Account #: ___________________________

We are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved in trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the enclosed Margin Agreement provided by our clearing firm, AXOS Clearing LLC.

All investors wishing to open a margin account are required to sign this disclosure as well as the Margin Agreement. If you do not wish to open a margin account, please disregard both documents.

Please contact us regarding any questions or concerns you may have with your margin account.

Margin Basics. When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from AXOS Clearing LLC. If you choose to borrow funds, you will open a margin account. The loan is secured by the securities you purchase. If the securities you are using as collateral go down in price, you may be issued a margin call, which is a demand that you repay all or part of the loan with cash, a deposit of securities from outside your account, or by selling some of the securities in your accounts.

Margin Costs. You will be charged interest on the amount borrowed (your "margin debit"). The amount of interest varies depending on currently prevailing interest rates and the amount of funds borrowed. Please speak to your broker to determine the amount of interest will be paying.

Margin Calls. The Client has the responsibility to ensure that he/she has sufficient margin on his/her trading account, at all times. The Broker shall continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds and advice the client on any margin calls.

Minimum Margin. Before purchasing a security on margin, NASD Rule 2520 and NYSE Rule 431 require that you deposit $2,000 or 100% of the purchase price – whichever is less – into your account. This is called "minimum margin."

Initial Margin. In general, under Federal Reserve Board Regulation T, you can borrow up to 50% of the total purchase price of new, or initial, purchases. This is called "Initial Margin." Assuming you do not already have cause or other securities in your account to cover your share of the purchase price, you will receive a "FED Call" that requires you to deposit 50% of the purchase price.

Maintenance Margin. After you purchase stock on margin, NASD Rules 2520, and NYSE Rule 431 supplement the requirements of Regulation T by placing "Maintenance Margin Requirements" on your accounts. Under these rules, as a general matter, your equity in the account must not fall below 30% of the current market value of the securities in the account. If it does, you will receive a maintenance margin call that requires you to deposit more funds or securities in order to maintain the equity at the 30% level. If the account is concentrated, it must not fall below 50% of the current market value of the securities in the account. The failure to do so may force us to sell securities in the account to bring the account's equity back up to the required level.

Firm Requirements. E1 Asset Management, and our clearing firm, AXOS Clearing LLC, have the right to set our own margin requirements, called "House Requirements," as long as they are higher than the margin requirements under Regulation T or the rules of FINRA and the Exchanges. We may raise the maintenance requirements for certain volatile stocks or a concentrated or large position in the single stock to help ensure that there are sufficient funds in your account to cover large swings in the price of the securities. Certain securities cannot be purchased on margin. These changes take effect immediately and may result in the issuance of a maintenance margin call (or "House Call"). Again, if you fail to satisfy the call, we may liquidate a portion of your account.

Margin Risks. There are a number of risks that you need to consider in deciding to trade securities on margin. These include:

- We can force the sale of securities in your accounts to meet a margin call. If the equity in your account falls below the maintenance margin requirements under the law – or the firm's higher "House" requirements – we can sell the securities in your accounts to cover the margin deficiency. You will also be responsible for any short fall in the accounts after such a sale.
- We can sell your securities without contacting you. Some investors mistakenly believe that we must contact them first for the call to be valid. This is not the case. We will make a good faith attempt to contact you and inform you of any margin calls, but if we are unable to contact you, we will take the necessary action to meet the call. Even if you are

contacted and provided with the date to meet the margin call, we may decide to sell some or all of the securities before that date without any further notice to you should we feel the current margin position puts the firm at risk.

- You are not entitled to choose which securities or other assets in your accounts are sold. There is no provision in the margin rules that gives you the right to control liquidation decisions. We may decide to sell any of the securities that are collateral for your margin loan to protect our interests.
- We can increase the “House” maintenance requirements at any time, and we are not required to provide you with advance notice. These changes in firm policy often take effect immediately and may cause a house call. If you do not satisfy this call, we may liquidate or sell securities in your account.
- You are not entitled to an extension of time on your margin call. While an extension of time to meet a margin call may be available to you under certain conditions, you do not have a right to the extension.
- You can lose more money than you deposit in a margin account. A decline in value of the securities you purchased on margin may require providing additional money to us in order to avoid the forced sale of those securities or other securities in your accounts.
- While buying securities on margin may increase your investment returns, buying securities on margin also increases the risk of investment loss if the securities purchased decline in value. Your losses will be increased by the loss on securities you otherwise would not have had the principal to purchase, plus the interest you have to pay on the amount of the margin loan. You also may be required to sell securities at al loss to your initial investment in order to meet any margin calls.

SAMEPLE MARGIN TRADE. You purchase 10,000 shares of ABC stock at $20 per share on margin. The principal transaction cost will be $200,000, of which the initial minimum margin requirements will be $100,000. The remaining $100,000 is borrowed from the clearing firm to finance the purchase. The amount borrowed is also known as your “Margin Debit.” In return, you are paying a margin interest rate on this amount. The rate depends on the prevailing rates and amount borrowed.

If the stock appreciates to $25, and you decide to sell, you will get back $250,000 less the margin debit of $100,000, for net proceeds of $150,000. Even though the stock appreciates 25%, your assets increased 50% (less any interest you may have to paid) since purchasing on margin only required you to deposit half the initial purchase price.

If the stock depreciates to $15 per share and you decide to sell, you will get back $150,000 less the fixed margin debt of $100,000 which equals $50,000. So, even though the stock went down 25%, your assets decreased 50% (plus any interest you may have paid).

In summary, a margin purchase can be extremely profitable if the stock appreciates or exacerbate your losses if the stock decreases. Before you open a margin account, please read carefully the “Margin Agreement” and “Margin Disclosure.” If you need additional information on trading on margin, please ask your E1 portfolio manager.

By signing this document and the enclosed separate margin agreement is optional if you wish to trade on margin, and you will be bound to the terms outlined therein should you sign. **I have read and understand the Margin Risk Disclosure.**

X________________________	________________________	________________
Signature	Print Name	Date
X________________________	________________________	________________
Joint Holder Signature	Print Name	Date

FOR INTERNAL USE ONLY

General Principal Signature: ______________________________ **Date: ____________________________**

Margin Disclosure Statement

Your brokerage firm 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 your firm. Consult your firm 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 your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. 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, and, as a result, the firm 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 the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).
- The firm 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, the firm 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.
- The firm 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, the firm has the right to decide which security to sell in order to protect its interests.
- The firm 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 the member 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.