Morton Clarke

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Important Information About Using Margin

This document is being furnished to you to provide some basic information about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading securities in a margin account, you should carefully review the margin terms in your account application and agreement. Please contact Morton Clarke Burns Fu & Metcalf ("Morton Clarke") 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 all or part of the purchase price from your brokerage firm. If you choose to borrow funds from Morton Clarke, you will open a margin account with National Financial Services LLC ("NSF"). The securities in your accounts are NFS' 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, and, as a result, NFS and Morton Clarke can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with NFS through Morton Clarke, in order to maintain the required equity in the account. NFS may also take action to sell securities or other assets in your accounts held with NFS and with certain NFS affiliates.

It is important that you fully understand the risks involved in trading securities in 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 you purchased on margin may require you to provide additional funds or margin-eligible securities to NFS to avoid the forced sale of any securities or assets in your account(s).

_ **NFS and Morton Clarke 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 NFS' higher "house" requirements, NFS or Morton Clarke can sell the securities or other assets in any of your accounts held at NFS through Morton Clarke to cover the margin deficiency. NFS may also take action to sell securities or other assets in your accounts held with NFS and certain affiliates. You also will be responsible for any short fall in the account after such a sale, possibly including NFS' and /or Morton Clarke's costs related to collecting the short fall.

_ **NFS and Morton Clarke 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. In addition, 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 interest prior to that date, 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 the margin call.** Because the securities and any other assets in your account(s) are collateral for the margin loan, NFS or Morton Clarke has the right to decide which assets to sell in order to protect its interests.

_ **NFS can increase its "house" maintenance margin requirements at any time and is not required to provide you advance 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 NFS or Morton Clarke to liquidate or sell securities or any other assets 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.

_ **Short selling is a margin account transaction and entails the same risks as described above.** NFS or Morton Clarke can buy in your account securities to cover a short position without contacting you, and may use all or any portion of the assets in your account to make such a purchase. If the assets in your account are not sufficient to cover the cost of such a purchase, you will be responsible for any shortfall, possibly including NFS and/or Morton Clarke's costs in collecting the shortfall.

_ **In addition to the market volatility, the use of bank card, check writing and similar features with your margin account may increase the risk of a margin call.**

Margin credit extended by National Financial Services, LLC Member NYSE, SIPC