

OPTIONSPRESS AUSTRALIA DISCLOSURE STATEMENT INVESTMENT ADVISERS AND BROKERS DISCLOSURE STATEMENT

optionsXpress Australia Pty Ltd (ACN 085 258 822) ("optionsXpress Australia") is required pursuant to the Securities Markets Act, 1988 to disclose to you the following information about optionsXpress Australia Pty Ltd.

This disclosure statement was prepared on 1 April 2011.

GENERAL

optionsXpress Australia is an Australian based broker which offers a non advisory and dealing service on securities, options, futures, bonds and exchange traded funds on the US Markets and Contracts for Difference on the Australian Market.

If you have any questions about this, you can contact optionsXpress Australia at:

Unit 5/4 Skyline Place
Frenchs Forest NSW 2000
Telephone: +61 2 1300 781 132

CONVICTIONS

As required by the Securities Markets Act, 1988, we confirm that neither optionsXpress Australia nor any of its directors has ever been:

- convicted of an offence involving the Act, the Securities Act, 1978 or any other crime involving dishonesty.
- a principal officer of any body corporate or association so convicted; or
- deemed bankrupt or placed into management or receivership; or
- prohibited from engaging in the management of a company or business
- expelled from or prohibited from being a member of any professional body
- the subject of any adverse finding by a court in a proceeding involving our professional capacity

PROCEDURES FOR DEALING WITH MONEY & PROPERTY

1. How to pay funds into your optionsXpress Australia trading account

a. Wire Instructions

JPMorgan Chase Bank, NA
Swift Code: CHASUS33* (International wires only)
ABA # 02100021* (Domestic wires only)
A/C 707660205 optionsXpress, Inc.*
F/C/T [your name here]*
A/C# [your 8 digit account number]*

Bank Address: (wires only - do not mail funds)
1 Chase Manhattan Plaza
New York, NY 10081

b. Cheque Deposits

Cheques are to be made payable to "optionsXpress".

Write your optionsXpress account name & account number on the back of the cheque.

Complete an optionsXpress Deposit Slip for your cheque deposit, they are available via your optionsXpress online account.

Forward your \$AUD cheque with your optionsXpress Deposit Slip to:

optionsXpress Australia
Unit 5, 4 Skyline Place
Frenchs Forest NSW 2086
Australia

2. How client money and property is held

Client money will be held in the client's trading account with optionsXpress Australia. Where elected client's funds will be transferred into the Money Market Sweep overnight where interest may be payable to clients.

Client money and property received by optionsXpress Australia will not be held on trust for the investor.

3. Records

The following records that relate to client money and property are kept by optionsXpress Australia:

- Books of accounts
- Client Statements
- Client details
- Records of activities
- Instructions received from clients
- Trades executed
- Brokerage fees charge

Accounting, dealing and records of telephone and internet conversations may be kept for 7 years. A request for a copy of any or all of the above records must be made to optionsXpress Australia in writing, by way of fax, mail or email. There is no charge for the issue of duplicate statements supplied by email.

4. Auditor

[The receipt, holding and disbursement of client money and property will be audited by an auditor. The auditor is Ernst & Young, LLP]

5. Use of money or property

The properties in your account may be carried in our general loans and may be pledged or hypothecated by us separately or in common with other properties. The pledge or hypothecation by us may secure our indebtedness equal to or greater than the amount owed to us by you. You agree to deposit additional collateral, as we may in our discretion require from time to time in the form of cash or securities. In the event you no longer retain a debit balance or an indebtedness to us it is understood that we will fully segregate all securities in your accounts in our safekeeping or control (directly or through a clearing house) and/or deliver them to you upon your request.

As security for the payment of all loans and liabilities made under this or any other agreement between us, and to the extent permissible by law and regulation, you grant us a secured interest in any and all property belonging to you or in which you have an interest, held by us or created in any of your accounts (individual or multiple owner). All properties shall be subject to such security interest as collateral for the discharge of your obligations to us, wherever or however arising and without regard to whether or not you have made loans with respect to such property. In enforcing such security interest we shall have discretion to determine which property is to be sold, the order in which it is to be sold, and shall have all the rights and remedies available to a secured party under the Illinois Uniform Commercial Code.

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