

**ADD OPTION & MARGIN PRIVILEGES**

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Brokerage Account Number

Use this form to apply for the addition of margin or margin and option account privileges to supplement your existing People's Securities brokerage account. Entity accounts may require additional paperwork. Please return your completed form to: People's Securities, Inc., P.O. Box 31, Bridgeport, Connecticut 06601-0031.

**1. ACCOUNT HOLDER NAME(S)**

Primary Account Holder First Name	M.I.	Last Name	<input type="checkbox"/> Sr. <input type="checkbox"/> Jr.
Joint Account Holder First Name	M.I.	Last Name	<input type="checkbox"/> Sr. <input type="checkbox"/> Jr.

**2. TELL US HOW YOU INTEND TO USE THIS ACCOUNT**

Select the account features you are applying for:  Margin Trading  Margin & Option Trading

**Option Trading information (complete only if you selected Margin & Option Trading above):**

Desired Types of Option Trading - Check all that apply

A. Buying Calls or Puts  B. Writing Covered Calls  C. Spreading Calls or Puts

**3. INVESTMENT OBJECTIVES AND INVESTMENT EXPERIENCE**

**Investment Objectives**

Choose all that apply. Review the People's Securities Customer Agreement for important information on investment objectives.

Preservation of capital  Income  Capital appreciation  Speculation  Trading profits

**Investment Experience**

	Average Trade Amount	Number of Years	Frequency:	Seldom	Moderate	Active
Covered Options	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uncovered Options	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long Stocks	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Short Stocks	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodities	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bonds	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	\$			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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**4. CUSTOMER AGREEMENT AND SIGNATURE**

By signing this form, you affirm that you have received and read this form and any supplemental documents, including People's Securities Option Agreement, Margin Agreement, and Margin Disclosure governing this relationship. You affirm that the information you have provided is accurate, you agree to be bound by these agreements, and you agree to notify us of any changes in the information provided. You may obtain an additional copy of the People's Securities Customer Agreement online at [www.peoples.com/agreement](http://www.peoples.com/agreement) or by calling 1-800-392-3009.

You understand that telephone calls to People's Securities may be recorded, and you hereby consent to such recording. Reports of executions of orders and statements of your account shall be conclusive if not objected to in writing within five (5) days and ten (10) days, respectively, after transmitted to you by mail or otherwise.

YOU FURTHER ACKNOWLEDGE THAT PEOPLE'S SECURITIES DOES NOT PROVIDE TAX OR LEGAL ADVICE. YOU UNDERSTAND THAT PEOPLE'S SECURITIES, INC. IS NOT A BANK AND THAT INVESTMENTS OFFERED BY IT ARE NOT DEPOSITS OF OR GUARANTEED BY PEOPLE'S UNITED BANK, N.A. OR ANY OF ITS AFFILIATES. INVESTMENTS ARE

NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY FEDERAL GOVERNMENT AGENCY. INVESTMENT PRODUCTS ARE SUBJECT TO RISK, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

You understand that by applying for an option account you are also applying for a margin account. You further understand that trading in Options or on Margin is subject to Option and Margin Account approval by People's Securities, Inc and may require a review of your credit history. Margin borrowing and Option Trading involves additional risks and is not suitable for all investors.

People's Securities is hereby authorized to lend, hypothecate or re-hypothecate separately, or with the property of others, either People's Securities or to others, any property we may be carrying for you on margin. This authorization applies to all your accounts we carry and shall remain in force until we receive written notice of revocation at our main office in Bridgeport, CT.

If the undersigned shall consist of more than (1) individual, then obligations under this agreement shall be joint and several.

Primary Applicant Signature	Date	Co-Applicant Signature	Date
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<b>Notarized (or Signature Guaranteed)</b>	
Name of Notary Public (print)	Notary Public Seal/Stamp:
Personally appeared before me this date	
Notary Public Expiration Date	
Notary Public Signature	

<b>Signature Guaranteed (or Notarized)</b>		
Print Name	Personally appeared before me this date	Signature Guarantee Stamp:
Signature		

**FOR INTERNAL USE ONLY**

Customer Account approved for:  Margin  A. Buying Calls or Puts  B. Writing Covered Calls  C. Spreading Puts or Calls  
 Customer Account Disapproved for Margin Trading  Customer Account Disapproved for Margin & Option Trading

ROP Name	Signature	Approval Date
Disclosure Booklet Provided on Date	Signature	

People's Securities is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by People's Securities, Inc. You may consult us regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from People's Securities, Inc. If you choose to borrow funds from People's Securities, Inc., you must open a margin account with us. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan. As a result, People's Securities, Inc., can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to People's Securities, Inc. in order to avoid the forced sale of those securities or other securities or assets in your account(s)
- **People's Securities, Inc. can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or the firm's higher "house" requirements, People's Securities, Inc. can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **People's Securities, Inc. can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, People's Securities, Inc. has the right to decide which security to sell in order to protect its interests.
- **People's Securities, Inc. can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause People's Securities, Inc. to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

### EXHIBIT I DISCLOSURE PEOPLE'S SECURITIES MARGIN REQUIREMENTS

#### I Will Pay Interest On Money You Loan To Me

You will charge me interest as described in the "Schedule of commissions and fees" on any margin account loans you make or maintain for me to purchase, carry or trade in any security. You will also charge me interest if for any other reason you loan me funds or extend credit to me.

#### The Rate of Interest That You Will Charge Me

You will determine in your discretion a Base Rate of interest upon which you will figure the rate of interest to charge your margin account customers. The Base Rate will be determined by referencing the prevailing 'broker call money', 'broker's call loan' or 'call money' rate appearing in financial publications. Our base rate will not necessarily equal this rate. You will pay a certain percentage above or below the Base Rate depending upon the size of your margin loans. The rate schedule can be found on the "schedule of commission and fees". You will set my interest rate for each monthly billing cycle based on the average of my daily debit balances during the billing cycle.

#### How You Calculate My Interest

You figure the interest for each billing cycle based on my "Average Daily Balance". You calculate each daily balance as follows: You take the beginning balance of my Account each day, add any new loans extended to me at day and subtract any payments or credits that day and all unpaid items. To get the "Average Daily Balance" you add the daily balances during the billing cycle and divide the sum by the number of days in the billing cycle. You calculate my interest for each period during the billing cycle that the Base Rate remains the same according to the following formula:

$$\text{Average Daily Balance (X)} \frac{\text{Interest Rate}}{360}$$

(X) The number of days that the same Base Rate is in effect or 30 says if the Base Rate has not changed during the Billing Cycle.

If the Base Rate has changed during the billing cycle, the sum of the interest charges for each period is the interest charged for the month. You will charge interest if I request you to make payment to me before the settlement date, with respect to securities in my Account that you have sold. You may also charge interest if I do not make a payment on time for stock I purchase in my cash Accounts.

#### Monthly Statements

Each month you will send me a statement of my Account showing debits and credits to my Account, except that if there is no monthly activity, you will send me quarterly statements. Your statement will show the balance at the beginning and the end of the statement period and the rate or rates of interest in effect during the statement period.

#### How You Determine My Account Balance

When you loan money to me to purchase securities, the amount of the loan is a debit to my Account. Cash in my Account is a credit. You combine all debit and credit amounts to determine the daily balance in my Account. If the amount of the debits exceeds the amount of the credits, I will be charged interest on the debit balance, which is the total amount that you have loaned to me.

#### How You Treat Short Sales

If I sell a security short (including short sales against the box), the

sale proceeds credited to my Account will not reduce my debit balance because the credit will be offset by an equal debit that reflects the cost to my Account of your obtaining the same security elsewhere in order to make delivery to the purchasing broker.

If the security I have sold short (or sold short against the box) appreciates in market price over the selling price, you will charge me interest on the amount that the market value exceeds the value at which I sold the security short. If the market price of the security I have sold goes down, you will credit to my Account the difference between the price at which I sold the security and the market value of the security. This will reduce the interest you will charge to my Account.

The practice of entering debits or credits to my Account as the market price of securities sold short goes up or goes down is known as "marking to the market". You will perform this function from time to time.

#### You May Change The Terms of Customer Agreement

You may at any time make changes in, or add new terms to, the Agreement to which this disclosure is an exhibit. Any changes or new charges will apply to all loans that you have made to me in the past as well as to all loans that you may extend to me after the changes and/or new charges go into effect.

You may change the terms and conditions relating to interest charges, but you will give me 30 days prior written notice of any change in the terms and conditions relating to interest charges. Without limiting other ways in which you may change interest charges, you specifically reserve the right to change:

- The way in which interest is calculated;
- The index upon which interest is based;
- The dollar amount of the debit balance level that determines the rate of interest which I pay.

Without prior notice to me, you may change my interest rate when you change our Base Rate.

#### You Have A Security Interest In All the Assets in My Account

You have a general lien on and security interest in all securities and money in my Account to secure the payment of all fees and charges assessed against my Account, and in the case of margin accounts, to secure the payment of all loans you make to me. You may sell securities in my Account without prior notice to me in order to reduce or fully pay any debit balance in my Account. I may realize a taxable gain or loss as a result of your sale of securities for this purpose.

#### You May Require Me To Furnish Additional Securities or Money

If there is a decline in the market value of my securities or a rise in the market value of short positions in my Account, you may request that I deliver to you cash or securities in an amount determined by you at your discretion. Without notice to me, you may sell securities in my Account or buy-in securities in the case of short positions, when you deem it advisable for your or my protection. You will try to give me prior notice of a sell-out or buy-in if I do not meet my margin requirements, but you are not required to do so under the terms of my Agreement. You may also request me to place additional securities or cash in my Account if you deem a particular security or particular securities no longer acceptable to you.

Address all correspondence to:

People's Securities, Inc., P.O. Box 31, Bridgeport, Connecticut 06601.

This contract explains the terms and conditions that govern my option account(s) with you. In consideration of your opening one or more option account(s) on my behalf, I agree to the following terms and conditions.

1. Definitions

- A. The words "I", "me", and "my" shall mean the person(s) (whether individual, partnership, corporation or otherwise) in whose name the option account is opened. As used in this agreement the singular shall include the plural if the account is jointly owned, except where otherwise indicated.
- B. The words "you", "your", and "PSI" shall mean People's Securities, Inc.

2. I will not enter any order for options until I have received, read and understood the appropriate Options Disclosure Document(s) of The Options Clearing Corporation. I specifically affirm the following disclosures as set forth in said Document(s):

- A. That both the purchase and the writing of options contracts involve a high degree of risk, are not suitable for many investors and, accordingly, should be entered into only by Investors who understand the nature and extent of their rights and obligations and are fully aware of the inherent risk involved, especially during extreme market volatility or trading volumes.
- B. That I should not purchase any option unless I am able to sustain a total loss of the premium and transaction costs and (i) that I should not write a call option unless I either own the underlying security (or a security convertible, exchangeable or exercisable into such underlying security) or am able to sustain substantial financial losses and (ii) that I should not write a put option unless I am able to sustain the loss resulting from purchasing the underlying security at the exercise price.
- C. That the price of an options contract is affected by various factors such as the relationship between the exercise price and the market price of the underlying security, the expiration date of the option and the price fluctuations or other characteristics of the underlying stock.
- D. That the exchanges or other regulatory bodies may restrict transactions in particular options or the exercise of options contracts in their discretion from time to time.
- E. That all index option exercises are settled by cash payment and not by the delivery of securities; and that all index option exercises are based on the closing index value and that any "in the money" index options exercised prior to the availability of the closing index value face the risk of closing out of the money due to a subsequent adverse change in the index value.

- 3. I have noted particularly those sections of The Options Clearing Corporation Disclosure Document(s) which summarize the risk factors involved in options trading and I have determined that, in view of my financial situation and investment objectives, options trading is suitable for me. I shall advise you of any changes in my investment objectives, financial situation and needs insofar as such changes are material to my options transactions. The financial and other information listed on this application is accurate.
- 4. I understand that you have no obligation to give me prior notice of option expiration dates. I will bear full responsibility for taking action to exercise an option. I will pay the full aggregate exercise price for the underlying securities covered by the option contract. If I do not notify you to exercise a valuable option by the prescribed time and you are unable to exercise such option for any reason on my behalf, I hereby waive any and all claims for damage or loss which I might have at that time or anytime thereafter against you arising out of the fact that the option was not exercised.
- 5. All transactions shall be subject to the constitutions, rules, regulations, customs and usages of The Options Clearing Corporation and any exchange or other marketplace where executed. In addition, I am aware of, and agree to be bound by, the rules of the Financial Industry Regulatory Authority (FINRA) and The Options Clearing Corporation applicable to option contracts.
- 6. I, alone or in concert with others, will not violate the position limits or the exercise limits of the options exchanges and FINRA as set forth in The Options Clearing Corporation Disclosure Document(s).
- 7. I understand that before writing any option contract, I must have in my account a minimum equity or appropriate position in such amount as you may specify from time to time, and that no withdrawals of cash or securities will be permitted from the account which would reduce either the equity or the position below your requirements. I further understand that in order to maintain such minimum maintenance requirements, at your sole discretion you may refuse any of my orders to sell securities in my account. Accordingly, I agree not to hold you responsible or liable for any loss I may sustain due to your refusal to permit the sale of such securities during this period.
- 8. A number of PSI customers may at any one time have option positions which are subject to being exercised. When the Options Clearing Corporation assigns exercise notices to PSI, the exercise is not linked to a specific PSI customer's position. In accordance with regulatory requirements, PSI will use a fair method to assign exercise notices to particular customers. I understand that you will use the random selection

method of allocation. This method randomly selects from all customers' short option positions, including positions established on the day of assignment, those option contracts which are subject to exercise. I further understand that all American-style option positions are liable for assignment at any time after it has been written until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period. A detailed description of this method is available upon written request.

- 9. Exercise and Assignment of Options:** The exercise and assignment of options will be subject to the rules of The Options Clearing Corporation ("OCC") and PSI as may be in effect at the time of exercise or assignment of an options contract. I am aware of the following requirements and time limitations for PSI to accept instructions from me or my authorized agent with respect to my options positions.

**Manual exercise by customers:** I hereby agree that if I do not notify you to exercise valuable option contracts by the prescribed times described below, and the right to exercise any option contracts expires, that I waive any and all claims for damages or loss that I might have against you, at the time of the options contracts expiration or any time thereafter, arising out of the fact that my in-the-money option contracts were not exercised.

In the event that I fail to instruct you to exercise my option contracts that are in-the-money by \$0.01 or more prior to 4:00 p.m. Eastern Standard time on the business day immediately preceding the expiration date, or, give exercise instructions to you on the last trading day of the option, my right to exercise the option will expire.

PSI may, but is not required to, at its discretion, take action. Your actions may include:

- Placing a market order to sell my long option position at or before, in your discretion, market close on the last trading day of the expiring option
- Instructing the OCC not to exercise valuable options
- Exercising valuable option contracts for my account, and in the absence of instructions from me, new positions I create in this way may be closed out at the opening of the next business day
- Exercising for cash settlement long index option contracts that are any amount in-the-money

**Automatic exercise by The Options Clearing**

**Corporation:** I am aware that I must notify People's Securities no later than 4:00 p.m. (ET) on the business day immediately preceding the expiration date if I do not want The OCC to exercise on my behalf an equity option which is "in-the-money" by \$0.01 or more, or an index option which is in-the-money by \$0.01 or more. In the event option contracts are exercised by the OCC, I understand that all resulting positions will be maintained in my account and I must instruct you to close such positions if I wish to do so. If the positions that arise from an exercise cannot be maintained (e.g., short stock in a retirement account, no shares available for a short sale, etc.), I understand that you will liquidate the position at my sole risk, for which I shall be charged commissions for each transaction in accordance with your commission schedule. I agree to make full and timely settlement for any underlying security covered by the exercised option contract(s).

10. In case of my insolvency, death or the attachment of my property, you may, with respect to any open options contract position, take such steps as you may consider necessary or appropriate to protect yourself against loss. All obligations and liabilities arising under this account are joint and several and may be enforced by my Broker/Dealer against any or all account holders.
11. If I am approved for equity spreads, I will be required to apply for margin trading. The provisions of the People's Securities Margin Agreement and Margin Disclosure will also apply to my account, except to the extent which it conflicts with this agreement. In the event of a conflict, this agreement shall control, and where there is no conflict, each provision of each agreement and disclosure shall apply.
12. The provisions of People's Securities Customer Agreement and any other agreement applicable to my account with you, whether signed by me previously or hereafter, shall also apply to such options transactions, except to the extent which it conflicts with this agreement. In the event of a conflict, this agreement shall control, and where there is no conflict, each provision of each agreement shall apply.