to deduct those fees from your Account at a later time. optionsXpress may, in our discretion, accept custody of certain assets not normally available through optionsXpress; we will charge fees for this service. You agree also to pay all applicable state and local excise taxes.

4. When Deposits by Check Are Available for Withdrawal or Transfer

When you deposit checks in your Account, they will generally become available for withdrawal after 10 Business Days. However, circumstances may arise that cause checks to become available for withdrawal later than 10 Business Days after deposit. However, even when deposited funds are not available for withdrawal, you will receive interest or dividends on these held funds according to Section 65, Income on Free Credit Balances. At our discretion, funds represented by the check also may be unavailable for the purchase or settlement of securities transactions during the hold period.

We may, in our discretion, offer the privilege of trading against deposits by check before collection of the proceeds. If a deposited check is dishonored by the bank on which drawn or the privilege of trading against uncollected funds is otherwise abused, we may, at any time in our sole discretion and without notice, revoke this privilege and/or liquidate all securities positions in your Account that were purchased using such uncollected funds without incurring any liability on our part. Any trading gains resulting from trading against uncollected funds represented by a deposited check or other financial instruments will become our property unless and until the funds represented by that instrument (not a substitute or supplemental instrument) are collected by us. You remain responsible to us for any losses resulting from such trading, in addition to your responsibility to make good any dishonored check. In addition, you acknowledge and give approval that we may, at our discretion and without further prior notice, utilize an electronic check process or ACH facility to draft funds in the amount of any of your checks payable to optionsXpress, its agents or assigns.

We reserve the right to redeposit any checks that do not clear the first time due to insufficient funds, or any other reason, with or without prior notification.

5. Unauthorized Wire Transfers, Missing Checks, Unauthorized Signatures and Alterations

You must promptly examine your account statement upon receipt. If you find that your records and ours disagree, or if you suspect that a wire transfer is unauthorized or a check or an endorsement is altered or forged, call us toll-free at once at 1-888-280-8020. You must also report missing or stolen checks to us immediately by calling the same number. Or you may write to us at: optionsXpress, Inc., P.O. Box 2197, Chicago, IL 60690.

If you do not notify us in writing of the suspected unauthorized wire transfer, forgery, alteration or fraudulent check transaction promptly, but in no event later than 10 calendar days after we send or make available to you notice of the transaction or your account statement, whichever is received first, you agree that the account statement activity and your account balance are correct for all purposes with respect to those transactions and waive all claims against optionsXpress to recover any losses resulting from said unauthorized wire transfer, forgery, alteration or fraudulent check.

If you report to us that an unauthorized wire transfer, forgery, alteration or other unauthorized check transaction has occurred on your Account, you agree to cooperate with us in the investigation of your claim. This includes giving us an affidavit containing whatever reasonable information we require concerning your Account, the wire or check transaction and the circumstances surrounding the loss.

You agree that we have a reasonable period of time to investigate the facts and circumstances surrounding any such claimed loss and that we have no obligation to provisionally credit your Account.

6. Our Liability for Failure to Complete Transactions

If we do not complete a transaction to or from your Account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. There are some exceptions (there may be other exceptions not specifically mentioned here). We will not be liable, for instance, if:

- The account balance in your Account is not enough to cover the transaction.
- Circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- Incorrect Electronic Fund Transfer instructions are provided to us by another institution.
- Any Electronic Fund Transfer, ACH Network or any other third-party communication system from which optionsXpress requires information to complete transactions was not working properly.
- Your Account is restricted (because of a court order or similar reason) and we are not permitted to make the transaction.
- An error in posting an amount or transaction occurs that is beyond our control.

In no event shall optionsXpress be liable for any special, indirect or consequential damages, even if we have been informed of the possibility of such damages.

7. Stop Payment Orders

If a check you have written has not yet been paid from your Account, you may request a stop payment by writing to: optionsXpress, Inc., P.O. Box 2197, Chicago, IL 60690 or by calling toll-free: 1-888-280-8020.

If you call, we may also require you to put your request in writing and get it to us within 14 days after the call. Stop payment orders processed prior to 5:00 p.m. Eastern Standard Time will normally become effective after one Business Day. Stop payment orders processed after 5:00 p.m. Eastern Standard Time will become effective after 2 Business Days. Stop payment orders remain in effect for one

year and automatically renew on anniversary date of stop payment for an additional year not to exceed a total of three years. We purge the stop payment after the expiration of stop payment order, unless you renew the stop payment order. If the check is received after the stop payment order expires, we may pay the check. To stop payment, we need the following:

- Account number
- Exact amount of the check
- Check number

If you give us the amount of the check, we need the exact amount in dollars and cents. If you give us the wrong amount, we may pay the check. We will charge a fee to your Account for each stop payment order you place.

We will not be liable for failure to stop payment on a check unless we have received timely notice according to the above procedures.

Important: Under certain circumstances, payment of a check can be enforced even while a stop payment is in effect. For example, if a person or entity becomes a "holder in due course" of a check that you ask us to stop, we may still pay the check, or we may debit the amount of the check from your Account.

8. Automated Clearing House (ACH) Stop Payment Orders

From time to time, you may receive ACH debits to your Account from senders you previously authorized to debit your Account. You may ask us to stop payment on a future ACH debit to your Account if the item hasn't already been paid. You are responsible for notifying your sender that you have revoked your previous authorization for ACH debits.

You may request an ACH stop payment order in writing or by telephone. If you call, we may also require you to put your request in writing and get it to us within 14 days after the call. Stop payment orders processed prior to 5:00 p.m. Eastern Standard Time will normally become effective after one Business Day. Stop payment orders processed after 5:00 p.m. Eastern Standard Time will become effective after 2 Business Days. Stop payment orders remain in effect for six months.

We purge the stop payment within one month after the expiration of the stop payment order, unless you renew the stop payment order. If the ACH item is received after the stop payment order expires, we may pay the item.

For an ACH stop payment order, we need the following:

- Account number
- Exact amount of the ACH debit (if known)

We may also need the date that the prior ACH debit from this sender posted to your Account so that we can obtain the company name and company identification number used by your sender and printed on your account statement. Otherwise, you can provide us with the company name and company identification number if you know it.

If you give us the amount of the ACH debit item, we need the exact amount in dollars and cents. If you give us the wrong amount, we may pay the item. If you do not know the amount, we can place the stop payment based on the company identification number of the sender, but this may stop all ACH items from this sender. If you give us the wrong company identification number or if the sender changes the company identification number, we may pay the item.

We will charge a fee to your Account for each stop payment order you place.

For additional information on stopping a preauthorized transfer, including the telephone number and address to use, see Section 52, Errors or Questions about Your Electronic Fund Transactions.

9. Trading Rules and Regulations

Your Account and any transactions you make are subject to our trading rules and policies and the following rules, regulations and policies, all as modified or amended from time to time:

- Applicable rules, regulations, customs and usage of any exchange, market, clearinghouse or self-regulatory organization; and
- Applicable federal and state laws, rules, regulations and treaties.

10. Payment, Equity Deposit, Settlement and Liquidation

You agree to pay for all transactions you make and all authorized transactions in your Account. When you purchase securities on a cash basis, you agree to pay for the securities by Settlement Day. We will use available funds in your Account to settle a transaction.

We require an equity deposit or a full payment before we accept your order. When you sell "long" securities, you must own the securities when you place the order. You also agree to make Good Delivery of the securities you are selling by Settlement Day. If you do not make Good Delivery of your securities when making a sale, or if you do not tender the total purchase price when making a purchase, we may take appropriate steps to complete, cancel or liquidate the transaction. This may include purchasing or borrowing the securities necessary to make the delivery. Failure to make Good Delivery includes the deposit of securities by you that are later found to be restricted, canceled, reported lost or stolen, escheated or otherwise not freely transferable.

You are responsible for all debits, costs, commissions and losses arising from any actions we must take to liquidate or close transactions in your Account, or from your failure to make timely Good Delivery of securities. If you know or suspect that you have received an overpayment of funds or securities, or if you know or suspect that optionsXpress has not yet collected from your Account a fee you have incurred, you agree to notify optionsXpress, in writing, as soon as you learn of the overpayment or uncollected fee. You further agree not to remove the overpayment of funds or securities or the uncollected fee from the Account, or to return the entire overpayment or uncollected fee to optionsXpress if it has already been removed from your Account. You agree that you are required to return the full amount of the overpayment or uncollected fee to optionsXpress, notwithstanding any oral representations made by any optionsXpress representative to the contrary. If you fail to do so, you will become liable to optionsXpress not only for the amount of the overpayment or uncollected fee, but also for the interest and expenses associated with its recovery.

Whenever it is necessary for our protection to satisfy a debit in your Account or an obligation owed us with respect to your Account (including the payment of any fees and expenses relating to your Account that are assessed from your Account), you authorize and direct optionsXpress to sell, assign and deliver all or any part of the property in your Account or close any or all transactions in your Account or restrict activity in your Account as may be necessary from time to time to satisfy any such debit or obligation. You further authorize and direct us to choose which property to buy or sell, which transactions to close and the sequence and timing of liquidation. We may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that we choose in the exercise of our business judgment pursuant to this direction. You agree not to hold us liable for the choice of which property to buy or sell or of which transactions to close or for timing or manner of liquidation or any tax consequences from such actions pursuant to this direction. This serves as your direction and authorization to us, without any additional notice to you. No demand or notice shall impose on optionsXpress any obligation to make such demand or provide such notice to you in the future. Any such notice or demand is hereby expressly waived, and no specific demand or notice shall invalidate this waiver.

For our protection against credit risks and other conditions, we may, without prior notice, decline, cancel or reverse your orders or instructions, or we may place trading, disbursement and other restrictions on your Account.

If we hold for you bonds or preferred stock in street name or bearer form that are callable in part, you agree to participate in an impartial lottery allocation system of the called securities, according to the rules of FINRA.

You are responsible for payment of all fees charged to your Account from time to time. You agree that optionsXpress may liquidate securities held in your Account to cover such fees or other indebtedness in the event that there are no available funds in your Account. You further agree to be responsible for all costs and commissions related to such liquidations. In addition, you agree that optionsXpress shall be entitled to apply any dividends, capital gains payments, interest payments or other incoming funds, such as funds that would otherwise be invested through dividend reinvestment, to cover fees or other indebtedness to optionsXpress.

11. Payment of Indebtedness

To the extent applicable under law, rule or regulation, you agree that you shall remain liable for and shall make payment upon our demand of any debit balance or other obligations related to your Account, including, but not limited to, any such deficiency remaining in your Account that results from instructions provided to optionsXpress by you, your agent or any attorney-in-fact under a power of attorney authorized to make transactions in your Account.

We may elect anytime, with or without notice, to make any debit balance or other obligation related to your Account immediately due and payable. We may report any past due Account to a consumer and/or securities credit reporting agency. We may also refer your Account to a collection agency.

12. Remittance

If a check or other item you remit to us is returned unpaid, we will charge a fee to your Account. We reserve the right to redeposit any checks that are returned unpaid due to insufficient funds, or for any other reason, without prior notice. For our protection, we may restrict your ability to withdraw funds represented by a check or to apply such funds to settle a securities transaction.

13. Your Responsibility Concerning the Sale of Control or Restricted Securities

Before instructing us to sell securities that are:

- "Restricted securities" or securities of an issuer of which you are an "affiliate" (as those terms are defined in Rule 144 under the Securities Act of 1933); or
- Securities that are being sold in reliance on Rule 701 or 145(d) under said Act; or
- Securities of which you and the issuer or its underwriter have entered into an agreement restricting the transferability of such securities;

You agree to tell us the status of your restricted/control securities, including any restrictions (including contractual lock-up or blackout restrictions) on your ability to sell such securities, and to furnish promptly whatever information and documents we need to comply with our regulatory duties. You acknowledge that furnishing the necessary information and documents to optionsXpress does not constitute an order to sell your restricted/control securities, and that you must place a separate order to sell by telephone or using the Electronic Services. You agree that you are responsible for all costs, including the cost to repurchase stock, if you sell stock that is later found to be restricted or nontransferable. You further acknowledge that proceeds from the sale of your restricted/control securities may not be made available to you for withdrawal or trading purposes until optionsXpress receives what it, in its sole opinion, considers to be adequate verification that your restricted/control shares have been transferred or cleared for transfer.

Because restricted/control securities transactions require special handling by both optionsXpress and third parties, processing your transaction may require several weeks, during which time the price of your securities may fluctuate. You agree not to hold optionsXpress responsible for market fluctuations that may occur to the market price of your securities while your transaction is processed. You further agree not to hold optionsXpress liable for delays in the sale (or settlement of such sale) of your restricted/control securities resulting from the failure of issuer's counsel to issue or approve any necessary legal opinion, the failure of the transfer agent to process your shares, or any other action or failure to act of a third party.

14. Your Responsibility for Understanding Terms of Securities

Certain securities may impart valuable rights that expire unless you take some action. For example:

- Warrants and stock purchase rights typically may be exercised only on or before a specified expiration date;
- Some convertible redeemable securities will be redeemed automatically unless you exercise your conversion rights before a specified redemption date;
- Some bonds may be redeemed, at the holder's option, only during specified periods; or
- Some securities may become the subject of tender or exchange offers, which are limited in time.

You are responsible for knowing the rights in and terms of your securities, and for taking action to realize the value of your securities. However, if:

- Any such security is about to expire; be redeemed, exchanged, converted, tendered or exercised; or remain at a value significantly less than the value you would have received if you had given us specific instructions; and
- We have not received instructions from you; we may, at our discretion, but are not obligated to, sell, redeem, exchange, tender, convert or exercise the security for your Account. You will be charged a brokerage commission and/or fee for any such transaction.

Note: Although we may take the actions described above, we are not obligated to do so or to notify you of impending expiration or redemption dates. You agree not to hold optionsXpress liable for any decrease in the value of your securities or other losses resulting from your failure to give optionsXpress instructions on how to respond to a tender offer, exchange offer or other offer or transaction.

15. Impartial Lottery for Securities Subject to Partial Call or Partial Redemption

If optionsXpress holds securities for you in street name or bearer form that are subject to partial call or partial redemption, then in the case of a partial call or partial redemption optionsXpress will use an impartial lottery system to select the securities to be called or redeemed from among all client accounts holding those securities. For a description of optionsXpress's lottery system, please go to www.optionsXpress.com/security_risks/risks_policies.aspx. If you would like a written copy of the description of optionsXpress's lottery system, please call us at 888-280-8020.

16. Accuracy of Account Information

You represent and warrant that:

- You have attained the age of majority.
- You have supplied accurate information in your Account Application.
- No one except the Account Holder listed on the Account Application (and, if community property is held, the Account Holder's spouse) has an interest in the Account.

- Except for your notification of such status in writing, neither you nor any member of your immediate family are an employee of any exchange, any corporation of which any exchange owns a majority of the capital stock, a member of any exchange or self-regulatory agency, a member of any firm or member corporation registered on any exchange, a bank, trust company, insurance company or any corporation, firm or individual engaged in the business of dealing either as broker or as principal in securities, bills of exchange, acceptances or other forms of commercial paper.

In addition, you agree to notify us promptly in writing of any important change in the information you supply us on the Account Application. In particular, you agree to notify us:

- If you are or become a director, 10% beneficial shareholder, policy-making officer or otherwise an "affiliate" (as defined in Rule 144 under the Securities Act of 1933) of a publicly traded company; or
- If you are or become affiliated with or employed by a securities exchange, or corporation controlled by a securities exchange, or a member of a securities exchange or a securities association; or
- If there are significant changes to the net worth, income level or employment status you listed on the Account Application.

17. Custodial Accounts

If the Custodian has elected to open the Account under either the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act (UGMA or UTMA) by notifying optionsXpress in writing, the Custodian represents that all assets in the Account belong to the beneficiary and that the Custodian will only use the assets for the beneficiary's benefit. The Custodian agrees to transfer and deliver to the beneficiary all securities and other property held in the Account promptly upon the beneficiary attaining the age specified by the governing state law for termination of the custodianship. The age of custodianship termination varies by state, although many states set the maximum age for termination at 21. If you do not indicate a termination age, the Account will be set up using the default age for termination in the Custodian's state of residence. If the termination age selected is different from the state's default age, the Custodian agrees and acknowledges that he (she) is responsible under UGMA or UTMA for determining the proper termination age and that optionsXpress is not responsible for doing so. If you have questions about the termination age, please consult your legal or tax adviser. Upon the termination of the custodianship, the Custodian agrees to provide optionsXpress, upon request, with the beneficiary's address, phone number and any other information that may assist optionsXpress in contacting the beneficiary. The Custodian instructs optionsXpress, without further notice or instruction from the Custodian, to register the Account into the beneficiary's name as soon as commercially practicable after the termination of the custodianship. In addition, the Custodian acknowledges that optionsXpress may restrict the Custodian's access to the Account upon termination of the custodianship.

18. Termination

You may close your Account anytime by giving us notice. We may in our sole discretion close your Account or terminate any or all services rendered under the Account Agreement anytime and for any reason. Termination of our services shall also result in the resignation and termination of the services provided by the Trustee or Custodian, as applicable, in conjunction with your Account. Should you choose to transfer your Account to another broker-dealer using the same Trustee or Custodian, the services of the Trustee or Custodian may continue, provided, however, that optionsXpress will have no responsibility for any such account. Closing an Account or terminating services will not affect your obligations incurred prior to closure or termination, including the obligation to pay for all transactions or other charges. Subject to this Section, the balance of your Account will be mailed to your address of record 10 Business Days after your Account is closed.

19. Approval of Application, Credit Verification and Account Information

By submitting an Account Application, you authorize us to:

- Verify your identity, creditworthiness and other information (and your spouse's if you live in a community property state). To obtain verification, we may contact your employer (and your spouse's, if applicable), obtain consumer and credit reports and make other inquiries, but we are not obligated to do so.
- Provide information about you and your Account to consumer and credit reporting agencies and collection agencies.

You further authorize optionsXpress to obtain copies of your consumer and credit reports at its discretion, at any time, for reasons including, but not limited to, the following:

- To collect a debit balance in your Account;
- To investigate, detect and prevent fraud involving you or your Account;
- To help us evaluate whether to grant, extend or modify the terms and conditions of any credit you have applied for or received; and
- If a deposit of funds or securities to your Account is returned.
- We may deny your Account Application or may decline to offer you certain services available under the Account Agreement in our sole discretion for any reason.

20. Governing Law

This Account Agreement, and all future agreements you shall enter into with optionsXpress unless otherwise indicated on such other agreements, shall be governed by the law (but not the choice of law doctrines) of the state of Illinois. This is the case regardless of whether you reside or transact business with optionsXpress in Illinois or elsewhere, except that the Section entitled "Arbitration" shall be governed by the Federal Arbitration Act.

21. Account Control Certifications

You acknowledge that this Account Agreement and your Account may be subject to U.S. economic sanctions and embargo laws, including, but not limited to, the Trading with the Enemy Act, the International Emergency Act, and similar laws; violations of which may be subject to U.S. civil and criminal penalties. You specifically represent and warrant that you haven't been designated by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) as a "specially designated national" or blocked person; that you have no reason to believe you would be considered a blocked person by OFAC; and that you aren't acting as agent of any such person. You also represent and warrant that you aren't employed by, acting as agent of, or partially owned or controlled by a government, a government-controlled entity, or a government corporation, except as you have indicated on your Account Application with optionsXpress.

22. Assignment

We may assign our rights and obligations under the Account Agreement to any subsidiary, affiliate or successor by merger or consolidation without notice to you, or to any other entity after 30 days' written notice to you. If any loans we have made to you are assigned, you agree that we may comply with any entitlement orders originated by the assignee with respect to the collateral for such loans without any further consent from you. The Account Agreement is binding upon you and our heirs, executors, administrators, successors and assigns, and it will benefit you and our successors and assigns, if any.

You agree that if your Account is so assigned you will read and be bound by the terms of the agreement governing that accounts at such subsidiary, affiliate or successor as currently in effect at the time of assignment and as amended thereafter from time to time. You understand that account terms for such other subsidiary, affiliate or successor, including account fees, other fees and charges, cash

features, interest rates and returns on cash may be different and either more or less beneficial than comparable terms for your current Account. If you do not receive or understand the agreement governing the account into which your Account may be converted, you agree to notify the subsidiary, affiliate or successor firm. You agree that your continued use of the account will constitute your acceptance of the terms governing such assigned accounts.

23. Arbitration

Required Arbitration Disclosures

Regulatory authorities require that any brokerage agreement containing a predispute arbitration agreement must disclose that the agreement contains a predispute arbitration clause. This Account Agreement contains a predispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- All parties to this Agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Account Agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

1. the class certification is denied;
2. the class is decertified; or
3. the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.

Arbitration Agreement

Any controversy or claim arising out of or relating to (i) this Account Agreement, any other agreement with optionsXpress, an instruction or authorization provided to optionsXpress or the breach of any such agreements, instructions, or authorizations; (ii) the Account, any other optionsXpress account or Services; (iii) transactions in the Account or any other optionsXpress account; or (iv) in any way arising from the relationship with optionsXpress, its parent, subsidiaries, affiliates, officers, directors, employees, agents or service providers ("Related Third Parties"), including any controversy over the arbitrability of a dispute, will be settled by arbitration.

This arbitration agreement will be binding upon and inure to the benefit of the parties hereto and their respective representatives, attorneys-in-fact, heirs, successors, assigns and any other persons having or claiming to have a legal or beneficial interest in the Account, including

court-appointed trustees and receivers. This arbitration agreement will also inure to the benefit of third-party service providers that assist optionsXpress in providing Services ("Third-Party Service Providers") and such Third-Party Service Providers are deemed to be third-party beneficiaries of this arbitration agreement.

The parties agree that this arbitration agreement will apply even if the Account Application is denied and will survive the closure of your Account and/or the termination of services rendered under this Account Agreement.

Such arbitration will be conducted by, and according to the securities arbitration rules and regulations then in effect of FINRA or any national securities exchange that provides a forum for the arbitration of disputes, provided that optionsXpress is a member of such national securities exchange at the time the arbitration is initiated. Any party may initiate arbitration by filing a written claim with FINRA or such eligible national securities exchange. If arbitration before FINRA or an eligible national securities exchange is unavailable or impossible for any reason, then such arbitration will be conducted by, and according to the rules and regulations then in effect of, the American Arbitration Association (AAA). If arbitration before the AAA is unavailable or impossible for any reason, the parties agree to have a court of competent jurisdiction appoint three (3) arbitrators to resolve any and all disputes or controversies between or among the parties. Each party shall bear its own initial arbitration costs, which are determined by the rules and regulations of the arbitration forum. In the event of financial hardship, the arbitration forum may waive certain costs in accordance with such rules. At the conclusion of the hearing, the arbitrators will decide how to assess the costs of the arbitration among the parties.

Any award the arbitrator makes shall be final and binding, and judgment on it may be entered in any court having jurisdiction. This arbitration agreement shall be enforced and interpreted exclusively in accordance with applicable federal laws of the United States, including the Federal Arbitration Act. Any costs, fees or taxes involved in enforcing the award shall be fully assessed against and paid by the party resisting enforcement of said award.

For FINRA arbitrations, FINRA will appoint a single public arbitrator in customer cases decided by one arbitrator. In customer cases decided by three arbitrators, investors have the option of choosing an arbitration panel with two public arbitrators and one non-public arbitrator (Majority-Public Panel Rule) or a panel of all public arbitrators (Optional All-Public Panel Rule). If the customer declines to elect a panel selection method in writing by the applicable deadline, the Majority-Public Panel Rule for selecting arbitrators will apply.

All notices from one party to the other involving arbitration shall be considered to have been fully given when so served, mailed by first-class, certified or registered mail, or otherwise given by other commercially accepted medium of written notification.

In addition to the above provisions, if a party to this Agreement is or becomes a non-U.S. resident at the time of any controversy subject to this arbitration agreement, such party acknowledges and agrees to the following additional provisions:

- (1) The rules of the organization administering the arbitration specifically provide for the formal designation of the place at which the arbitration is to be held.
- (2) Entering into this Agreement constitutes consent to submit to the personal jurisdiction of the courts of the state of Illinois, U.S.A. to interpret or enforce any or all of these arbitration provisions. Judgment on any arbitration award may be entered in any court having jurisdiction, or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.
- (3) The exclusive language to be used by the parties and the arbitrators in the arbitration proceedings shall be English. Any party wishing an interpreter shall make all arrangements directly with the interpreter and shall assume all costs of the service.

- (4) If a party is a foreign government or state, state-owned or state operated enterprise or other instrumentality of a foreign government or state, such party waives all rights of sovereign immunity and neither the Federal Act of State doctrine nor the doctrine of sovereign immunity shall apply insofar as any enforcement in courts located in the U.S.A. is concerned.

24. Losses Due to Extraordinary Events

We are not responsible and you agree not to hold us liable for losses caused directly or indirectly by conditions beyond our control, including, but not limited to: war, natural disasters, government restrictions, exchange or market rulings, strikes, interruptions of communications or data processing services, news or analysts' reports, market volatility or disruptions in orderly trading on any exchange or market.

25. Provision of Market Data

We may convey to you by telephone, electronic or other means the last sale transaction data, bid and asked quotations, news reports, analysts' reports or research and other information relating to securities and the securities markets (collectively referred to in this Section as "market data"). We may charge a fee for providing this market data.

We obtain market data from securities exchanges and markets and from parties that transmit market data (collectively referred to in this Section as "market data providers"). All market data is protected by copyright laws. We provide market data for your personal non-commercial use; you may not sell, market or distribute it in any way, unless you have entered into written agreements with the appropriate market data providers.

We receive the market data from industry sources that are believed to be reliable. However, the accuracy, completeness, timeliness or correct sequencing of the market data cannot be guaranteed either by us or by the market data providers. Neither we nor the market data providers will be liable for interruptions in the availability of market data or your access to market data.

Market data is provided "as is" and on an "as available" basis. There is no warranty of any kind, express or implied, regarding the market data. We are not responsible for, and you agree not to hold us liable for, lost profits, trading losses or other damages resulting from inaccurate, defective or unavailable market data. In any case, our liability arising from any legal claim (whether in contract, tort or otherwise) relating to the market data will not exceed the amount you have paid for use of the services or market data. You agree that we may correct any execution reported to you that was based on inaccurate market data provided to us by an exchange or a market center.

26. Non-Publicly Traded Securities and Canceled or Invalidated Securities

Holding Non-Publicly Traded Securities at optionsXpress

We may, at our discretion, agree to accommodate requests from you to hold in your Account certain securities, such as interests in hedge funds or private equity funds, securities purchased through private placements, and other securities that do not trade on securities exchanges or over-the-counter markets ("Non-Publicly Traded Securities"). In consideration for our accepting these Non-Publicly Traded Securities into your Account from time to time, and subject to such additional terms as may be presented to you at the time of the request, you agree that optionsXpress's sole obligation with respect to such Non-Publicly Traded Securities will be to (1) obtain and maintain possession or control of such securities in a manner as required by the SEC and (2) file and provide reports and information as required under the Internal Revenue Code, and the regulations thereunder of the Internal Revenue Service.

You acknowledge that optionsXpress's obligations are limited to maintaining possession or control and may not include facilitation of transfers, sales, withdrawals, or any other activity related to the Non-

Publicly Traded Securities. You further acknowledge that, unless notified in writing by confirmation or similar document, optionsXpress has not acted and will not act as broker or dealer in any purchase or sale of Non-Publicly Traded Securities held in your Account.

Before requesting that we hold a Non-Publicly Traded Security in your Account, you agree that you will have performed a complete review of the Non-Publicly Traded Security and taken sufficient actions to determine that the investment is appropriate for you and your own financial circumstances and that you are comfortable with the risk of loss, whether due to investment risk or the potential for fraud or misconduct. You agree that such reviews will involve the review of offering memoranda, organizational documents, and audited financial statements, and an investigation into the background and qualifications of the issuers and selling agents of each Non-Publicly Traded Security. By requesting optionsXpress to hold a Non-Publicly Traded Security, you represent that you have determined that such Non-Publicly Traded Security has been properly registered under federal and state law as a security or is exempt from such registration. You acknowledge that optionsXpress will be relying on your investigation into these matters in considering your request to hold a Non-Publicly Traded Security in your Account.

You acknowledge that any documentation regarding a Non-Publicly Traded Security submitted to optionsXpress will be used solely for optionsXpress's internal operational purposes. optionsXpress will not undertake to review or assume responsibility for the terms and conditions or contents set forth in such documentation, including, but not limited to, appropriateness or suitability, restrictions of ownership, rights of transfer, financial statements, or the adequacy of disclosure or compliance with applicable laws, rules, and regulations. Any review performed by optionsXpress will solely be for its benefit in determining its ability to hold and service the Non-Publicly Traded Security.

You acknowledge that optionsXpress shall have no responsibility for monitoring the Non-Publicly Traded Security to assure compliance with its terms or disclosures, for taking any actions to collect on any amount owed to you, or for otherwise enforcing your rights with respect to the Non-Publicly Traded Security held in your Account. optionsXpress is under no obligation to take any action should there be a default, bankruptcy, or other impairment associated with a Non-Publicly Traded Security. You agree to notify optionsXpress immediately if you identify any problem with any Non-Publicly Traded Security that would interfere with optionsXpress's ability to hold the Non-Publicly Traded Security or obtain and report values. You agree that optionsXpress has no responsibility or duty to investigate, evaluate, or report to you any information that optionsXpress may possess or may become aware of regarding any Non-Publicly Traded Security.

You also acknowledge that when you direct optionsXpress to wire or transfer funds to an issuer or sponsor of a Non-Publicly Traded Security, optionsXpress will not have any responsibility or liability if the issuer or sponsor involved does not provide the required receipt or confirmation of the investment in a manner that would allow optionsXpress to hold the security in your Account.

You further acknowledge that optionsXpress has no responsibility for determining whether any transaction or investment would constitute a prohibited transaction, generate unrelated business taxable income, or constitute a listed transaction or reportable transaction, as any of those foregoing terms are defined in the Code and regulations thereunder, or to inform you of the consequences and/or reporting requirements with respect to such transactions. optionsXpress will have no responsibility for determining whether an investment made in your Account earned income that is deemed to be unrelated business income which is subject to federal income tax, and will not prepare any returns or perform any tax reporting required as a result of liability incurred for tax on unrelated business taxable income.

Valuing Non-Publicly Traded Securities on Statements

You understand that because there is generally no public or secondary market for Non-Publicly Traded Securities, the values reported on your account statement may not represent market values. It is unlikely that

you would be able to sell your interests in the Non-Publicly Traded Securities held in your Account or realize the amounts shown on your account statement upon a sale of the Non-Publicly Traded Securities held in your Account. You acknowledge that it is very likely that the "resale" value of the Non-Publicly Traded Securities may be substantially lower than what is on your account statement. You understand that these values displayed on your optionsXpress account statements are provided for your convenience only, may have been reported as long as 18 months prior to statement preparation, and should not be relied upon as any indication of market value.

If you have instructed the issuers or sponsors of your Non-Publicly Traded Securities to report values to optionsXpress, you agree that optionsXpress may, in its sole discretion, display on your account statement the most recent values provided during the prior 18 months. You agree that optionsXpress may rely, without question or verification, on the values provided by the issuers or sponsors of Non-Publicly Traded Securities. You represent that during the course of your evaluation of the Non-Publicly Traded Securities, you have determined such valuations will be accurate and reliable. You understand that optionsXpress does not verify or confirm such valuations and makes no representations that the values are reasonable, are accurate, or reflect your actual holdings.

In the event third-party data sources provide valuation of your Non-Publicly Traded Security to optionsXpress, optionsXpress may display the value provided by a third party or a value derived from the third-party data on your account statement. If there is a discrepancy between an issuer-provided value and a third-party value, optionsXpress may report the value of your Non-Publicly Traded Security as "N/A" or "Not Available." If valuations are not received or made available to optionsXpress during an 18-month period, optionsXpress reserves the right to require you to remove the Non-Publicly Traded Security from your account statement in the manner described in this Agreement.

If optionsXpress reports a value received from an issuer on your account statement, the value may not match what is provided to you by the issuers of the Non-Publicly Traded Security due to the timing of issuer statements and optionsXpress's statement production schedule. In these situations the current valuation will be displayed on the following month's account statement. If you notice any other discrepancy in valuations between your account statement and any statement provided by the issuer of your investment, please review your statement footnotes to understand how the valuation was obtained and contact optionsXpress with any further questions.

optionsXpress may opt at any time, in its sole discretion, to remove a value for a Non-Publicly Traded Security from your statement and report a value of "N/A" or "Not Available."

Reporting Values of Non-Publicly Traded Securities to the IRS

With respect to IRAs, optionsXpress is required to report to your Trustee or Custodian, as applicable, annually the fair market value of the Account so that your Trustee or Custodian, as applicable, can report the fair market value of your Account to the IRS as required by law. Where there is not an available market price, unless you have arranged otherwise with optionsXpress in writing, you instruct optionsXpress to obtain the fair market value for the Non-Publicly Traded Security directly from the issuer or sponsor of the Non-Publicly Traded Security. You represent and warrant that the issuer or sponsor of your Non-Publicly Traded Security will provide an accurate estimate of fair market value that may be relied upon by optionsXpress in its reporting to your Trustee or Custodian, as applicable, for purposes of the Trustee or Custodian's tax reporting. You agree that optionsXpress has no obligation to you and you are not relying on optionsXpress to verify, confirm, or review for reasonableness such valuations. optionsXpress makes no representations that the values are reasonable, are accurate, or reflect your actual holdings, and disclaims all such responsibility. In its sole discretion, optionsXpress may obtain values for your Non-Publicly Traded Security from issuers, from third-party data providers, from third-party valuation services, or from any

public or secondary market upon which the Non-Publicly Traded Security may be transacted from time to time.

Alternatively, you may agree with optionsXpress in writing to obtain an independent third-party valuation of your Non-Publicly Traded Security. The valuation, performed by a valuation firm selected by optionsXpress at your expense, will be required at least annually and will be used to report the fair market value of your Account to your Trustee or Custodian, as applicable. optionsXpress may continue to report the value provided by the issuers or sponsors of your Non-Publicly Traded Security on your account statement or may report a value of "N/A" or "Not Available" on your account statement. You will be required to pay for the valuation annually. You understand that the fair market value reported to your Trustee or Custodian, as applicable, may be the same or may be different from the value reported on your account statements depending on the valuation determination made by the issuer or sponsor of the Non-Publicly Traded Security. If the values are the same, your December 31 account statement will provide you with the IRS Form 5498 account value. If the values are different, optionsXpress will notify you.

Removal of Non-Publicly Traded Securities From Your Account

optionsXpress may ask you to remove any Non-Publicly Traded Security from your Account at any time and for any reason. In the event that optionsXpress asks you to remove a Non-Publicly Traded Security from your Account and you do not request distribution of the Non-Publicly Traded Security from your Account, remove it from your Account, or transfer it to another custodian within sixty (60) days after optionsXpress provides you written notice that it will no longer hold the Non-Publicly Traded Security, you authorize and direct optionsXpress to distribute the Non-Publicly Traded Security directly to you. If the Non-Publicly Traded Security is represented by a physical certificate in optionsXpress's possession, optionsXpress will return the physical certificate to you. If the Non-Publicly Traded Security is not certificated, you agree that optionsXpress may remove the security from your Account by notifying the issuer to re-register the position in your name and remove optionsXpress as custodian. You agree to indemnify and hold optionsXpress harmless for your failure to remove or transfer a Non-Publicly Traded Security after optionsXpress has notified you that optionsXpress is no longer willing to hold the security in your Account. You agree that you are also solely responsible for any tax consequences associated with the removal of the Non-Publicly Traded Security from your Account.

You understand that such distributions are generally subject to federal and possibly state income tax withholding unless you elect not to have withholding apply. With respect to each such distribution, you understand that it is your responsibility to maintain a sufficient cash balance in your Account to satisfy your tax withholding election. In the event of a distribution to you, if with respect to your Account you have elected to have amounts withheld, optionsXpress will apply such tax withholding to each such distribution pursuant to such election; provided further that, to the extent that your Account does not have a sufficient cash balance to satisfy the applicable tax withholding amount for any such distribution, you acknowledge and agree that when you request us to hold the Non-Publicly Traded Security, you are making an election not to have any applicable federal or state tax withheld with respect to any such distribution made to you pursuant to this paragraph. You understand that your election not to have taxes withheld from such distributions may result in your being responsible for payment of federal and state income taxes, if applicable, on the taxable portion of your distribution, and that you may be subject to additional tax penalties if your withholding and payment of estimated tax, if any, are not adequate or made in a timely fashion.

optionsXpress also reserves the right to terminate its services for your Account (which will also result in the resignation of your Trustee or Custodian, as applicable, with respect to your Account) consistent with the terms of the Plan, as a result of your failure to remove the Non-Publicly Traded Security from your Account after notification. You agree that in the event of a distribution of a Non-Publicly Traded Security held in your Account pursuant to our termination of services with respect to

the Account, optionsXpress is authorized and directed by you to use either the last reported value provided by the issuer or the last reported value obtained in the manner you have instructed optionsXpress to receive value, or the cost value for the Non-Publicly Traded Security, as may be determined by optionsXpress for purposes of any distribution from your Account. You understand that any distribution from your IRA, except a direct transfer, is generally subject to federal (and possibly state) tax unless you elect not to have withholding apply. In the event that optionsXpress terminates your services and makes a distribution of your Account to you, to the extent that you have elected to have amounts withheld, optionsXpress will apply the withholding pursuant to such election; provided further that, in the event that your Account does not have a sufficient cash balance to satisfy the applicable withholding amount, you acknowledge and agree that when you request us to hold the Non-Publicly Traded Security, you are making a tax withholding election not to have any applicable federal or state tax withheld with respect to any distribution made to you pursuant to this paragraph and the terms of the Plan. You understand that your election not to have taxes withheld from such distributions may result in your being responsible for payment of federal and state income taxes, if applicable, on the taxable portion of your distribution, and that you may be subject to additional tax penalties if your withholding and payment of estimated tax, if any, are not adequate or are not made in a timely fashion.

SIPC Coverage

Please see Section 2, "SIPC Protection", concerning potential limitations on the coverage provided by SIPC.

Canceled or Invalidated Securities

optionsXpress reserves the right to remove from your Account any security that is deemed to have been canceled or otherwise invalidated. In determining that a security has been canceled or invalidated, you agree that we have derived information on such assets from you or from third parties and we are not responsible for the accuracy or reliability of any information regarding these assets. Canceled or invalid securities may include, but are not limited to, bankruptcy or charter or registration revocation. optionsXpress will notify you if it has removed a canceled or otherwise invalid security from your Account. Unless you provide optionsXpress with evidence of the validity of the security within 60 days of the notice of removal, you agree to waive any claim to any future distribution from the security and agree to indemnify and hold optionsXpress harmless from any claims, liability, or damages resulting from the removal of such security. If you provide optionsXpress with evidence of the validity of the security from an independent third party within 60 days of receiving the notice of removal, optionsXpress will reinstate your position.

In addition, optionsXpress reserves the right to charge an additional servicing fee for securities for which optionsXpress cannot identify a transfer agent (a "Non-Transferable Security"). The existence of a Non-Transferable Security in your Account may be noted with a notation of "N/A" for the value of that position on your account statements.

27. Order Entry Services

From time to time, we may make available services (referred to in this Section as "the Services") that allow you to place orders and obtain market data and other information via telephone, computer or other electronic means. You agree to use the Services to enter your orders if time is of the essence. You agree that, for any orders you send to us in writing, the timing of the order entry is not a priority for you and you understand that, although we will use our best efforts to enter that order in a timely manner, it may not be entered immediately at the time the written order is received. You further agree that we may determine, in our sole discretion, that a written order needs further clarification. You understand that such order may not be entered if we are unable to contact you to discuss the order. We encourage you to place all orders using the Electronic Services. You agree that you are responsible for paying for all orders. optionsXpress may, in its sole discretion, remove particular securities from the list of securities that

can be purchased using Electronic Services due to volatility or other market factors.

The Electronic Services may require you to use a number or password to access your Account.

You are responsible for the confidentiality and use of your access number, password and account number, and for all Securities and other transactions initiated through these means. Any orders communicated to us through these means will be considered to have been sent and authorized by you.

You also agree to notify us immediately if you:

- Become aware of any loss, theft or unauthorized use of your access number, password or account number; or any unauthorized use of the services or the market data.
- Fail to receive a message that an order you initiated through the services has been received or executed.
- Fail to receive an accurate written confirmation of an order or its execution.
- Receive confirmation of an order that you did not place.

You agree to pay all subscription, service and use fees, if any, that we charge for the Services. We may treat such fees as a debit to your Account and deduct the amount of these fees from any credit balance in your Account. In the alternative, you authorize us, in our discretion, to charge such fees to a credit card account, if that service is available, to the number that you have provided to us for this purpose.

We will not be liable for lost profits, trading losses or other damages resulting from the delay or loss of use of the services. In any case, our liability arising from any legal claim (whether in contract, tort or otherwise) relating to the Services will not exceed the amount you have paid for use of the Services.

28. Investment Advice

You understand that we, through our website, provide no tax, legal or investment advice of any kind, nor do we give advice or offer any opinion with respect to the nature, potential value or suitability of any particular securities transaction or investment strategy. You further understand that while you may be able to access investment research reports through the Internet from our website, including computerized online services, the availability of such information does not constitute a recommendation to buy or sell any of the securities discussed therein or to engage in any of the investment or trading strategies presented therein. Any investment decisions you make will be based solely on your own evaluation of your financial circumstances and investment objectives and the suitability for you of any security or any investment or trading strategy.

You further agree and acknowledge that:

- Unless we otherwise agree with you in writing, optionsXpress will act only as your broker-dealer and not as an investment advisor ("Investment Advisor"); and your Account will be a brokerage account and not an investment advisory account governed by the Investment Advisers Act of 1940;
- Unless we otherwise agree with you in writing, optionsXpress will not provide financial planning services to you or your Account, and any collection of your financial data by optionsXpress, or analysis or evaluation of such data by optionsXpress, will be in furtherance of our broker-dealer activities and not in connection with establishing or implementing a financial plan;
- You, or you and an Investment Advisor other than optionsXpress, if you have one, are responsible for determining the nature, potential value and suitability for you of any particular investment strategy, transaction or security (including equities and options). optionsXpress has no responsibility for any such determination (1) unless we otherwise agree with you in writing, (2) unless required by applicable

law, or (3) unless optionsXpress or an optionsXpress representative gives advice directly to you that is clearly identified as an optionsXpress recommendation for you to enter into a particular transaction or transactions or to buy or sell a particular security or securities;

- You agree that any such optionsXpress recommendation will remain in effect only for as long as we tell you that it will remain in effect at the time we make the recommendation;
- Unless we otherwise agree with you in writing, optionsXpress does not have any discretionary authority or obligation to review or make recommendations for the investment of securities or cash in your Account;
- You, or you and an Investment Advisor other than optionsXpress, if you have one, will rely on multiple sources of information in making investment decisions for your Account, and any information optionsXpress may provide will not serve as the sole basis for any investment decision you make or made on your behalf;
- You, or you and an Investment Advisor other than optionsXpress, if you have one, have an affirmative duty to monitor profits and losses in your Account and to modify your trading decisions accordingly;
- While optionsXpress makes available research, analysis, news and other information prepared by third parties, this also does not constitute an individualized recommendation by optionsXpress (or any third party) or a solicitation of any offer to buy or sell securities by optionsXpress (or any third party). optionsXpress does not create or prepare any of this third-party information, and it gives no assurances as to its accuracy, quality or timeliness and does not warrant any results from use of any such information;
- Any research, analysis, news or other information made available through electronic channels (e.g., the optionsXpress.com website or email alerts) does not constitute an individualized recommendation to you to buy or sell a particular security;
- optionsXpress does not give legal advice; and
- optionsXpress does not give tax or estate planning advice. For that type of assistance, you agree to consult your own tax or legal advisor.

You agree not to hold optionsXpress liable for any trading losses, lost profits or other damages resulting from your use of any information optionsXpress may provide, whether it is prepared by optionsXpress or by a third party.

29. Market and Limit Orders

You acknowledge a quote that you obtain at or prior to the time you place a market order is not a guarantee that all or part of your order will be executed at the quoted price. You acknowledge that when you place a market order, the price of the security may change between the time the order is placed and the time it is executed, and you agree not to hold optionsXpress liable for these price fluctuations. In addition, if you place a market order when the trading exchanges or marketplaces are closed, or for a security that has not traded on the public market before, you acknowledge that the security may open for trading at a price substantially higher or lower than the previous closing price or the anticipated price. You agree to pay or receive the prevailing market price at the time your market order was executed, even if the execution price is significantly higher or lower than you anticipated at the time you placed the order.

The price quotes you receive when placing an order apply only to orders for a small number of shares. You acknowledge that the price you will pay or receive may vary substantially if your order is larger than the number of shares to which a price quote applies. Large market orders may be executed in multiple lots at different prices. You should understand that you can limit the risk of price fluctuations by placing a limit order. However, if you place a limit order, you may be less likely to get an execution. optionsXpress can provide no assurance that your limit order will be executed at any particular time, or at all. If you do

not understand the purpose or effect of either market or limit orders, you agree to call an optionsXpress representative to assist you.

30. No Recommendation of Day Trading

Day Trading in your Account is prohibited, and may cause us to close your Account. optionsXpress does not promote Day Trading directly or indirectly, and optionsXpress's services that provide the means to place trades electronically should not be construed as an endorsement or promotion of Day Trading. Day Trading can be very risky and is not appropriate for customers with limited resources, limited investment or trading experience, or a low risk tolerance.

31. Good 'til Canceled Orders

All orders marked Good 'til Canceled, or "GTC," are submitted to the marketplace as Day Orders, canceled after the close, held on optionsXpress systems overnight and resubmitted each new market day until filled or canceled. In the event that you wish to place an order "GTC" with the marketplace directly you must contact us to place that order through a Representative.

You acknowledge that if you do not cancel an open GTC order, the transaction may be completed based on your original instructions, as described above. All GTC orders will be accepted and handled exclusively on a "do not reduce" or "do not increase" basis. This means that optionsXpress will not adjust open GTC orders for dividends. We will cancel orders in securities subject to forward or reverse splits. Contingent orders will likewise not be adjusted. To adjust your open GTC orders, you should cancel your order and reenter it at the adjusted price.

32. Order Routing

The SEC and FINRA require that all broker-dealers inform their customers, when a new Account is opened, on an annual basis thereafter, and on confirmations of transactions, of payment for order flow practices (compensation received for placing orders through "market makers," third-party liquidity providers and specialists on registered U.S. exchanges). Consistent with the requirement to seek best execution, and the pursuit of price improvement or liquidity enhancement for your order, orders placed through us will be routed to primary exchanges and other market centers, including regional securities exchanges, dealers that make markets over-the-counter ("OTC"), Alternative Trading Systems, and Electronic Communication Networks ("ECNs"). In an effort to obtain best execution, we may consider several factors, including, but not limited to, price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities), whether we will receive cash or non-cash payments for routing order flow, and reciprocal business arrangements. Further information about the source and nature of the compensation for a particular transaction will be provided upon written request.

33. Order Change or Cancellation Requests

You acknowledge that it may not be possible to cancel a market or limit order once you have placed it, and you agree to exercise caution before placing all orders. Any attempt you make to cancel an order is simply a "request to cancel." optionsXpress processes your request to change or cancel an order on a best-efforts basis only and will not be liable to you if optionsXpress is unable to change or cancel your order. Market orders, in particular, are subject to immediate execution, and as a general rule cannot be canceled once trading begins. No change or cancellation of market orders will be accepted through the Electronic Services during market hours. Moreover, optionsXpress cannot guarantee that cancellation requests for any pending orders, placed shortly before trading begins, will be honored. You understand that optionsXpress's ability to process cancellation requests will be impacted by market conditions and trading volumes, both of which are out of optionsXpress's control. If you wish to try to change or cancel your market order, you agree to call an optionsXpress representative to assist you. Attempting to replace or change a market order through the

Electronic Services can result in the execution of duplicate orders, which ultimately are your responsibility. If an order cannot be canceled or changed, you agree that you are bound by the results of the original order you placed.

34. Cash-in-Lieu Payments

If you receive fractional shares as the result of a stock split or other corporate action, we, in our sole discretion, may either sell the shares on the open market or to the issuer or transfer agent, and you are entitled to receive your pro rata portion of the proceeds of such sale. If sold on the open market, the sale price may differ from that offered to certain registered owners by the issuer or transfer agent.

35. Interest, Dividend and Other Payments

If you are entitled to receive dividend, interest or other payments on investment instruments, we, in our sole discretion, may choose to pay such proceeds to you only upon receipt of payment by us from the issuer.

36. Notification

We will direct most written communications to the email address of record, and oral communications to the telephone number of record, or to the email address or telephone number you otherwise specify. Any communications we direct to such an email address facsimile or telephone number, whether by email, facsimile, telegraph, messenger, electronic mail, voice mail or otherwise, is considered delivered to you personally, whether or not you actually receive it. All information will be binding upon you, if you don't object, either in writing or via electronic mail, within ten days after delivery.

37. Trade Reports, Confirmations, Statements and Other Account-Related Communications

optionsXpress will provide you with written confirmation of trades that are executed in your Account as required under SEC Rule 10(b)-10. You agree that optionsXpress is not legally obligated to provide you with any trade status report other than the written confirmation required by SEC rules and that any other trade status report is provided as a courtesy only. optionsXpress will not be liable for any losses, lost profits or other damages that allegedly result from delays in or a failure to issue a trade status report.

You acknowledge that you have an affirmative duty to promptly review any and all trade confirmations and account statements for accuracy and completeness and to immediately notify us of any items you believe to be in error. You agree to waive any objections to the trades, positions, funds transfers, checks, disbursements, fees and other information set forth on any confirmations and account statements unless you notify us of an unauthorized transaction or other error in writing within 10 days of mailing or electronic or telephonic transmission to you. You agree that we are not liable for any damages or market fluctuations resulting from an error you fail to timely report to us or to your delay in reporting an error to us.

You agree that optionsXpress may combine communications such as account statements, confirmations and other written communications related to account activity for your Account(s) in a manner that reduces the number of envelopes mailed or electronically sent to you. Combined communications for Accounts that have more than one Account Holder may be addressed solely to the first-listed Account Holder or to the Account Holder who has his or her tax identification number serve as the tax reporting identification number on the Account (usually the first-listed Account Holder).

You agree to notify optionsXpress if you want any or all of your communications to be mailed separately. If you wish to combine communications for additional eligible accounts that are not automatically combined, please contact optionsXpress. If you have an account for which you are acting in a fiduciary capacity, it is your responsibility to consider whether it is appropriate for envelopes to be mailed or electronically sent to you that might contain material relating

to both your personal and fiduciary capacities. You are responsible for reviewing all of your account statements, any amendments to your Account Agreement(s), any regulatory notices and any other information that is sent by optionsXpress.

38. Consent to Electronic Delivery of Records and Regulatory Information

The following terms and conditions apply to the delivery, receipt and review of your trade and account information delivered to you in electronic format from optionsXpress. By your continued use of optionsXpress's electronic delivery of confirmations and other account information you consent to the terms contained herein, and as they may be updated from time to time and posted on our site.

Consent to Electronically Delivered Official Notices

optionsXpress is a broker-dealer providing self-directed brokerage services via the Internet. You hereby consent to receiving all notices, communications and other information from optionsXpress electronically. This information may be provided via an online posting on optionsXpress's website, email, file transfer protocol, CD-ROM or otherwise through the Electronic Services. Furthermore, you authorize optionsXpress to deliver information to you by sending you a notice that directs you to a website that contains the information and from which it can be read and printed. You agree that the sending of the notice by optionsXpress will constitute good and effective delivery of the information to you, regardless of whether you actually access the website containing the information. You acknowledge that you may incur expenses (such as online service provider charges) associated with your use of the Electronic Services and the electronic delivery of information to you and agrees that you will be solely responsible for all such expenses.

By specifically consenting to electronic delivery you are giving your informed consent to electronic delivery of all Account Notices (defined below), other than those you have specifically requested be delivered in paper form. "Account Notices" mean all current and future account statements, trade confirmations, notices, disclosures, regulatory (binding or official) communications (including prospectuses, proxy solicitations and privacy notices) and other information, documents, data and records regarding my Account or any information delivered or provided to you by optionsXpress, the issuers of the securities in which you invest and other parties in connection with your Account when such electronic delivery is available. This consent will be effective immediately and will remain in effect unless and until either you or optionsXpress revoke such consent. You understand that it may take up to three (3) days to process a revocation of consent to electronic delivery, and you may receive electronic notifications in the interim.

- **You Receive Both Binding and Non-binding Information.** You acknowledge that optionsXpress delivers both binding and non-binding communications to you regarding your Account. optionsXpress uses its best efforts to identify each communication as either binding (also described "Account Notices") or non-binding (often "real-time" or online account information). Despite the nature or method of conveying this information, you are responsible for reporting any discrepancies in a timely manner. You understand that optionsXpress delivers real-time information about the status of your orders by email along with providing online ledgers and order status information which are non-binding upon optionsXpress, its agents and assigns; and that such information may be changed based on market corrections and resolution of discrepancies among other factors. You also understand and acknowledge that optionsXpress also sends official notices regarding your Account including E-Confirms, U.S. mailed confirmations and statements which are official and binding subject to conditions contained within or accompanying such communications.
- **You Are Responsible for Reviewing All Notices.** You represent that you will access or download the relevant documents or information promptly. It is your responsibility to review all confirmations, statements, notices and other communications, including but not limited to confirmations, statements, and prospectuses whether

delivered to you by U.S. mail, by email or by other electronic means. All information contained therein shall be binding upon you, if you do not object, either in writing or via electronic mail, within 10 days after any such document is sent to you. In all cases, we reserve the right to determine the validity of your objection to the transaction. Notices and other communications may also be provided to you verbally, by mail or electronically or left for you on your answering machine, or otherwise, and shall be deemed to have been delivered to you when sent, whether actually received or not.

- **Revocation of Consent.** You may revoke your consent to electronic delivery of Account Notices anytime, subject to the terms of this Account Agreement, by notifying optionsXpress in writing of your intention to do so. Such revocation is not effective until optionsXpress has had reasonable time to act on such notice. Until optionsXpress has received and had a reasonable time to act on any notice of a change, optionsXpress may continue to send information to your previous email address, IP address, facsimile number or other electronic address, and any such information will be deemed to have been delivered to you, whether or not you have actually received it. You have the right to request paper delivery of any Account Notices that the law requires optionsXpress to provide to you in paper form. However, you understand that if you revoke or restrict your consent to electronic delivery of Account Notices or request paper delivery, optionsXpress, at its discretion, may charge a reasonable service fee for the delivery of Account Notices that would otherwise be delivered electronically, restrict or terminate access to the electronically delivered Account Notice service, or may restrict or close the Account. Neither your revocation or restriction of consent, nor your request for paper delivery, nor optionsXpress's delivery of paper copies of Account Notices will affect the legal effectiveness or validity of any electronic communication provided while consent was in effect.
- **Waiver of U.S. Mailed Delivery of Notices.** By consenting to electronic delivery of binding communications, including confirmations and statements, you agree to the termination of distribution of such notices by U.S. Mail. You agree that optionsXpress fulfills its legal obligation to deliver to you any such document if sent via electronic delivery. Documents sent by electronic delivery will contain all the information as it appears in the printed hardcopy version as prepared and distributed by the originator, with possible changes to format and with the possible exception of graphic insertions such as photographs or logotypes. Electronic delivery may be in the form of an email, an electronic mail attachment, or in the form of an available download from optionsXpress website, or the website or internet location of an authorized agent of optionsXpress. In the case of documents from issuers, documents sent by electronic delivery will contain all the information as it appears in the printed hardcopy version as prepared and distributed by the issuer, with the possible exception of graphic insertions such as photographs or logotypes.
- **Your Responsibility to Notify Us of Changes.** You will promptly notify optionsXpress in writing of any change in your email address, IP address, facsimile number or any other electronic delivery address agreed between you and optionsXpress. You may provide notice of a change in your electronic delivery address by giving written notice to optionsXpress. Until optionsXpress has received and had a reasonable time to act on any notice of a change, optionsXpress may continue to send information to your previous email address, IP address, facsimile number or other electronic address, and any such information will be deemed to have been delivered to you, whether or not you have actually received it.
- **You Must Notify Us If You Cannot Receive Electronically Delivered Documents.** Emails on rare occasions may fail to transmit properly. Regardless of whether you receive an email notification, you agree to check the optionsXpress website regularly for up-to-date information and to avoid missing time-sensitive information. Should you experience any difficulty opening a document electronically delivered by us, you will promptly notify us in order to allow us to make the required delivery by other means or otherwise amend delivery. Failure to advise us of such difficulty within 48 hours after delivery shall

serve as an affirmation that you were able to receive and open said document. In the event that an email notification sent to you is returned to optionsXpress as undeliverable, optionsXpress will attempt to resend the email three (3) additional times within 24 hours. If a notification remains undelivered after the third attempt, the notification will be categorized “undeliverable.” Subsequently, a paper form Notice will be sent to your postal mail address of record. This initial Notice will inform you that notification was attempted to a stated email address on a stated date and that it was undeliverable. You agree to update your email address by contacting optionsXpress within 5 days of receiving such notice. If within that time you fail to update your email address, you will be sent another Notice that will notify you that: (i) your consent to electronic delivery has been deemed to have been revoked; and (ii) that you have been defaulted to paper delivery. You understand that you may be required to give a new informed consent to resume electronic delivery of Account Notices in the future. optionsXpress, at its discretion may substitute the above process for an online account notice preempting login to your Account if optionsXpress has reason to believe that you access your Account and that such a method will be more timely and effective.

Notwithstanding the process above, optionsXpress at its discretion may terminate electronic delivery at any time and resume delivery of mailed Account Notices.

- **Hardware or Software Requirements Needed to Access Electronic Records.** You understand that to receive electronic delivery of notifications, you must have Internet access, a valid email address, the ability to download such applications as optionsXpress may specify and to which users must access and a printer or other device to download and print or save any information you may wish to retain. Potential costs associated with electronic access to your Account and with Account Communications include charges from Internet access providers and telephone companies. optionsXpress does not charge additional online access fees for receiving electronic delivery of Account Notices.

39. Nontrading Assets

If your IRA holds any assets that do not have a readily ascertainable fair market value, you agree to provide us with annual instructions, no later than January 15 each year, regarding the fair market value of these assets as of the preceding December 31, for purposes of IRS reporting, and you agree to indemnify and hold us harmless from any consequences, including penalties assessed by the IRS, resulting from following your valuation instructions. If you don't provide us with valuation instructions by the due date, we may request an appraisal from a third party and charge the cost of the appraisal to your IRA. We also reserve the right to require an appraisal, in form and substance satisfactory to us in our sole discretion, before complying with any direction to make a distribution of any nontrading asset from the IRA.

40. Unrelated Business Taxable Income Provisions (UBTI)

You acknowledge that the Trustee or Custodian, as applicable, of your Account is required by law to file an annual federal income tax return on behalf of the IRA for each year in which the IRA has unrelated business income (“UBI”) of more than \$1,000. In cases where such a tax return must be filed, you agree to provide to optionsXpress (no later than April 15 of the year following the year in which the tax was incurred) the K-1 Partnership form, which sets forth the IRA's shares of income from the partnership. optionsXpress will compute the tax owing with respect to the IRA based on the K-1 forms provided to optionsXpress, and provide this information to your Trustee or Custodian, as applicable, so that your Trustee or Custodian can file the annual tax return with the IRS and pay the tax from funds available in the IRA. You agree that, if your IRA holds assets that generate UBI, your IRA at all times will contain liquid funds to pay any tax imposed on UBI at the time this tax obligation becomes due, as well as optionsXpress's charges for preparing tax returns, and that if necessary to satisfy your tax obligation, as well as optionsXpress's

charges for preparing and providing such information to your Trustee or Custodian, as applicable, you will liquidate assets or contribute sufficient amounts to your IRA (even if your contribution constitutes an “excess contribution”). You further agree that, to the extent funds are not available, optionsXpress is authorized to liquidate any investments in your IRA necessary to generate the funds needed to satisfy your tax obligation, as well as optionsXpress's charges for preparing and providing such information to your Trustee or Custodian, as applicable. You understand and acknowledge that, in cases where the annual federal tax due is more than \$500, the IRS requires that quarterly estimated tax payments be made. You understand and acknowledge that optionsXpress will make such quarterly payments on behalf of your IRA only if you, or your Trustee or Custodian, as applicable, direct us in writing to make these payments, and notify us of the amount you wish us to pay each quarter.

41. Monitoring Conversations

You, and any agent or representative acting on your behalf, agree that we may, but are not obligated to, record telephone calls or listen to conversations you have with any optionsXpress representative to monitor the quality of the service you receive and to verify securities transaction information to banks, mutual funds and other entities regarding the products or services we offer or arrange on behalf of customers, or for other business reasons. You acknowledge that we may not be able to locate a tape recording unless you can provide the date and time of the conversation and the full name of the representative to whom you spoke. You further agree that optionsXpress has the sole right to determine how long tape recordings will be retained.

42. Trading or Disbursement Restrictions

You agree that we may place trading, disbursement or other restrictions on your Account as optionsXpress deems necessary, including, but not limited to, the following circumstances: pursuant to a court order, tax levy or garnishment; at the request of a government agency or law enforcement authority; in the event that your Account is restricted (including, but not limited to, cash-up-front restriction because of trading or trader related violations); or in the event of a dispute between joint tenants. You agree to abide by any such restriction and not to initiate trades or transactions which would violate the restriction. You agree to allow us to liquidate securities in your Account to satisfy any court order, garnishment, tax levy or other legal obligation imposed by a court or government agency. You agree not to hold optionsXpress liable for any trading losses, lost profits, tax obligation or other damages resulting from liquidations or trading or disbursement restrictions imposed on your Account in connection with a court order, tax levy, garnishment or other legal proceeding. You agree we may debit your Account a processing fee for each garnishment, subpoena, court order, tax levy or other legal process on your Account.

43. Disclosure of Account Information

We may disclose your name and/or information about your Account or your transactions to our agents and affiliates. We may also disclose such information to third parties in certain circumstances, including:

- To banks, the Trustee, Custodian or prototype plan sponsor of your Plan, as applicable, mutual funds and other entities that are involved with the products or services we offer or arrange on behalf of our customers;
- When it is requested by a third party to complete a transaction;
- To verify the existence or condition of your Account for a credit bureau or merchant;
- To comply with a subpoena, court order or request from a government agency or law enforcement authority;
- To evaluate your creditworthiness or the collectability of any debt you owe us;

- Pursuant to Rule 14b-1 under the Securities and Exchange Act of 1934, to companies in which you hold securities as defined in that Rule, unless we receive your written objection; or
- If you give us your permission.

44. Separability

If any provision or condition of this Account Agreement shall be held to be invalid or unenforceable by reason of any law, rule, administrative order or judicial decision by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Account Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

45. Entire Agreement, Amendment and Waiver

The Account Agreement, including all disclosures, terms and agreements incorporated by reference, each as amended from time to time, is the complete statement of your agreement with us. In certain non-U.S. jurisdictions, we may incorporate agreements deemed appropriate and advisable under local law. On prior or concurrent written notice to you, or by conspicuously posting notice of such amendment on our website, we may modify or rescind existing provisions. By not closing and/or continuing to use your Account, you confirm your agreement to abide by the Account Agreement, as amended from time to time. Amendments will not affect rights or obligations either of us incurs before the effective date of the amendment. No prior conduct, past practice or oral statement by any optionsXpress employee or agent can amend or modify this written Account Agreement.

Waivers of rights under the Account Agreement must be expressed in writing and signed by the party waiving the rights.

A waiver will apply only to the particular circumstance giving rise to the waiver and will not be considered a continuing waiver in other similar circumstances, unless the intention to grant a continuing waiver is expressed in writing.

Our failure to insist on strict compliance with the Account Agreement or any other course of conduct on our part is not considered a waiver of our rights under the Account Agreement.

46. Headings Are for Descriptive Purposes

The heading of each provision hereof is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

47. Wire Transfers and Automated Clearing House (ACH) Transfers

Sending Wire Transfers—The following provisions apply to wire transfers you send through us. If you have a specific agreement with us for wire transfer services, these provisions supplement but don't contradict that agreement. This Sending Wire Transfers Section does not apply to Automated Clearing House (ACH) system funds transfer services, which are subject to separate terms and conditions set forth below.

A wire transfer is the process of carrying out payment orders that lead to paying a beneficiary. The payment order is the instruction you give us regarding a wire transfer. The beneficiary is the person who receives the payment. The person to whom your Account is registered is the only permissible beneficiary of a wire transfer. You agree that the information you provide about the beneficiary is accurate. We may charge fees for sending a wire transfer. For current fees, call us toll-free at 1-888-280-8020.

By entering or providing us a payment order in a form acceptable to us, you authorize us to act on your behalf to initiate a wire transfer. After receiving a payment order from you by the applicable cutoff time, we

will act on the payment order by transmitting payment instructions to the applicable bank. We have cutoff times for processing payment orders. We may treat payment orders we receive after a cutoff time as if received the next Business Day. We tell you our cutoff times upon request.

We may provide you with one or more numbers, passwords, tokens, challenge questions, and/or other means of identification and authentication (collectively, a 'Password') in connection with our wire transfer service. You agree to maintain the security and confidentiality of your Password and to notify us immediately if you have any reason to believe its security or confidentiality has been or may be breached.

We may elect to verify the authenticity and content of any payment order by contacting the authorized signer on your account. If we are unable to verify a payment order with the authorized person, we may refuse to execute the order. We also may reject any instruction that is not confirmed in accordance with any other security procedure that you and we agree upon. You agree that our confirmation process of a wire instruction (or our reliance on any Password or other security procedure that you and we agree upon) shall be deemed to be a commercially reasonable security procedure, in light of the anticipated size, type, and frequency of your wire transfers.

We may process any payment order we believe is transmitted or authorized by you if we act in compliance with the agreed upon security procedure. You agree to be bound by any wire instruction, whether or not authorized, that is issued in your name and accepted by us in compliance with the security procedure.

Our security procedures are designed to verify the authenticity of wire instructions, not to detect any errors in their transmission or content. We assume no responsibility to detect errors in your instructions (e.g., duplicate transfers), even if we may take certain actions from time to time to do so.

We may reject payment orders. Any notice of rejection (whether given orally, electronically, or in writing) will be effective when given. We will not be liable to you for the rejection or obligated to pay you interest for the period before you receive the notice of rejection. Pursuant to government regulations, we may be unable to send a wire transfer you requested to certain countries. You agree that optionsXpress will not be liable for any losses in any of these circumstances.

We may select any intermediary bank, funds transfer system, or means of transmittal to send your payment orders. Our selection may differ from that indicated in your instructions.

It is important that you provide us with accurate and complete payment information. The beneficiary's bank may make payment to the beneficiary based solely on the account or other identifying number you provide, even if the name on the payment order differs from the name on the account. We, or an intermediary bank, may send a payment order to an intermediary bank or a beneficiary's bank based solely on the bank identifying number, even if you provide us with a different bank name. Neither we nor any other bank has a duty to determine whether a payment order contains an inconsistent name and number. This means that you may not rely on the name of the person or bank that you provide us to ensure payment to the correct person. If you provide incorrect information, you could lose the amount transferred.

Terms Applicable to Sending Domestic Wire Transfers and Non-Consumer Foreign Wire Transfers

You agree to indemnify us against, hold us harmless from, and defend us against any losses, claims, costs, expenses, damages, or liabilities (including, but not limited to, attorneys' fees) arising out of or resulting from any action taken or omitted by us in accordance with this Agreement or your instructions. This obligation will survive the termination of this Agreement.

You must notify us at once if you think a wire transfer shown on your Account statement or other notice is incorrect or unauthorized. If you fail to notify us in writing within 10 calendar days after we send or

make available to you the first notice or statement on which the problem or error appears, you agree that the transfer information set forth on the statement or notice will be deemed correct, and that you will be precluded, to the greatest extent permitted by law, from asserting any claim against optionsXpress in connection with, and waive any right to recover any losses resulting from, any unauthorized or erroneous transfer.

You have no right to amend or cancel a payment order after we receive it. If you ask us to do this, we may make a reasonable effort to act on your request. But we will not be liable to you if, for any reason, a payment order is not amended or canceled. You agree to reimburse us for any costs, losses, indemnity claims, or damages that we incur in connection with your request to amend or cancel a payment order.

If your payment order requires us to convert one type of currency to another (for example, from U.S. dollars to euros), your funds will be exchanged for such other currency at the current rate of exchange according to our standard procedures. Currency exchange rates fluctuate over time, and you acknowledge and accept the risks of such fluctuations between the time you send us a payment order and the time the wire transfer is final.

Terms Applicable to Certain Consumer Foreign Wire Transfers

If you initiate a wire transfer that is subject to Regulation E primarily for personal, family, or household purposes to a recipient in a foreign country (a 'consumer foreign wire transfer'), we will provide you with a disclosure of the details of the transaction, as well as information about your error resolution and cancellation rights. Note: Certain transfers made in connection with the purchase or sale of securities are not covered by Regulation E or this section.

What to do if you think there has been an error or problem with your consumer foreign wire transfer:

If you think there has been an error or problem with your wire transfer:

Call: 1-888-280-8020
Write: optionsXpress, Inc.
Attn: Compliance Department
150 S. Wacker, 12th Floor
Chicago, IL 60606
Outside the U.S., call: +1-888-280-8020

You must contact us within 180 days of the date we promised to you that funds would be made available to the recipient. When you do, please tell us:

1. Your name and address and/or telephone number;
2. The error or problem with the transfer and why you believe it is an error or problem;
3. The name of the person receiving the funds and, if you know it, his or her telephone number or address;
4. The dollar amount of the transfer; and
5. The confirmation code or number of the transaction.

We will determine whether an error occurred within 90 days after you contact us, and we will correct any error promptly. We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents we used in our investigation.

What to do if you want to cancel a consumer foreign wire transfer:

You have the right to cancel a consumer foreign wire transfer and obtain a refund of all funds paid to us, including any fees. In order to cancel, you must contact us at the phone number above within 30 minutes of payment for the transfer.

When you contact us, you must provide us with information to help us identify the transfer you wish to cancel, including the amount and

location where the funds were sent. We will refund your money within three Business Days of your request to cancel a transfer as long as the funds have not already been picked up or deposited into a recipient's account.

Receiving Transfers—We may receive instructions to pay funds to your Account. This includes wire transfers, transfers that may be sent through an ACH system or processed directly to an account with us. We may receive funds transfers directly from the sender, through a funds transfer system such as an ACH system or through some other communications system.

ACH Provisional Payment Rule—Under ACH rules, funds transfers sent through an ACH system are provisional and may be revoked prior to final settlement. You agree to these rules. If the ACH transfer is revoked before final settlement and we don't receive final settlement, we may charge your Account for any amount credited. The person who sent the payment order is considered not to have paid you. If this happens, we don't send a separate notice; instead, we notify you of these credits and charges on your account statement. We notify you that we've received wire transfers and ACH transfers by listing them on your account statement.

Liability—If we're obligated to pay for loss of interest that results from our error or delay regarding your payment order, we calculate compensation by using the rate applicable to your Account.

In no event will we be liable for any special, indirect or consequential damages (even if we have been informed of the possibility of such damages), including, without limitation, loss of profits or revenue, except as may be required by applicable law.

Compliance with Rules and Laws—You agree to comply with applicable payment system rules, including the Operating Rules of the National Automated Clearing House Association (NACHA), and the laws of the United States and any other applicable law.

48. Receipt of Deposits and Transfers

If we receive a deposit or transfer to your Account on a day that is not a Business Day, we may not credit your Account until the next Business Day. optionsXpress may assign a hold on incoming foreign wires preventing them from being moved to another account of investment for two days and may not pay interest until the funds are converted to U.S. dollars and deposited into your Account. (See Float Disclosure for more information.)

49. Extended Hours Trading and Access to Other Products

Terms and Conditions

optionsXpress from time to time will inform you of terms and conditions for accessing or using products or services optionsXpress offers, including, but not limited to, accessing our website and participation in an extended hours trading session. Such terms and conditions, when accepted by you as indicated either by your actions or express acknowledgment, become part of your Account Agreement with optionsXpress, and you agree to abide by the requirements of those terms and conditions. optionsXpress also will inform you from time to time of important disclosures and notices pertaining to your access or use of optionsXpress products or services, including, but not limited to, our privacy policy and the risks of buying or selling certain securities or trading in an extended hours session. You agree that your use of such products or services is an acknowledgment that you have understood the disclosure, notice or policy, and that you agree to any action taken by optionsXpress in accordance with the stated disclosure, notice or policy.

Extended Hours Trading

optionsXpress's extended hours trading offering has two components, the Pre-Market Trading session and After Hours Trading session. These are completely independent from the standard trading session. Extended hours orders must be placed on the special extended hours trading screens at <http://www.optionsxpress.com>. Commissions for

extended hours trading are based on optionsXpress's standard fee and commission schedule available on the *Pricing & Commissions* page on our website. Details can be viewed at http://www.optionsxpress.com/about_us/pricing_commissions.aspx. Please note that commissions for trades executed in multiple sessions are not aggregated. Extended hours trades will settle three Business Days from the date the order is executed.

Keep in mind that only limit orders for the particular extended hours session are accepted. Most NYSE and NASDAQ securities are available in the extended hours session. All orders are only good for the particular session in which they are placed and there is no carryover into any following sessions.

optionsXpress's Extended Hours Trading System ("Extended Hours Trading System") sends orders to our trading platform. These orders are transmitted to the NYSE Arca Exchange ("ARCA") once received and reviewed by the system. In addition, the quotes displayed on the Extended Hours Trading System only represent the current available prices through ARCA. Note that National Best Bid and Offer ("NBBO") does not apply to extended hours trading, and other exchanges or ECNs may independently provide a variety of quotes, including higher or lower quotes which are not available on ARCA. System or communication problems could impact quotes or delay the placement of your orders, and you agree to hold optionsXpress harmless in regard to the quote data received through this system and for any losses related to system issues.

Extended Hours Trading Session Disclosure

The following are common risks associated with trading in extended hours sessions that you should be aware of:

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your limit order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a different or inferior price in extended hours trading than you would during regular market hours.
- **Risk of Unlinked Markets.** Depending on the Extended Hours Trading System or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating Extended Hours Trading Systems dealing in the same securities. Accordingly, you may receive an inferior price in one Extended Hours Trading System than you would in another Extended Hours Trading System.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for.

Lower volumes and higher price fluctuations in extended hours trading may result in wider than normal spreads for a particular security.

Appropriateness of Extended Hours Trading

optionsXpress does not warrant or recommend that extended hours trading is appropriate for you. As noted above, extended hours trading involves special risks, and it may not be appropriate for all investors. Investment decisions you make involving extended hours trading are your responsibility.

Potential Changes to Extended Hours Trading

optionsXpress reserves the right to change its extended hours trading session. You will need to keep up to date on these changes and review how they might affect your own investment decisions.

Electronic Services Agreement and Use Agreement

Your use of the extended hours trading session is governed by your Account Agreement with optionsXpress, including the "Electronic Services Agreement." The information, news, research, quotations, and other content available to you during the extended hours trading session is also subject to the "Use Agreement."

50. Clearly Erroneous Policy

optionsXpress may be subject to the Electronic Market's "clearly erroneous policies." A clearly erroneous trade occurs when someone has entered an order with an obvious error in any term, such as security identification, price, or number of shares. Upon request, the Electronic Market may review a transaction to determine if it was clearly erroneous and may reverse or "break" such a trade. This could have the effect of placing you in the position you were in before the transaction. If you wish to have a transaction reviewed, please contact an optionsXpress representative immediately, for a "break" to be considered.

51. Phone Channel Access

During non-business hours or during periods of peak demand, market volatility, systems upgrades or maintenance, or for other reasons, access to an optionsXpress representative via the phone channel may be limited or unavailable. Some clients may have their calls routed to automated telephone channels or informational messages. optionsXpress may assign calling teams and specific phone numbers to support certain client groups based on certain factors, which may include asset levels and trading history. These client groups may be given preference in reaching an optionsXpress representative. Failure to provide us with a valid account number could also limit your access to an optionsXpress representative.

52. Unclaimed Property

To the extent applicable to your Account, the unclaimed property law requires us to turn over to the state of your last known address (as shown in our records) personal property which is unclaimed by its owner for a set period of time. Personal property includes assets in customer accounts (including your Account), as well as uncashed dividend checks and other optionsXpress checks payable to customers. In general, personal property is considered unclaimed if you have not performed at least one of the following activities within the period of time set by the state:

- Made a deposit, trade or withdrawal in your Account.
- Written to or otherwise contacted us about your Account.
- Otherwise shown an interest in your Account.

Before we turn over the assets in your Account (if any), we will, as required by law, send a notice to the address we currently show on your account statement. You may recover unclaimed property turned over to a state by contacting that state.

53. Errors or Questions About Your Electronic Fund Transactions

In case you think that there is an error in your statement about an Electronic Fund Transfer, call us toll-free as soon as possible at 1-888-280-8020, Monday through Friday, 9:00 a.m. to 10:00 p.m. Eastern Standard Time. Or write to us at optionsXpress, Inc., P.O. Box 2197, Chicago, IL 60690. Overseas customers can call us collect at 1-312-630-3300.

We must hear from you no later than 60 calendar days after the date we sent the first statement on which the problem or error appeared. If you tell us orally, we may require you to send us your complaint or question in writing within 10 Business Days. We'll need the following information:

- Your name and account number,
- A description of the error or transaction you're unsure about,
- A clear explanation of why you believe it's an error or why you need more information, and
- The dollar amount of the transaction or suspected error.

We will tell you the results of our investigation within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

If you are a new customer and the error or question concerns an Electronic Fund Transfer that occurred within 30 days after the first deposit to the Account was made, we will tell you the results of our investigation within 20 Business Days after we hear from you. If we need more time, we may take up to 90 days to investigate.

In addition, we may take up to 90 days to investigate if the error or question relates to an Electronic Fund Transfer that was initiated outside the United States.

If we decide we need the additional time to investigate your complaint or question, we will provisionally credit your Account within 10 Business Days (or 20 Business Days for errors or questions relating to transactions that occurred within 30 days after the first deposit to the Account was made) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days (or 20 Business Days if applicable), we may not credit your Account.

We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

54. Electronic Copies

The electronically stored copy or record of your (or your agent's) signature, any written instructions or authorizations, the Account Application and the Account Agreement is considered to be a true, complete, valid, authentic and enforceable record, admissible in judicial, administrative or arbitration proceedings to the same extent as if the documents and records were originally generated and maintained in printed form. You agree to not contest the admissibility or enforceability of optionsXpress's electronically stored copy or record of such documents in any proceeding between you and optionsXpress.

55. Optional Dividends

When a domestic company offers its shareholders a choice to receive a dividend either in cash or stock, we will use your dividend reinvestment election as the basis for allocating future distributions. In other words, accounts that have elected to have their dividends reinvested on the affected security will be credited optional dividends with additional shares, while accounts that have elected to receive

their dividends in cash will be paid optional dividends in cash.

56. Processing and Execution of Electronic Transactions

We may elect to review electronic transactions manually before they are submitted. This manual review may result in a delay in execution. For securities transactions, this delay may cause a difference between the execution price and the displayed quote at the time the order was entered. This delay may also result in a limit order becoming ineligible for execution. For Electronic Fund Transfers and wires, this manual review may delay when funds are paid or made available.

57. Unique Risks of Stop Limit and Stop Limit on Quote Orders Unique Risks of Stop Limit on Quote Orders - Equities

Stop limit on quote orders face unique risks when used as loss control orders and depending upon market movement may result in no closing transaction.

A Stop limit on quote order is basically a Stop on Quote order combined with a limit order. The election of Stop limit on Quote order works the same way as a Stop on Quote order. Once elected, Stop on Quote orders are handled as market orders. Stop limit on quote orders become limit orders when the stop price is elected or "triggered" in the marketplace. Stop-Limit on Quote orders are elected when the National Best Bid (for sell orders) or National Best Offer (for buy orders) is equal to the stop or trigger price set by you. Once elected, the order is then submitted as a limit order at the limit price (which may differ from the Stop price) in the marketplace for execution. The stop limit on Quote order may not be eligible for execution because the limit may be exceeded by current market pricing. In other words, a stop limit on quote becomes a "live order" when a quotation touches your stop price, but you may not get a fill unless the market continues to trade at your limit price or better.

As an example, if the "stop" price is \$1.75 and the limit price is \$1.75, then the security must continue to trade at \$1.75 after it has been elected in order for your order to be eligible for execution. If the Stop is triggered, but immediately declines below the limit price (for sell orders) and never reaches the price again on that day, your order is not eligible for execution and will not be filled no matter how far the market trades against you. This result can be particularly true for sell Stop Limit on Quote orders in rapidly declining markets. You may want to consider setting the limit price below the Stop or trigger price to address this circumstance. However, you should keep in mind that your order may then execute at a price below the Stop price, down to the limit price.

Other issues can also lead to unexecuted stop limit on quote orders including fast markets in a security which may lead to the limit being "skipped". Also, a stop limit on quote order can be skipped due to the bid/ask spread exceeding a triggered stop limit.

For more information on the drawbacks or uses of stop limit on quote orders, please contact optionsXpress' trading support at (888) 280-6505, 9am-5:30pm, Mon-Fri.

Unique Risks of Stop Limit Orders – Futures Products

Stop limit orders face unique risks when used as loss control orders and depending upon market movement may result in no closing transaction.

A Stop limit order is basically a Stop order combined with a limit order. The election of Stop Limit order works the same way as a Stop order. Once elected, Stop orders are handled as market orders.

Stop limit orders become limit orders when the stop price is elected or "triggered" in the marketplace. Stop-Limit orders are elected when the last reported transaction is equal to the stop or trigger price set by you. Once elected, the order is then submitted as a limit order at the limit price (which may differ from the Stop price) in the marketplace for execution. The stop limit order may not be eligible for execution because the limit may be exceeded by current market pricing. In other

words, a stop limit becomes a “live order” when the market touches your stop price, but you may not get a fill unless the market continues to trade at your limit price or better.

As an example, if the “stop” price is \$1.75 and the limit price is \$1.75, then the security must continue to trade at \$1.75 after it has been elected in order for your order to be eligible for execution. If the Stop is triggered, but immediately declines below the limit price (for sell orders) and never reaches the price again on that day, your order is not eligible for execution and will not be filled no matter how far the market trades against you. This result can be particularly true for sell Stop Limit orders in rapidly declining markets. You may want to consider setting the limit price below the Stop or trigger price to address this circumstance. However, you should keep in mind that your order may then execute at a price below the Stop price, down to the limit price.

Other issues can also lead to unexecuted stop limit orders including fast markets in a security which may lead to the limit being “skipped”. Also, a stop limit order can be skipped due to the bid/ask spread exceeding a triggered stop limit.

For more information on the drawbacks or uses of stop limit orders please contact optionsXpress’ trading support at (888) 280-6505, 9am-5:30pm, Mon-Fri.

Unique Risks of Stop Limit / Stop Limit on Quote Orders – Options

Stop limit and stop limit on quote orders face unique risks when used as loss control orders and depending upon market movement may result in no closing transaction.

A Stop limit and Stop limit on quote order is basically a Stop (or Stop on Quote) order combined with a limit order. The election of Stop Limit works the same way as a Stop order and a Stop Limit on Quote order is elected the same as a Stop on Quote order. Once elected, Stop and Stop on Quote orders are handled as market orders.

However, Stop limit and stop limit on quote orders become limit orders when the stop price is elected or “triggered” in the marketplace. The election of Stop Limit orders (options and futures) differs from the election of Stop-Limit on Quote orders (equities). Depending on the rules of the marketplace where they were sent, Stop-Limit orders may be elected when the relevant quote (Bid for sell orders; Ask for buy orders) or the last reported transaction price is equal to the stop or trigger price set by you. Stop-Limit on Quote orders are elected when the National Best Bid (for sell orders) or National Best Offer (for buy orders) is equal to the stop or trigger price set by you. Once elected, the order is then submitted as a limit order at the limit price (which may differ from the Stop price) in the marketplace for execution. The stop limit order may not be eligible for execution because the limit may be exceeded by current market pricing. In other words, a stop limit and stop limit on quote becomes a “live order” when the market touches your stop price, but you may not get a fill unless the market continues to trade at your limit price or better.

As an example, if the “stop” price is \$1.75 and the limit price is \$1.75, then the security must continue to trade at \$1.75 after it has been elected in order for your order to be eligible for execution. If the Stop is triggered, but immediately declines below the limit price (for sell orders) and never reaches the price again on that day, your order is not eligible for execution and will not be filled no matter how far the market trades against you. This result can be particularly true for sell Stop Limit and sell Stop-Limit on Quote orders in rapidly declining markets. You may want to consider setting the limit price below the Stop or trigger price to address this circumstance. However, you should keep in mind that your order may then execute at a price below the Stop price, down to the limit price.

Other issues can also lead to unexecuted stop limit and stop limit on quote orders including fast markets in a security which may lead to the limit being “skipped”. Also, a stop limit and stop limit on quote order can be skipped due to the bid/ask spread exceeding a triggered stop limit.

For more information on the drawbacks or uses of stop limit and stop limit on quote orders please contact optionsXpress’ trading support at (888) 280-6505, 9am-5:30pm, Mon-Fri.

58. Advanced Order Risks

Advanced orders are held at optionsXpress until triggered. In order to be triggered, the Advanced factor must compare to quote data. Some contingent factors may move a user-specified distance based on quote data. Quote data for all facets of advanced orders is compared in thirty second cycles. User defined moving contingent factors will only be reset if the quote data between comparisons moves by the smaller of .025 points or 1% of the security price. When the contingent factor is met based on the comparison of quote data the order is sent to the exchange marketplace with your order specifications.

Advanced orders are held at optionsXpress and delivered on a “not held,” best efforts basis. A “not held” order is one submitted to a brokerage firm with the understanding that it will use its best efforts to execute the order according to the customer’s instructions, but the broker may not be held responsible or liable for any lost profits, trading losses, or damages resulting from the manner in which the order is handled.

Advanced orders are held at optionsXpress and not delivered to the exchange marketplace until the advanced conditions are met. Orders held in this fashion face risk from mechanical malfunction and system disruptions, among other factors. Certain advanced orders may not be eligible for execution at the time the contingent factor is met, including but not limited to orders entered above the market, orders that conflict with other open orders, or advanced orders that are not supported by available buying power. This service is provided “as is” and there may be delays, omissions or inaccuracies in the service.

You understand that optionsXpress is not responsible for advanced orders affected by system failures nor for advanced orders affected by quote data issues. Advanced orders face risk from data transmission errors, including errors involving quote data. In the event of a misquote or failure to receive a quote, orders may be erroneously delivered, or may fail to be delivered to the exchange marketplace. On occasion, rapid quote movements or out of range quotes may trigger advanced orders or move user-defined contingent factors.

You are responsible for reviewing and maintaining your contingent and non-contingent orders in order to avoid conflict or duplication of orders. optionsXpress does not guarantee that conflicting orders will be prevented, and resolution of conflicting or erroneous contingent orders may be at your risk and expense.

optionsXpress, its affiliates, agents, information providers, and licensor cannot, and do not, guarantee the accuracy, sequence, completeness, timeliness, merchantability or fitness for a particular purpose of Advanced Orders services. Neither optionsXpress nor any of its affiliates, agents, information providers, or licensor shall be liable to you or to anyone else for any loss caused in whole or in part by its negligence or omission in procuring, compiling, interpreting, editing, writing, reporting, or delivering any information or data through this service. This includes your waiver for any consequential, special or similar damages, including but not limited to lost profits, trading losses, damages resulting from inconvenience, or loss of use of the service. This service may be discontinued or limited at any time and without prior notice. Advanced orders have unique risks, and by continuing to utilize this service you acknowledge that you have read, understood and will abide by the above disclosures, terms and conditions as they are modified and posted on our website.

59. Risks of Xspreads®

Xspread® execution utilizes posting of spreads in an electronic spread book facilitated by a partnership with the [International Securities Exchange](#) and other broker dealers and exchange participants.

In addition to posting on the spread book, we use automated, electronic and broker review to optimize execution possibilities

for our customers. Review of orders for execution is not a guarantee; however, spreads are eligible for the best execution price available on a single exchange.

Xspreads® is intended to improve spread execution time, spread cancellation response time and improve liquidity in the hedged option combination marketplace.

Spreads entered through our system are eligible for Xspread® posting, but posting may be limited or unavailable due to issues related to availability of securities, dealer participation, and limitations of electronic systems among other factors. Spreads not eligible for Xspreads® are delivered electronically to the exchange marketplace in the traditional manner.

60. NBBO Guarantee

Our NBBO Guarantee means that we guarantee the National Best Bid and Offer (“NBBO”) on market or marketable limit orders.

optionsXpress’s orders are automatically reviewed to assure that your order receives NBBO treatment .

We will demand the NBBO from the marketplace for our customers on every executed trade, and if we fail to get it for you we will reimburse your commission. If you have any question about whether NBBO applies to a particular trade that you have done, please contact our trading department immediately at 1-888-280-6505, 10:00 a.m. –4:30 p.m., Monday through Friday (Eastern Standard Time).

Please note that certain orders are not eligible for NBBO treatment, including orders entered for opening rotation, stop orders, stop on quote orders, stop limit orders, stop limit on quote orders, combination orders of any kind, limit orders not entered at the current bid/ask, orders during “fast markets” and orders placed at any exchange which designates that it is temporarily not eligible for NBBO treatment. Orders directed to specific exchanges do not receive NBBO treatment.

61. Expiration Process and Risks

Please note that the following items apply to the monthly index and equity option expiration process, and the resulting assignment or exercise of options that are in-the-money:

- **Automatic exercise is limited:** All expiring equity options closing in-the-money \$0.01 or more will be eligible for automatic exercise per the contract terms of standardized options issued by the Options Clearing Corporation (OCC). Index options will be exercised automatically if they are in-the-money by any amount.
- **You may be required to request exercise of valuable options:** You should note that long equity options that are in-the-money less than \$0.01, or out-of-the money, are not automatically exercised. These options may be exercised, however you must specifically request exercise of these options by 4:00 p.m. Eastern Standard Time on the last day of trading before expiration.
- **Consider the risk of exercise or assignment:** You should review your positions and consider whether your Account can afford to take assignment (or exercise) based on your current equity. You may need to close expiring positions prior to end of the market day in order to avoid risk, or in order to retain the profit from an in-the-money position prior to expiration. In addition, please consider the possibility that short options positions may be exercised against you by the long holder even if the option is out-of-the-money.
- **We may take action to prevent what we perceive as risk:** If there is no action taken on these options by 1:00 p.m. Eastern Standard Time, we will review our right to sell or purchase the options prior to expiration. In order to prevent or avoid risk, optionsXpress reserves the right to sell, buy, or otherwise close positions in your Account, but we are not obligated to take action.
- **Spreads face unique risks during expiration:** Expiring spreads may require action if the long leg is in-the-money less than \$0.01 or out-of-the-money, while the short leg is in-the-money. Although we use our

best efforts to exercise offsetting, expiring long options, you are ultimately responsible for taking action on such positions and for the risks associated with any unhedged spread leg expiring in-the-money. In the event that you do not wish to exercise an expiring long leg, you must notify us by 4:00 p.m. Eastern Standard Time in order to prevent the possibility that we will exercise this long position on your behalf.

- **The assignment process:** According to the policy and practice of our clearing agents, assignments are distributed on a random basis amongst all holders of eligible options among the accounts carried on their books. Please contact us if you need more information about this process.
- **Exercises and assignments appear on Sunday:** Your assignments and exercises will be processed and visible in your Account on the Sunday following expiration. If you have questions about positions that appear in your Account, please [email us](#) during non-business hours and indicate that your question is related to expiration.
- **You may need to close positions on Monday (or next Business Day after expiration):** You may be required to take action on any positions that would create risk issues on the next trading day. You are responsible for trading the resulting position or requesting that the position be offset by exercising any unexpired long options of the same class. In the event that you fail to take action, we may be required to close or liquidate positions at your risk.

For any questions relating to the expiration process or regarding expiring options, please contact our trading department or customer service department during business hours by clicking on [Live Help](#) [on our website] or calling us toll-free at 1-888-280-8020 and asking for trading support “regarding an expiration issue.”

62. Additional Risks of Spread Trading

Before using our spread and combination one-step trading screens, options spread traders must understand the additional risks associated with this type of trading.

While it is generally accepted that spread trading may reduce the risk of loss of the trading of the outright purchase of a standardized option contract, an investor/trader MUST understand that the risk reduction can lead to other risks.

- **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 greater losses than anticipated when the trade was entered.
- **Execution of spread orders is “not held” and discretionary.** Spreads are not standardized contracts as are exchanged traded put and calls. Spreads are the combination of standardized put and call contracts. There is NO spread market in securities that are subject to benchmarks such as “time and sales” or “NBBO” (National Best Bid and Offer), and therefore the “market” cannot be “held” to a price.
- **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 are bona-fide trades and not “legged” or “paired” of individual separate trades. For example: options prices on cross-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 filed, 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.
- **Spreads are entered on a single exchange and are acted upon by a market maker.** Spreads are executed at the discretion of a market maker and when canceled 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 in fast or changing markets. Spreads entered through optionsXpress one step spread screens are ALWAYS entered as spreads and as such are subject to the market risk and conditions as explained above.

For more information on the characteristics and risks of standardized options, please see the publication “Characteristics and Risks of Standardized Options” available on our website at http://www.optionsxpress.com/security_risks/risks_policies.aspx or by contacting us.

63. Exchange Provided Terms

You acknowledge and agree that neither the Options Price Reporting Authority (OPRA) Participants (“Participants” and/or “Exchanges”) nor the processor under the OPRA Plan (the “Disseminating Parties” and/or “optionsXpress”) guarantee the timeliness, sequence, accuracy or completeness of Market Data or of other market information or messages disseminated by any Disseminating Party.

Waiver of Liability: You understand and acknowledge that each national securities exchange that is an OPRA Participant has a proprietary interest in the Market Data that originates on derives from it or its markets. For the purposes of this Section only, “Market Data” means (a) options last sale reports, (b) options quotation information, (c) such index and other market information as the OPRA participants may from time to time make available, and (d) all information that derives from any such information. Neither you nor any other person shall hold any Disseminating Party liable in any way for (a) any inaccuracy, error or delay in, or omission from, (i) any such data, information or message or (ii) the transmission or delivery of any such data, information or message, or (b) any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay or omission, (ii) non-performance or (iii) interruption in any such data, information or message, whether due to any negligent act or omission by any Disseminating Party, or to any “force majeure” (e.g., flood, extraordinary weather conditions, earthquake or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications or power failure, equipment or software malfunction) or other cause beyond the reasonable control of any Disseminating Party.

No Right to Re-disseminate: Should you request real-time quotes, you shall use real-time quotes pursuant to the terms and conditions of the Real-Time Quote Agreement and only for your individual use and shall not furnish such data to any other person or entity. You understand and agree that you shall use Market Data only for your own personal or business use, and shall not furnish Market Data to any other person. You further understand and agree that, at any time, the OPRA Participants may discontinue disseminating any category of Market Data, may change or eliminate any transmission method and may change transmission speeds or other signal characteristics. You shall not hold the OPRA Participants liable for any resulting liability, loss or damage that may consequently arise. You understand and acknowledge that this Section confers third-party beneficiary status on optionsXpress. In authorizing us to take any action, or to receive any communication, this Section authorizes us to act on our own behalf and on behalf of the OPRA Participants.

Enforceability of OPRA Rights: You understand that the terms of this Agreement may be enforced directly against you by the national securities exchanges, associations and others providing market data. Any OPRA Participant may enforce this Section as to Market Data that originates on or derives from its markets, by legal proceeding or otherwise, against you and may likewise proceed against any person that obtains such Market Data other than as this Section contemplates. No act or omission on our part and no other defense that might defeat our recovery against you shall affect the rights of the Disseminating Parties as third-party beneficiaries under this Section. You shall pay reasonable attorneys’ fees that any Disseminating Party incurs in enforcing this Section against you.

Perpetuity of this Clause: This specific Section 62 shall remain in effect for so long as you have the ability to receive Market Data, including

real-time quotes, as contemplated by this Agreement and all terms relating to limitation of liability shall survive the termination of this Agreement.

Limitation of Liability, Force Majeure: Neither we nor any disseminating party shall be liable, and you agree to indemnify and hold harmless optionsXpress and such disseminating party, for any inaccuracy, error or delay in, or omission of, (1) any such data, information or message, or (2) the transmission or delivery of any such data, information or message; or any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay or omission, (ii) non-performance, or (iii) interruption in any such data, information or message, due either to any act or omission by optionsXpress or any Disseminating Party or to any “force majeure” (as defined above) or any other cause beyond the reasonable control of optionsXpress or any Disseminating Party.

64. Clearing Status

optionsXpress may act as clearing agent for your Account and transactions and may be referred to herein as “agent” or as “Clearing Agent.” These services include but are not limited to the preparation of customer trade confirmations and customer statements, the settlement of securities transactions, the performance of designated cashing functions, and the preparation of certain books and records related to reported securities transactions.

You understand and agree that any rights that optionsXpress has under this Account Agreement may be exercised by optionsXpress or may be assigned to other agents, including, but not limited to, the right to collect any debit balance or other obligations owing in your Account to the extent permissible under applicable law, and that optionsXpress or its agents may collect from you or enforce any other rights under this Account Agreement independently or jointly.

65. Lost Securities

If your account statement indicates that securities were forwarded to you and you have not received them, you should notify us immediately.

66. Our Cash Features Program

Our Cash Features Program is the service that we provide that permits the Free Credit Balance in your Account to earn income while you decide how those funds should be invested longer term. optionsXpress offers two ways to earn income on the Free Credit Balances in your Account:

1 The “Free Credit Interest” feature pays you interest on your Free Credit Balances; and

2 The “Bank Sweep” feature automatically makes deposits to and withdrawals from Deposit Accounts at Charles Schwab Bank, an institution affiliated with optionsXpress (“Schwab Bank”), whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

“Cash Features” refers to these two alternatives. Eligibility for a particular Cash Feature will depend on the nature and scope of your relationship with optionsXpress and its affiliates. optionsXpress may change the eligibility criteria for Cash Features on advance written notice to affected clients, or make certain Cash Features available to clients that do not otherwise meet published criteria. Eligibility criteria for each Cash Feature are published by optionsXpress from time to time.

This description of, and eligibility rules for, the Cash Feature are updated and published by optionsXpress from time to time and incorporated herein and made a part hereof.

The current Cash Features Disclosure Statement is available in the Risks & Disclosures section of our website.

Your account statements will reflect the payment of any interest and all transactions (including purchases, redemptions, dividends, dividend reinvestments, deposits and interest) resulting from your participation

in a Cash Feature. These account statements are provided in lieu of separate confirmations for transactions resulting from your participation in a Cash Feature.

Changing Cash Features—When you opened your Account, you selected a Cash Feature or were designated a Cash Feature as indicated on your Account Application. If you were given a selection of Cash Features, but you did not select a Cash Feature, selected more than one Cash Feature, or selected a Cash Feature for which you were not eligible, you authorized optionsXpress to use the Cash Feature indicated on your Account Application as the default selection. By designating a Cash Feature for your account, you authorize optionsXpress to make deposits, withdraw cash, or purchase and redeem securities in accordance with the Cash Feature for which your Account is eligible.

You may change your Cash Feature election to another eligible Cash Feature by contacting optionsXpress. If you change from a Cash Feature that you no longer qualify for, you may not change back to it until you once again meet its eligibility requirements. If you request a change from one Cash Feature to another of the alternatives available to you, optionsXpress will generally effect that change the following business day, but reserves the right to take longer if necessary to properly process your request.

As a condition to changing a Cash Feature, the funds in your prior Cash Feature will be transferred to your new Cash Feature.

A change in your Cash Feature may result in the loss of one or more business days' interest or dividends while your transaction is being processed. During this time, we will earn and retain interest on your funds, generally at money market rates. See the "Float Disclosure" section for more information.

Changes to Your Cash Feature and the Cash Features Program by optionsXpress—We may change, replace, or terminate the Cash Features available to you. You understand and agree that optionsXpress may (1) make changes to the terms and conditions of our Cash Features Program; (2) make changes to the terms and conditions of any Cash Feature; (3) change, add, or discontinue Cash Features; (4) change your investment from one Cash Feature to another because you become ineligible or for any other reason; and (5) make any other changes to the Cash Features Program or Cash Features as allowed by law or with your consent. If any of these changes occur, optionsXpress may designate another Cash Feature for which your account is eligible as set forth in the Cash Feature eligibility rules as updated and published by optionsXpress from time to time.

If you become ineligible for a particular Cash Feature or if optionsXpress discontinues or makes any other changes to your Cash Feature, then you authorize optionsXpress to designate another Cash Feature for which your Account is then eligible and transfer the funds from the ineligible or discontinued Cash Feature to the Cash Feature designated by optionsXpress for you. Loss of eligibility may occur as a result of your failure to meet the eligibility requirements or a change in the eligibility requirements. optionsXpress will give you at least 30 days' advance written notice before replacing your ineligible or discontinued Cash Feature with an eligible Cash Feature. At the end of the applicable notice period, the funds in your ineligible or discontinued Cash Feature will be transferred to your new Cash Feature.

You agree that optionsXpress may obtain your consent to a change of Cash Features, changes to the Cash Features we make available, or a change in the Cash Features Program by notifying you in writing of the proposed change(s) at least 30 days prior to the effective date of the proposed change. optionsXpress's notice will describe the new terms and conditions of the Cash Features Program or Cash Feature and the options available to you if you do not accept the new terms and conditions or product.

You agree to respond with your denial in writing within 30 days after receiving our notice. If you do not respond in writing within 30 days, you agree that optionsXpress may treat your non-response as your approval of the change(s). Your authorization will remain in effect until

you give us written notice to the contrary. Your notice to us will not affect any obligations resulting from transactions initiated prior to our receipt of the notice.

When we make a change to your Cash Feature, you authorize us to transfer all your funds from your prior Cash Feature to your new Cash Feature. A change in your Cash Feature may result in the loss of one or more business days' interest while your transaction is being processed. During this time, we will earn and retain interest on your funds, generally at money market rates. See the "Float Disclosure" section for more information.

Limited Liability—If optionsXpress fails to sweep or pay interest on your Free Credit Balances according to this Agreement, optionsXpress's liability is limited to the actual amount of interest you would have earned had the Free Credit Balances been invested, deposited or credited in the manner described in this Agreement.

Bank Sweep Feature—The "Bank Sweep" feature automatically makes deposits to and withdrawals from deposit accounts at an FDIC-insured depository institution which may be, but is not required to be, affiliated with optionsXpress (a "Sweep Bank") as described herein. If you participate in the Bank Sweep feature, you authorize and instruct optionsXpress, as your agent, to establish the following deposit accounts (collectively, the "Deposit Accounts") at the applicable Sweep Bank:

- A Demand Deposit Account ("DDA"); and
- A Money Market Deposit Account ("MMDA").

You appoint optionsXpress as your agent and custodian to establish and maintain your Deposit Accounts at your Sweep Bank. As your agent, optionsXpress will deposit your Free Credit Balances in your Deposit Accounts. You agree that in the case of the Bank Sweep feature, the Free Credit Balances of one penny (\$0.01) or more in your Account will be automatically deposited in your Deposit Accounts. Proceeds from the sale of securities will be swept into your Deposit Accounts on Settlement Day, provided there was Good Delivery of the securities sold prior to Settlement Day. Deposits such as checks, wires, ACH, online billpay, and corporate actions will be swept into your Deposit Accounts the next Business Day. Dividends, bond interest payments, and other interest income will be swept into your Deposit Accounts on payable date. optionsXpress has sole discretion to change when and how often sweeps occur upon advance written notice to you.

If we have credited your Account for interest on deposits in your Deposit Accounts that result from a check or other item that is later returned unpaid, we may charge your Account for the amount of this interest.

You authorize us, as your agent, to automatically withdraw funds from your Deposit Accounts at your Sweep Bank to satisfy a debit balance in your Account. You also authorize us to make these automatic withdrawals to pay for securities transactions, and to pay for Electronic Fund Transfers, wire transfers and other charges. If funds in one Deposit Account are not sufficient to satisfy your debits in your Account, you authorize us to transfer funds between your related MMDA and DDA to satisfy your debits.

You agree to hold us harmless if we do not make such automatic withdrawals. If you intend to deposit funds in your Account to settle securities transactions, we must have Good Delivery of these funds before you place your trade in order to prevent an automatic withdrawal from your Deposit Accounts. If there are insufficient funds in your Deposit Accounts, and you own shares in money market funds, we may, but are not required to, redeem such shares as necessary and charge a fee for this service.

At any point during a month in which transfers from your MMDA approach federal regulatory limits, you authorize optionsXpress to transfer all funds from your MMDA to your related DDA and to make deposits into your DDA until the end of the month. The first five withdrawals from your account in a calendar month will be made from your MMDA. On the same business day as the fifth withdrawal from

your MMDA in a calendar month the remaining funds in your account will be transferred to your related DDA. Thereafter, withdrawals from your account for the remainder of the calendar month will be made from your DDA and additional deposits to your account will be made to your DDA. You also authorize optionsXpress, as your agent, to transfer funds on deposit in your DDA to your MMDA at the beginning of the following month.

Your Sweep Bank will pay interest on your deposits in your Deposit Accounts at an interest rate set at the discretion of your Sweep Bank. A Sweep Bank may pay different rates based upon your interest rate tier. Interest rate tiers are determined by your Household Balance, as that term is defined in the Cash Features Disclosure Statement. For more information on how your Household Balance is calculated, please refer to the Cash Features Disclosure Statement or contact us. A Sweep Bank is not obligated to pay different interest rates on different tiers, and tiers may change from time to time. The rates may change daily. Interest will accrue on account balances from the day they are deposited into Deposit Accounts at your Sweep Bank through the Business Day preceding the date of withdrawal from Deposit Accounts at the Sweep Bank. Interest will be compounded daily and credited on the last Business Day of each month. If the only balance in your Deposit Accounts is accrued but unposted interest, the interest will not be compounded.

In the event that your Sweep Bank is no longer willing or able to accept deposits from optionsXpress clients under the Bank Sweep feature, and no other Sweep Bank is available to accept your funds, you authorize and instruct optionsXpress to withdraw all of your deposits maintained through the Bank Sweep feature and temporarily designate the Free Credit Interest feature as your Cash Feature. Free Credit Balances will remain in your Account, and optionsXpress will pay you interest, at a rate set by us, on the Free Credit Balances in your Account. At such time as a Sweep Bank becomes available to accept your funds, you authorize and instruct optionsXpress to designate the Bank Sweep feature as your Cash Feature and deposit the proceeds in accordance with the terms of the Bank Sweep feature. Such changes will not affect any direct checking or savings relationships you may have with a Sweep Bank. In such cases, optionsXpress will provide you with notice of the change in your Cash Feature as soon as practicable. Such notice may be included in your account statement.

The Cash Features Disclosure Statement describes the Bank Sweep feature.

Free Credit Interest Feature—Through the Free Credit Interest feature, optionsXpress pays you interest on (1) credit balances that are designated as collateral for your obligations, such as Requirement Cash or a cash balance resulting from a short sale, (2) cash awaiting sweep; and (3) other cash awaiting investment held in your Account. If you are receiving interest from optionsXpress under the Free Credit Interest feature, you agree that Free Credit Balances in your Account are maintained for investment purposes, and not solely for the purpose of receiving such interest. optionsXpress reserves the right to stop paying interest on your Account, close your Account or take any other action if optionsXpress, in its discretion, concludes that your Free Credit Balances are maintained solely for the purpose of receiving interest.

If you receive interest from us, we'll pay interest generally at the same rate offered by the Sweep Bank under the Bank Sweep feature.

Interest will accrue and be compounded daily. We post interest to your Account on or before the last Business Day of each month. Monthly interest is rounded to the nearest penny at the end of the interest period. If the only balance in your Account is accrued but unposted interest, the interest will not be compounded.

optionsXpress will pay interest on remittances by check, wire, ACH, and online billpay beginning on the first Business Day that the deposit is posted. Interest will accrue even if a hold is placed on the check or ACH. However, if we have credited your Account for interest on funds represented by a check or ACH or other item that is later unpaid, we may charge your Account for the amount of the interest paid.

optionsXpress may increase or decrease the rate of interest or decide to terminate the Free Credit Interest feature, anytime, in its discretion. We also reserve the right to change, without prior notice, the method of calculating and paying interest that we describe above.

The Cash Features Disclosure Statement describes the Free Credit Interest feature.

Float Disclosure

You agree that optionsXpress may retain as compensation for services your Account's proportionate share of any interest earned on aggregate cash balances held in optionsXpress's bank account with respect to (1) assets awaiting investment or (2) assets pending distribution from your Account. Such interest retained by optionsXpress shall generally be at money market rates.

Assets awaiting investment or deposit include:

(1) amounts deposited by you into your Account; and (2) any other uninvested assets held by your Account caused by an authorized instruction to optionsXpress to purchase or sell securities (which may, after the period described below, automatically be deposited into a Sweep Bank). With respect to such assets awaiting investment or deposit: (i) where such assets are received by optionsXpress on a Business Day and before its deposit cutoff time, such interest may be earned by optionsXpress through the beginning of the following Business Day; (ii) where such assets are received on a day which is not a Business Day, or where such assets are received after its deposit cutoff time, such interest may be earned through the beginning of the second following Business Day.

When optionsXpress receives a request for a distribution from your Account, optionsXpress generally processes the request within two or three Business Days (unless the distribution is in connection with an unusual event such as death or divorce, in which case it generally will take longer to process the request). On the same day that the processing is completed, the amount of the distribution will be debited from your Account. The distribution check will be written and mailed on the following Business Day. You agree and acknowledge that optionsXpress will earn interest beginning on the date your Account is debited and ending on the date the check is presented for payment, the timing of which is beyond the control of optionsXpress. Upon request, optionsXpress will provide you a verbal update to determine the status of your outstanding distribution checks.

If you request an Electronic Fund Transfer from your Account to another financial institution: (i) the amount of the transfer will be debited from your Account on the day that the transfer process is commenced; (ii) the funds will be received by the other financial institution within one to two Business Days of the date the transfer process is commenced; and (iii) you agree and acknowledge that optionsXpress may earn interest on that amount beginning on the date your Account is debited and ending on the date the Electronic Fund Transfer is received by the other financial institution and thereby debited from optionsXpress's bank account.

If you choose to change your Cash Feature from one Cash Feature to another, or if optionsXpress changes your Cash Feature from one Cash Feature to another, you will generally stop earning interest or dividends, as the case may be, on the day of your request. If you or optionsXpress designate a new Cash Feature before the close of business on a Business Day, your Free Credit Balances will be swept to your new Cash Feature after the close of business that Business Day, and generally will begin earning dividends or interest, as the case may be, on the following Business Day. If you or optionsXpress designate a new Cash Feature after the close of business or on a non-Business Day, your Free Credit Balances will be invested or deposited into your new Cash Feature after the close of business on the next Business Day, and generally will begin earning dividends or interest on the Business Day following the next Business Day.

If you remove all Cash Features from your Account, you may not earn income on the Free Credit Balances in your Account and you agree that optionsXpress may retain as compensation for services your

Account's proportionate share of any interest earned on your Free Credit Balances.

Non-Fiduciary Status

optionsXpress does not serve as a fiduciary within the meaning of section 3(21) of the Employee Retirement Income Security Act ("ERISA") of 1974, as amended, or section 4975(e) of the Internal Revenue Code, as amended, with respect to the assets held in an individual retirement account. In this regard, except as noted below, neither optionsXpress nor its affiliates (i) exercises investment discretion with respect to assets held in the Account, (ii) serves as an "investment manager" within the meaning of Section 3(38) of ERISA, (iii) appoints or terminates investment managers with respect to the Account, or (iv) provides recommendations or investment advice within the meaning of Section 3(21)(A)(ii) of ERISA (and regulations thereunder) on an ongoing or regular basis regarding the purchase of Securities or Other Property with respect to assets held in the Account.

Options Account Terms and Agreement

You hereby agree to the following terms and conditions which govern equity and index option trading:

1. Impact of Option Transactions in IRAs and Cash Accounts on Cash Features

While it is permissible to transact options in an IRA Account you must be aware of the unique qualities of an IRA Account. Regulations prohibit margin lending transactions in an IRA Account. Therefore, holders of options in an IRA (or Cash) Account MUST have a cash balance equal to or greater than the requirement to exercise or take assignment of the options in the Account on the last day prior to expiration or we will close out the position in the open market on a "best" efforts basis prior to the market close. Note that Requirement Cash results from your decision, as the IRA Account Holder, to engage in certain options trades such as cash secured short puts and spreads. You agree that Requirement Cash will be excluded from Requirement Cash that otherwise would sweep to your Sweep Bank, if the Bank Sweep feature is your Cash Feature. Instead, you authorize us to pay interest on the Requirement Cash as a Free Credit Balance, you understand that we may adjust the rate periodically and we intend generally to set the rate on Free Credit Balances by matching the same rate your Sweep Bank pays on your Deposit Accounts.

In the event that you maintain an IRA Account with us and you request and receive the ability to trade American-style spreads, you acknowledge that we may carry such positions in a margin location (or margin account) which may subject your Account to additional requirements.

2. You Understand that Options Contain a High Degree of Risk and Are Often Speculative in Nature

You acknowledge that, based on your investing experience and financial situation, you fully understand and are fully prepared financially to undertake such risks and withstand any losses incurred. You certify that we may rely on the information you furnished to us relative to your investing experience and financial condition and further, you agree to promptly advise us, in writing, of any change in your financial condition or investment objectives that may affect, in any way, the suitability of your trading options.

3. You Have Received, Read and Understand "Characteristics and Risks of Standardized Options" Delivered by optionsXpress as Issued by the Options Clearing Corporation

You agree that each option transaction is subject to the rules and regulations of the OCC, the exchange or market where such transaction is executed, FINRA and various other state and federal regulatory entities. You understand that you must comply with all applicable duties and responsibilities. "Characteristics and Risks of Standardized

Options" is available on our website at http://www.optionsxpress.com/security_risks/risks_policies.aspx or by contacting us.

4. 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

You further understand and agree that you will be charged a commission each time you trade. You also understand that although a spread order may be entered on our order screen as one net debit/credit, you will be charged a commission on each leg of the order.

5. You Understand that You Bear Full Responsibility for Taking Action to Exercise a Valuable Option

You understand that the OCC, national securities exchanges and associations and/or marketplaces have established exercise cutoff times and your options will become worthless in the event you do not deliver instructions in a timely manner. You understand we will use our best efforts to exercise valuable options on your behalf provided that you have enough buying power to support the resulting position. In all instances, you agree to assume full and complete financial responsibility and liability for all exercise and/or assignments. You are responsible for understanding the consequence of expiration style and risks related to expiration. The writer of an American-style option is subject to being assigned an exercise 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.

6. You Understand that optionsXpress Uses a Random Method for the Assignment of OCC Exercise and Assignment Notices

All short options positions, including a leg of a spread, are liable for assignment. The method for random assignment is available by contacting optionsXpress.

7. You Hereby Agree to Observe All Exchange-Established Position Limits and Will Not Purposely on Your Own or in Concert with Others Violate Such Limits

You expressly authorize us to liquidate or close-out any of your options positions, without notice to you and without your consent, in our sole and absolute discretion, if and when your open positions exceed applicable position limits so as to reduce such open positions to a level that is in compliance with such limits. You will bear and be solely responsible for any losses associated with such a reduction or liquidation. You also acknowledge and agree that under applicable rules and regulations we may be required to provide options exchanges, markets or clearing organizations with information concerning your options positions and related data.

8. Special Notice to Owners of "Long" Fully Paid-For Options

You MUST have the necessary cash to pay for the stock resulting from the exercise of fully paid-for in the money options in order to exercise the position, or we, at our discretion, may close out your position prior to the close of business on the last day before exercise.

You understand that it is your responsibility to manage your positions. The above provision is a right of optionsXpress to protect itself from undue risk and NOT a benefit you may rely on to excuse your obligation to manage your Account prudently.

9. Special Statement for Combination and Spread Traders

Options spread traders must understand the additional risks associated with this type of trading and before using optionsXpress's spread and combination orders and systems. While it is generally accepted that spread trading may reduce the risk of loss of the trading of the outright purchase of a standardized option contract, an investor/trader MUST understand that the risk reduction can lead to other risks.

10. 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 trigger a request for you to make a contribution or qualified rollover or transfer of assets into your Account in order to hold shares or action to close long or short shares obtained through exercise or assignment, which can lead to greater losses than anticipated when the trade was entered.

11. Execution of Spread Orders Is Often “Not Held” and at the Discretion of Marketplace

Spreads are not standardized contracts as are exchanged traded put 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 and Offer) and therefore the “market” cannot be “held” to a price.

12. 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 optionsXpress screens 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.

13. Spreads Are Bona-Fide Trades and Not “Legged” or “Paired” of Individual Separate Trades

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.

14. 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 canceled 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.

15. 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.

16. Style of Expiration Poses Unique Risks

American-style options may be exercised against the writer at any time, 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.

Options Risk Disclosure

This brief statement does not disclose all of the risks and other significant aspects of trading in options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk.

Prior to entering any options transactions, you represent that you are aware of the inherent risks of option trading and that you are financially

able to bear such risks and withstand option trading losses, including the loss of your entire investment.

When you applied for option trading, you were provided with the booklet “Characteristics and Risks of Standardized Options.” You agree to read the booklet prior to conducting any trades in your Account. You understand that your Account will be handled in accordance with the rules of the Options Clearing Corporation and the applicable exchange and/or regulatory agencies, and you agree to conduct activity in your Account in accordance with such rules.

1. Trading in Options Is Not Suitable for Many Members of the Public

You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

2. Risk-Reducing Orders or Strategies

The placing of certain orders (e.g. ‘stop-loss’ orders, where permitted under local law, or ‘stop-limit’ orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as ‘spread’ and ‘straddle’ positions may be as risky as taking simple ‘long’ or ‘short’ positions.

3. Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (‘writing’ or ‘granting’) a covered put option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller is exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire the underlying interest.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Additional Risks Common to Options

1. Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific options which you are trading and associated obligations (e.g. the circumstance under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

2. Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

3. Deposited Cash and Property

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specified legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

4. Commission and Other Charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

5. Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should inquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

6. Currency Risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

7. Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

8. Electronic Trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risk associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

9. Off-Exchange Transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

Electronic Services Agreement

1. Use of Electronic Services

Scope of the Agreement—This Electronic Services Agreement (the "Agreement") between you and optionsXpress states the terms and conditions that govern your use of optionsXpress's Electronic Services. It is part of your Account Agreement. The term "Electronic Services" includes all of optionsXpress's computer, telephonic, facsimile, email or wireless services or systems. This includes services and information accessible through optionsXpress, or service providers used by optionsXpress, including, but not limited to:

- optionsXpress's proprietary software such as Xtend and OX Mobile;
- optionsXpress's website;
- optionsXpress's computers and networks that are accessible externally; and
- Any other computer, telephonic or wireless securities trading services or information system optionsXpress provides to you, including successors to the systems described above.

Services Provided—optionsXpress's Electronic Services allow you to enter orders to buy and sell certain equities, options, and mutual funds within your Account, and to access securities price quotations, investing information and your personal account information. The Electronic Services are accessible via computer, telephonic or wireless transmissions for use on compatible personal, home or small-business computers, including Internet appliances with modems, terminals and network computers, as well as various wireless devices. You understand that in order for optionsXpress's Electronic Services, including future services available from optionsXpress, to perform to your satisfaction, or at all, you are solely responsible for the hardware, software or other technology you use to access optionsXpress's Electronic Services. optionsXpress will not be responsible for any service difficulties resulting from your failure to possess technology adequate to use optionsXpress's Electronic Services to your satisfaction.

Your Agreement—By using optionsXpress's Electronic Services, you agree to comply with the terms and conditions of this Agreement and the Account Agreement. optionsXpress has the right to modify or terminate this Agreement in any way at any time, and we will provide you with notice of any modifications. You further agree to abide by any rules, procedures, standards, requirements or other conditions we may establish in connection with the use of our Electronic Services or any other electronic communications services made available by optionsXpress.

2. Risks of Electronic Trading

Access to the Electronic Services may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance, or for other reasons. If some portion of the Electronic Services, defined to include "telephonic systems," are unavailable or delayed at any time, you agree to use alternative means to place your orders, such as calling an optionsXpress representative. optionsXpress will not be liable to you if you are unable to access your account information or request a transaction through the

Electronic Services. (See Limitations of Liability, Section 5 of this Agreement).

When you use the Electronic Services to place a trade order, you acknowledge that your order may not be reviewed by a registered representative before being routed to an exchange for execution and you also will not have the opportunity to ask questions or otherwise interact with an optionsXpress representative. By placing a trade order through the Electronic Services, you voluntarily agree to assume any added risk that may result from the lack of human review of your order in exchange for the reduced commissions and potentially greater convenience of electronic trading.

optionsXpress posts “Urgent Notifications” on its website to alert you to various Electronic Services and market conditions issues. You agree that you will read any Urgent Notification before placing orders through optionsXpress’s Electronic Services and will be deemed to have knowledge of any such Urgent Notification that is posted when you place an order.

3. Fast and Volatile Market Conditions

During periods of heavy trading and/or wide price fluctuations (“Fast Markets”), there may be delays in executing your order or providing trade status reports to you. In addition, if you place a market order in a Fast Market, there may be a significant difference in the quote you receive prior to or at the time you place the order and the execution price you receive.

If the Electronic Services are available, and you decide to place an order in fast or volatile market conditions, you agree to accept full responsibility for that order. If optionsXpress believes any particular stock is or may be volatile, optionsXpress may, but is not obligated to, decline to allow customers to place orders for that stock through the Electronic Services. In addition, optionsXpress reserves the right, but is not obligated, to prevent any IPO stock from being traded through the Electronic Services. In either of these situations, you or your Investment Advisor, if you have one, may be required to contact an optionsXpress representative to assist you with transactions in these stocks. optionsXpress is not liable to you for any losses, lost opportunities or increased commissions that may result from you being unable to place orders for these stocks through the Electronic Services.

4. Financial Market Information; No Warranty

Financial Information—optionsXpress’s Electronic Services make available certain financial market data, quotes, news, research and opinions (including Research Reports, as defined below) or other financial information (collectively, “Information”) that has been independently obtained by certain financial market information services, financial publishers, various securities markets including stock exchanges and their affiliates, investment bankers and other providers (collectively, the “Information Providers”), or has been obtained by optionsXpress. optionsXpress does not guarantee or certify the accuracy, completeness, timeliness or correct sequencing of the Information made available through optionsXpress, the Information Providers or any other third party transmitting the Information (the “Information Transmitters”). You agree that neither optionsXpress, the Information Providers nor the Information Transmitters shall be liable in any way for the accuracy, completeness, timeliness or correct sequencing of the Information, or for any decision made or action taken by you relying upon the Information. You further agree that neither optionsXpress, the Information Providers nor the Information Transmitters will be liable in any way for the interruption of any data, Information or other aspect of optionsXpress’s Electronic Services. You understand that none of the Information (including Research Reports) available through optionsXpress’s Electronic Services constitutes a recommendation or solicitation that you should purchase or sell any particular security.

Research Reports—optionsXpress’s Electronic Services make available

analyst research and opinions (“Research Reports”) prepared by various third party investment bankers or other entities providing analysis, research and opinions (“Third-Party Research Providers”). optionsXpress does not endorse or approve Research Reports prepared by Third-Party Research Providers and only makes such Research Reports available to you as a service and convenience. optionsXpress and the Third-Party Research Providers do not: (1) guarantee the accuracy, timeliness, completeness or correct sequencing of the Research Reports; or (2) warrant any results from your use of the Research Reports. The Research Reports have been prepared as of the date indicated and may become unreliable for various reasons including, for example, changes in market or economic circumstances. optionsXpress and each Third-Party Research Provider is not obligated to update any information or opinions contained in any Research Report or to continue to offer Information or Research Reports regarding any company or security. You acknowledge that recommendations in the Research Reports to buy, sell, hold or otherwise consider particular securities are not, and should not be construed as, recommendations or advice to you designed to meet your particular objectives or financial situation. From time to time, a Third-Party Research Provider may be unable to provide Research Reports with respect to certain companies with which a Third-Party Research Provider, or their respective affiliates, have certain business relationships.

Disclaimer of Warranties—There is no warranty of merchantability, no warranty of fitness for a particular use and no warranty of non-infringement. There is no other warranty of any kind, express or implied, regarding the Information, including Research Reports or any aspect of optionsXpress’s Electronic Services (including but not limited to information access and order placement or execution).

Agreement Not to Contact Analyst—You agree not to contact any individual or analyst who is an author of, or who is named on, any Research Report, or any representative of any Information Provider or Third-Party Research Provider.

Arbitration—You agree that any controversy which may arise between yourself and any Information Provider or Third-Party Research Provider and any of their officers, directors, affiliates and employees shall be resolved in arbitration in accordance with the terms and conditions of the arbitration agreement(s) entered into between you and optionsXpress at the time you opened your Account, and as amended from time to time.

Securities Professionals May Not Use Research Reports in Their Business—If you are a securities broker, dealer or investment banker, by requesting or receiving any Research Reports, you agree not to use any such Research Reports for any purpose related to your business.

5. Limitations of Liability

Limitation of Damages—optionsXpress, the Information Providers, Information Transmitters, Third-Party Research Providers and any other person involved in transmitting Information will not be liable under any circumstances for any consequential, incidental, special or indirect damages even if you advise them of the possibility of such damages. This includes, but is not limited to, claims for lost profits, trading losses and damages that may result from the use, inconvenience, delay or loss of use of the Information or for omissions or inaccuracies in the Information. As a condition to accessing or receiving the Information, you expressly agree to waive any claim you may have against optionsXpress, any Information Provider, Information Transmitter, Third Party Research Provider or any other persons involved in transmitting any Information optionsXpress makes available to you.

By accessing or receiving Information, you agree that the liability of optionsXpress, the Information Providers, the Third-Party Research Providers or any other persons involved in transmitting Information arising out of any legal claim (whether in contract, tort or otherwise) in any way connected with optionsXpress’s Electronic Services or Information will not exceed the amount you originally paid for the

Electronic Services related to your claim.

Some jurisdictions do not allow limitations on how long implied warranties last, the exclusion or limitation of incidental or consequential damages or the exclusion of certain implied warranties, so that these disclaimers and limitations may not apply to you. This Agreement gives you specific legal rights. You may also have other rights which vary from jurisdiction to jurisdiction.

No Liability for Events Outside of Entities' Direct Control—optionsXpress, the Information Providers, Information Transmitters, Third-Party Research Providers and any other person involved in transmitting Information will not be liable for any loss that results from a cause over which that entity does not have direct control. Such causes include, but are not limited to: (1) the failure of electronic or mechanical equipment or communication lines; (2) telephone or other interconnect problems; (3) bugs, errors, configuration problems or the incompatibility of computer hardware or software; (4) the failure or unavailability of Internet access; (5) problems with Internet service providers or other equipment or services relating to your computer or network; (6) problems with intermediate computer or communications networks or facilities; (7) problems with data transmission facilities or your telephone, cable or wireless service; or (8) unauthorized access, theft, operator errors, severe weather, earthquakes, other natural disasters or labor disputes. optionsXpress is also not responsible for any damage to your computer, software, modem, telephone, wireless device or other property resulting in any way from your use of optionsXpress's Electronic Services.

6. Consent to Email Communications and Opting Out

By entering into an Account Agreement with optionsXpress or by subscribing to an optionsXpress Electronic Service, you are consenting to the receipt of "email" from us. We may send you emails about services and products we believe may be of interest to you. By specifically consenting to electronic delivery you are giving your informed consent to electronic delivery of all Account Notices, other than those you have specifically requested be delivered in paper form.

7. Use of Proprietary Information

The Information provided is the property of optionsXpress, Third-Party Research Providers or their licensors and is protected by applicable copyright law. You agree not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information in any manner without the express written consent of optionsXpress, the Information or Third-Party Research Providers or any other person with the authority to give such consent. You agree that you will not use the Information for any unlawful purpose. You further agree to comply with all reasonable written requests from optionsXpress intended to protect the Information and Third-Party Research Providers' and optionsXpress's respective rights in the Information and Electronic Services.

8. Use of Quotes

You agree to use the quotes only for your individual use in your business. You will not furnish the quotes to any person or entity other than an officer, partner or employee of your business. If you are a securities professional, such as an investment advisor, you may occasionally furnish a limited number of quotes to your customers and clients, but solely in the regular course of your securities business. If you furnish quotes to your customers and clients who are not on your premises, you may do so solely: (i) in written advertisements, educational material, sales literature or similar written communications; or (ii) during telephonic voice communication not entailing the use of computerized voice synthesization or similar technology. You shall not permit any customer or client to take physical possession of "your equipment" (i.e., the equipment that you use to receive, display or otherwise use quotes). You shall abide by any additional limitations on use of quotes that optionsXpress may specify in the future.

9. Order Change or Cancellation Requests

You acknowledge that it may not be possible to cancel a market or limit order once you have placed it, and you agree to exercise caution before placing all orders. Any attempt you make to cancel an order is simply a request to cancel. optionsXpress processes your requests to change or cancel an order on a best efforts basis only and will not be liable to you if optionsXpress is unable to change or cancel your order. Market orders (including marketable limit orders), in particular, are subject to immediate execution and as a general rule cannot be canceled once entered during market hours and shortly before market opening. If you wish to try to change or cancel your market order, you agree to call an optionsXpress representative to assist you. Attempting to cancel and replace or change a market order through the Electronic Services can result in the execution of duplicate orders, which ultimately are your responsibility. If an order cannot be canceled or changed, you agree that you are bound by the results of the original order you placed.

10. No Legal or Tax Advice

You acknowledge that optionsXpress does not give legal advice or tax advice. However, we may provide you with general tax and estate planning information and principles. You agree that these principles do not apply to your specific circumstances or take into account your comprehensive tax or estate planning situation. For that type of assistance, you agree to consult your own tax or legal advisor.

11. Investment Advice

You agree and acknowledge that the investment choices and services provided on publicly available portions of the optionsXpress site are provided as general information only and are not intended to provide investment recommendations or investment advice. Under no circumstances is the information contained herein to be used or considered as an offer to sell or a solicitation of an offer to buy any particular investment. When you use the Electronic Services, you, or you and an Investment Advisor other than optionsXpress, if you have one, are responsible for determining the nature, potential value and suitability for you of any particular investment strategy, transaction or security (including equities and options). optionsXpress has no responsibility under any circumstance for any such determination unless we otherwise agree with you in writing or unless optionsXpress gives advice directly to you that is clearly identified as an optionsXpress recommendation for you to enter into a particular transaction or transactions, or to buy or sell a particular security or securities. You agree that any such optionsXpress recommendation will remain in effect only for as long as we tell you that it will remain in effect at the time we make the recommendation.

Orders May Not Be Manually Reviewed—You understand and acknowledge that when you place orders using optionsXpress's Electronic Services, those orders may be sent directly to an exchange without being viewed by an individual optionsXpress representative. You acknowledge that you bear the entire risk and agree to accept full responsibility for the orders you place. You further agree to release optionsXpress from any liability for executing the orders you place using optionsXpress's Electronic Services.

12. Written Acknowledgement and Confirmation

You may receive a written or electronic acknowledgement of the status of each transaction executed through an Electronic Service in addition to the confirmation optionsXpress deliver to you via optionsXpress's website or otherwise. If there is a conflict between (i) the terms of the acknowledgement, (ii) status information concerning a transaction and (iii) the terms of any confirmation, the terms of the confirmation control.

13. Transactions through the Electronic Services

You will use the Electronic Services and enter into transactions only for your own benefit and account(s) and will not use the Electronic

Services on behalf of third parties without optionsXpress's written permission unless you are registered or are exempt from registration as a commodity trading advisor. If your use of the Electronic Services and execution of transactions is for the benefit and account of third parties, you represent and warrant that you have full authority and capacity to sign this Agreement on your own behalf and on behalf of such third parties and that you have informed such third parties of the terms of this Agreement and that such third parties agree to be bound by the provisions hereof.

A transaction entered into through an Electronic Service shall be binding upon the completion of the steps identified on the Electronic Service (or in a separate communication) as necessary for execution of the transaction. You will be bound by the terms of any order made through an Electronic Service and by any resulting transaction unless you modify or withdraw the order in accordance with the terms of the Electronic Service before its execution. Without limitation of the above, you agree that any action by you to modify or withdraw an order made through an Electronic Service by communicating with optionsXpress through other means may be ineffective.

You understand, acknowledge and agree that (i) orders, for transactions, entered electronically through the Electronic Services may be routed directly to the relevant exchange or, where applicable, to a third party provider performing execution service utilized by optionsXpress, without any intervention by optionsXpress or any other person (other than through the application of any credit and other electronic filters that may be imposed by optionsXpress or a third party which are intended solely for risk management purposes), and (ii) there is no assurance that any such orders will be executed at any particular price or time, or that they will be executed at all.

You further understand, acknowledge and agree that you are solely responsible for ensuring that any orders entered by you through the Electronic Services, and any resulting transactions, are in compliance with applicable laws, regulations and rules, including but not limited to the rules of the relevant exchange and clearing house, in all respects. Without limitation of the foregoing, you understand and acknowledge that many exchanges have rules which prohibit the execution of certain types of transactions using their trading facilities, such as wash trades and pre-arranged trades. In addition, virtually all exchanges (and/or applicable regulatory authorities) prohibit manipulation of their markets, as well as attempted manipulations, "squeezes" and "corners." In the event that you are not familiar with the laws, regulations, or rules applicable to orders entered, or transactions entered into, by you through the Electronic Services, you shall obtain copies thereof, or shall request copies thereof from optionsXpress.

optionsXpress may from time to time implement a number of electronic filters through the Electronic Services for the purpose of implementing credit limits, position limits or other limits on your trading activities. As a result, you understand and acknowledge that you may be prevented from executing orders or entering into transactions at certain times if such actions would cause an applicable filter to reject an order submitted by you. Any such limits imposed by optionsXpress are solely for the protection of optionsXpress and they shall have no responsibility for monitoring or ensuring your compliance with any limits imposed on your trading activities by you or applicable law. You agree not to take any actions that will cause you to violate any limits imposed by optionsXpress on your trading activities including, without limitation, placing an order for execution of a transaction through another broker, to be cleared through optionsXpress, if such transaction would result in the violation of any such limits.

You acknowledge and agree that optionsXpress and its affiliates may engage in trading in the markets reflected on the Electronic Services for its proprietary accounts and on behalf of accounts under its management, which could affect the value or termination of transaction and that optionsXpress and its affiliates may enter into transactions at prices different from the prices reflected in the Electronic Service. In addition, you acknowledge that optionsXpress may monitor your use of the Electronic Services for its own purposes

(and not for your benefit). optionsXpress may use the resulting information for internal business purposes or in accordance with the rules of any applicable regulatory or self-regulatory body and in compliance with applicable law and regulation.

14. No Reliance on Prices or Values

Unless otherwise indicated, price quotes made available to you are indicative. They may not reflect the actual prices that would be available in the market at the time that you may want to execute a transaction either through optionsXpress or any other party. Although optionsXpress will use only services that it believes to be reliable, it will not verify the values obtained from these services, and therefore, it cannot guarantee that they are accurate.

15. Market and Limit Orders

You acknowledge that the price of any security that you want to buy or sell may change significantly between the time you obtain a price quote and place your order, and the time at which the order is executed. Such changes may occur for a number of reasons, including delays as a result of high trading volume, capacity limitations, Internet communications delays, system failures and actions by optionsXpress. To avoid having your orders executed at prices that are significantly different from the price quotes that you obtain when you place them, you should use limit orders rather than market orders. You agree that optionsXpress may, in certain circumstances, require that you use limit orders. A market order is an order to buy or sell stock at the current price. A limit order is an order that lets you specify the price at which you are willing to have the order executed. Unlike a market order, which optionsXpress is required to execute fully and promptly without regard to the price prevailing in the market at the time of execution, a limit order will be executed, if at all, at or better than the price specified with the order. Therefore, by using limit orders specifying the lowest sale price or the highest purchase price beyond which the orders may not be executed, you can significantly reduce the risk that your orders will be executed at prices different from the price quotes that you obtain when you place your orders. You should be aware, however, that although limit orders provide price protection, there is no assurance that they will be executed in full or at all.

16. Order Execution

Unless otherwise indicated by optionsXpress, you should not assume your orders are being automatically executed. The fact that an order has been entered does not assure that it will be accepted, and the fact that an order has been accepted for execution does not mean that it will be executed. Orders that have been placed outside of regular trading hours (currently 9:30 a.m. to 4:00 p.m., Eastern Standard Time) and that have not been approved for after-hours trading, will not be executed until the market opens for trading the next day, at which time such orders normally will be handled on a first-in-first-out basis.

Orders that have been placed outside of regular trading session will not be executed until the market opens, at which time such orders normally will be handled on a first-in-first-out basis. Please consult our website for trading session times by product.

17. Cancellation of Orders

Entering a cancellation order and a separate replacement order may result in your being responsible for the execution of duplicate orders if the cancellation order cannot be processed in a timely fashion. An order is not canceled (or modified) until a status message indicating that the order has been canceled (or modified) has been generated. Because of delays in receiving trade reports on volatile trading days, you may be concerned that its orders have not been executed, and you may attempt to cancel its initial orders, or enter new orders. Orders still showing as open already may have been executed but not yet reported back to optionsXpress and/or to you. Therefore, it may not be feasible for you to cancel or change an order while the security is trading even if a report confirming the execution of your order has not yet been issued.

18. Good 'til Canceled and Good-Through Orders

If available and permitted, good 'til canceled, or GTC," orders are automatically canceled at the close of business on the date and time indicated by you when you place your order. Good-through orders are automatically canceled on the earlier of: (a) the close of business on the date and time indicated by you when you place your order, and (b) the time the order is canceled, executed, or changed, after which the order or the portion of it that has not been executed will be treated as canceled. You agree that if you do not cancel a good 'til canceled order or good through order, optionsXpress may complete the transaction based on your original instructions until the order has expired. All GTC orders will be accepted and handled exclusively on a "do not reduce" or "do not increase" basis. This means that optionsXpress will not adjust open GTC orders for dividends. We will cancel orders in securities subject to forward or reverse splits. Contingent orders will likewise not be adjusted. To adjust your open GTC orders, you should cancel your order and reenter it at the adjusted price.

19. Access, Passwords and Security

You will be responsible for the confidentiality and use of your access number(s), password(s), account number(s), or any other personal access identifier. You agree not to hold optionsXpress liable for any damages of any kind resulting from your decision to disclose your access number(s), password(s) or account number(s), or any other personal identifier, to any third party, including, but not limited to, entities that aggregate account information or website content, or persons who are or claim to be acting as your agent, proxy or Investment Advisor. If you inform optionsXpress or optionsXpress has reason to believe that the security of your Account password may be or has been compromised, we have the right to terminate your use of Electronic Services. You will be responsible for all orders entered through and under your access number(s), password(s) and account number(s), and any other personal identifier, and any orders so received by optionsXpress will be deemed to have been received from you. All orders shall be deemed to be made at the time received by optionsXpress and in the form received. You agree to notify optionsXpress immediately if you become aware of:

- Any loss or theft of your access number(s), password(s), account number(s) and/or personal identifier; or
- Any unauthorized use of any of your access number(s), password(s), account number(s), personal identifier; or of the Electronic Services or any Information; or
- Any failure by you to receive a message that an order initiated by you through the Electronic Services has been received and/or executed through the Electronic Services; or
- Any failure by you to receive accurate written confirmation of an order or its execution within five Business Days after entering the order through the Electronic Services; or
- Any receipt of confirmation of an order that you did not place, or any similarly inaccurate or conflicting report or Information.

20. Data Transmission

You acknowledge that data, including email, electronic communications and personal financial data, may be accessed by unauthorized third parties when communicated between you and optionsXpress, Information Providers or Information Transmitters, using the Internet, other network communications facilities, telephone or any other electronic means. You agree to use software produced by third parties, including, but not limited to, "browser" software that supports a data security protocol compatible with the protocol used by optionsXpress. Until notified otherwise by optionsXpress, you agree to use software that supports the Secure Socket Layer (SSL) protocol or other protocols accepted by optionsXpress and follow optionsXpress's logon procedures for Electronic Services that support such protocols. You

acknowledge that optionsXpress is not responsible for notifying you of any upgrades, fixes or enhancements to any such software or for any compromise of data transmitted across computer networks or telecommunications facilities, including, but not limited to, the Internet.

21. Use of Software, Programs, Applications or Other Devices to Access Electronic Services

With the exception of applications commonly known as web browser software, or other applications formally approved by optionsXpress in writing, you agree not to use any software, program, application or any other device to access or log on to optionsXpress's computer systems, website or proprietary software or to automate the process of obtaining, downloading, transferring or transmitting any content, information or quotes to or from optionsXpress's computer systems, website or proprietary software.

22. Subscription, Service and Use Fees

You agree to pay all subscription, service and use fees, if any, that you are charged by optionsXpress or its designee for optionsXpress's Electronic Services. You agree that these fees may be changed without notice. optionsXpress reserves the right to enter into fee-sharing arrangements with applicable Information Providers, Information Transmitters, and Third-Party Research Providers.

23. Account Restrictions

If there is a restriction on your Account(s) at optionsXpress, your use of the Electronic Services' trading functions will be so restricted with respect to such Account(s). Further, optionsXpress reserves the right in its sole discretion to require a cash or equity deposit at any time and to determine the adequacy of any such deposit prior to the execution of any transaction through the Electronic Services. optionsXpress will not be responsible for any delay or failure to provide the Electronic Services, including the execution of any securities order, in the event there is a restriction on your Account, you lack sufficient funds in your Account or you delay or fail to make a required cash or equity deposit.

24. Indemnification

You agree to defend, indemnify and hold optionsXpress, the Information Providers and the Information Transmitters harmless from and against any and all claims, losses, liability costs and expenses (including, but not limited to, attorneys' fees) arising from your violation of this Agreement, state or federal securities laws or regulations, or any third party's rights, including, but not limited to, infringement of any copyright, violation of any proprietary right and invasion of any privacy rights. This obligation will survive the termination of this Agreement.

25. Our Ability to Terminate Electronic Services

optionsXpress reserves the right to terminate your access to its Electronic Services or any portion of them (including, without limitation, the Information [including Research Reports]) in its sole discretion, without notice and without limitation, for any reason whatsoever. optionsXpress may terminate your access to its Electronic Services for reasons including, but not limited to, the unauthorized use of your Account access information, breach of this Agreement, discontinuance of optionsXpress's access to any Information or any other data from any Information Provider or Third-Party Research Provider or termination of one or more agreements between optionsXpress and Information Providers, Third-Party Research Providers or Information Transmitters. optionsXpress, the Information Providers, the Third-Party Research Providers and the Information Transmitters shall have no liability to you for terminating your access to optionsXpress's Electronic Services; provided, however, that if optionsXpress's termination is without cause, optionsXpress will refund the pro rata portion of any fee you may have paid for the portion of the Information and/or Electronic Services not furnished to you as of the date of termination.

26. Electronic Communications

The Electronic Services you access by computer provide you with the capability to send electronic communications, such as email, directly to optionsXpress and interact within applicable areas of the Electronic Services. You agree to the following terms with respect to your use of electronic communications through the Electronic Services:

- You will not transmit securities trade orders to optionsXpress using electronic communications except through those electronic features designated by optionsXpress for the express purpose of placing trade orders. You acknowledge that optionsXpress will not act upon trade orders transmitted through electronic communications other than orders you transmit through designated trade order features;
- optionsXpress shall be entitled, but is not obligated, to review or retain your electronic communications for, among other reasons, monitoring the quality of service you receive, your compliance with this Agreement and the security of the Electronic Services. optionsXpress is entitled to disclose your electronic communications to the same extent it may disclose other information about you or your Account(s) as provided elsewhere in your Account Agreement(s). In no event will optionsXpress be liable for any costs, damages, expenses or any other liabilities incurred by you as a result of such activities by optionsXpress;
- You will not use any electronic communication feature of the Electronic Services for any purpose that is unlawful, abusive, harassing, libelous, defamatory, obscene or threatening. You will not use the Electronic Services to solicit optionsXpress customers or others or participate in the solicitation of optionsXpress customers or others for any purpose;
- You will not upload, post, reproduce or distribute any information, software or other material protected by copyright or any other intellectual property right (as well as rights of publicity and privacy) without first obtaining the permission of the owner of such rights;
- You will not in any way express or imply that the opinions in your electronic communications are endorsed by optionsXpress without the prior written consent of optionsXpress;
- If you use the Electronic Services that you access by computer, you agree to provide optionsXpress with your email address, promptly provide optionsXpress with any changes to your email address and accept electronic communications from optionsXpress at the email address you specify; and
- You agree to be bound by any affirmation, assent or agreement you transmit through the Electronic Services you access by computer, including, but not limited to, any consent you give to receive communications from us solely through electronic transmission. You agree that, when in the future you click on an "I agree," "I consent" or other similarly worded "button" or entry field with your mouse, keystroke or other computer device, your agreement or consent will be legally binding and enforceable and the legal equivalent of your handwritten signature.

27. General

You acknowledge that, in providing you with the Electronic Services, optionsXpress has relied upon your agreement to be bound by the terms of this Agreement and any user or license agreement(s) related to or accompanying Electronic Services-related software. You further acknowledge that you have read, understood and agreed to be bound by the terms of: (i) the user license agreement of any Electronic Services-related software; and (ii) the terms of optionsXpress's brokerage account agreement(s) and any other agreement with optionsXpress that applies to your Account(s), all as currently in effect and amended from time to time.

28. Modifications

This Agreement may be modified by optionsXpress upon written notice

to you; provided, however, that if optionsXpress sends you written notice, via electronic communication or otherwise, of a modification, you confirm your acceptance of the modification by not closing and/or by continuing to use your Account.

29. Governing Law

This Agreement, and all future agreements you shall enter into with optionsXpress, unless otherwise indicated on such other agreement, shall be governed by the law (but not the choice of law doctrines) of the state of Illinois. This is the case regardless of whether you reside or transact business with optionsXpress in Illinois or elsewhere, except that arbitration provisions shall be governed by the Federal Arbitration Act.

30. Third-Party Beneficiaries

You and optionsXpress acknowledge and agree that each Information Provider, Information Transmitter and Third-Party Research Provider is an intended third-party beneficiary of this Agreement to the extent that the Electronic Services include Information or third-party Research Reports ("Third-Party Beneficiaries"). Each Third-Party Beneficiary is entitled to rely upon all rights, representations, warranties and covenants made by you in this ESA to the same extent as if each Third-Party Beneficiary was a party to this ESA with respect to their own Information or third-party Research Reports. For the avoidance of doubt, all rights and benefits granted under this Agreement to optionsXpress will also be deemed granted directly to each Third-Party Beneficiary as set forth above. Otherwise, no third party will be deemed to be an intended or unintended third-party beneficiary of this Agreement.

Terms for Customers Residing Outside the United States

The products and services of optionsXpress are only offered in jurisdictions where they may be legally offered for sale. optionsXpress products and services are generally intended for U.S. customers and may not be offered or available in other countries, including the United Kingdom, Singapore, Hong Kong, Malaysia, and Taiwan among other jurisdictions. Not all securities, products, or services described are available in all countries, and nothing on this site constitutes an offer or solicitation of these securities, products, or services in any jurisdiction where their offer or sale is not qualified or exempt from registration. Information provided is obtained from sources deemed to be reliable.

These terms apply primarily for customers living outside the United States. The terms and conditions set forth below incorporate and are supplemental to the Account Agreement, as amended from time to time. Where there may be a conflict of terms, these terms and conditions shall control for customers living outside the United States.

1. Fees

Fees vary based on factors set forth in the applicable *Pricing & Commissions* page. Details can be viewed at http://www.optionsxpress.com/about_us/pricing_commissions.aspx.

2. Administration of Foreign Currency Conversion Transactions

You agree that, from time to time, it is desirable for optionsXpress to accept your non-U.S. dollar funds and that it is also desirable for optionsXpress to issue disbursements to you in non-U.S. dollar funds. You recognize that to do so, optionsXpress must obtain certain authorizations from you and wishes to confirm your acceptance of the administration of the functions necessary to effect such deposits and payments. Unless otherwise specified, all check requests will be issued in U.S. dollars.

You hereby authorize optionsXpress to arrange on your behalf for the purchase and sale of currencies for the purpose of converting funds for

deposit to your Account(s) and for converting withdrawals from your Account before disbursements are made to you.

optionsXpress retains the right anytime to refuse to accept for conversion any non-U.S. dollar currency or to make any non-U.S. dollar disbursement. You understand and agree that optionsXpress may, in its sole discretion, provide foreign currency services with respect to only a select group of non-U.S. dollar currencies. You further agree that optionsXpress shall not be required to take any action that may be in contravention of applicable laws and regulations.

You understand and accept any and all risk of foreign currency fluctuations with transactions that will affect the balances in your Accounts with optionsXpress. You also assume the risk of currency fluctuation and loss on any items returned to optionsXpress and further agree to reimburse optionsXpress for any deficiency, loss or expense incurred on your behalf. You agree that optionsXpress shall not be liable for any expense, claim, loss or damage suffered by you or any third person in connection with the above-mentioned currency transactions.

You authorize optionsXpress to charge your Account for any fees incurred by optionsXpress in arranging non-U.S. dollar outgoing or incoming wires, checks and electronic payments of any kind to you, as well as any currency conversion transaction or any fee imposed by banks for handling non-U.S. domestic items. You also authorize optionsXpress to charge your Account for any and all expenses, fees, charges or penalties incurred by optionsXpress as a result of your returned items. In the event that the amounts in your Accounts are inadequate to cover these expenses, you agree that any remainder owed to optionsXpress is immediately due and payable.

Finally, you agree to indemnify and hold harmless optionsXpress from any expense, claim, loss or damage suffered by you or a third party relating to those areas of liability expressly disclaimed or restricted above.

3. Residency Status

If applicable, you agree to complete Substitute Form W-8BEN or other applicable forms to open your Account. You also agree to notify optionsXpress in the event your residency status changes.

4. Account Control Certifications

You acknowledge that this Account Agreement and your Account may be subject to U.S. economic sanctions and embargo laws, including, but not limited to, the Trading With the Enemy Act, the International Emergency Act and similar laws, violations of which may be subject to U.S. civil and criminal penalties. You specifically represent and warrant that you have not been designated by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) as a Specially Designated National or blocked person, that you have no reason to believe that you would be considered a blocked person by OFAC, and that you are not acting as agent of any such person. You further represent and warrant that you are not employed by, acting as agent of or partially owned or controlled by a government, a government controlled entity or a government corporation except as you have indicated on your Account Application with optionsXpress.

5. Errors or Questions About Transactions

If you think your statement or receipt is wrong, or if you need more information about a transaction listed on the statement or receipt, call us toll-free at 1-888-280-8020. You may also write to us at: optionsXpress, Inc., 150 S. Wacker, 12th Floor, Chicago, IL 60606 USA.

6. Australia Disclosure

Important Information about Australia. The information optionsXpress makes available to you in connection with your Account(s) and the services optionsXpress provides to you, and in statements, confirmations, and reports, is not intended for dissemination, access,

or use within Australia. If you are located in Australia and are accessing this information, you represent that you are, or are accessing the information as a representative of, a wholesale client (within the meaning of Section 761G of the Australia Corporations Act 2001). You also represent that neither you nor any person or entity you represent will directly or indirectly disseminate the information optionsXpress makes available to any person in Australia.

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