

FOR OPTION DEPT. TO COMPLETE	OPTION DEPT. PPROVAL:		
	ROSFP	Date	Comments:
<input type="checkbox"/> Covered Call Writing			
<input type="checkbox"/> Purchasing Options			
<input type="checkbox"/> Option Spreads			
<input type="checkbox"/> Uncovered Put Writing			
<input type="checkbox"/> Uncovered Call Writing			

## Risks, Prohibitions and General Information Concerning Option Trading

Important: Please read this appendix

I understand that options transactions involve a high degree of risk and offer no guarantee of gain or assurance against loss. Accordingly, I understand that prior to engaging in any option transaction, I should review my present financial situation and determine whether it is advisable to incur the risk of loss associated with that particular investment.

- I understand that when I engage in option trading I expose myself to certain, potentially substantial financial risks in addition to those identified on the front side of this form under the heading "Client(s) Strategy Requests," including but not limited to the following:
  - I understand that I should not buy an option unless I am able to sustain a total loss of the premium and transaction costs.
  - If I sell (write) covered options, I understand that I may forfeit participation in capital gains but retain risk of participation in capital losses in the underlying security. I understand that if an exercise is assigned to me, I may be forced to liquidate my position in the underlying security at a time which may be unfavorable to me. I also understand that I should not sell (write) a covered call option unless I am prepared to deliver the underlying security (or a security convertible, exchangeable, or exercisable into such underlying security) upon the exercise of the option.
  - If I sell (write) uncovered (naked) options, I risk substantial capital loss if, and to the extent that, the market price of the underlying security increases above the strike price of a call or decreases below the strike price of a put. If an exercise is assigned to me, it will, in all likelihood, be at a time which will force me to assume such a capital loss. I understand that I should not sell (write) a put option or an uncovered call option, especially an index option, unless I am able to sustain potentially unlimited losses.
  - I am aware that various factors may affect the price of an option contract, such as the relationship between the exercise price and market price of the underlying security, the time period remaining until the option expires, and the price fluctuation or other characteristics of the underlying security.
  - I am aware that the respective option exchanges (Exchanges) may, in their discretion and from time to time, restrict transactions in particular options or the exercise of option contracts in the interest of maintaining a fair and orderly market in option contracts or in the underlying security, for the protection of investors. I understand that I may not be able to close a position in the event that a secondary market in the option ceases to exist or the listing exchange restricts or suspends trading in the option.
  - I am aware that the Exchanges have established restrictions on certain opening purchase and sale transactions on the Exchanges which are considered to be restricted options.
- I understand and agree that my account(s) with DBSI will be handled in accordance with the Rules of the Financial Industry Regulatory Authority (FINRA) and the Exchanges on which listed options are traded and of the Options Clearing Corporation (OCC), as expressed in its prospectus. I am aware of and agree to be bound by such rules. In accordance with such rules:
  - I will not attempt to acquire at any time, either by myself or in concert with others, a position in excess of the limits prescribed from time to time by the Exchanges. For the purpose of computing such limits, I understand that total long call options and short put options of the same underlying stock must be added to compute the position limit. Similarly, total long put options and short call options of the same underlying stock must be added to compute the position limit.
  - I will not attempt to exercise, either by myself or in concert with others, during any period of five consecutive business days, a quantity in excess of the limit prescribed by the Exchanges.
  - I understand that if found in violation of either the position limit or the exercise limit I may be subject to sanctions imposed by the Exchange involved and that these sanctions may include liquidation of the positions in violation.