

FORM O

OPTION ACCOUNT

In addition to the terms and conditions of the Client Account Agreement (Form CAA), the following terms apply to all option accounts.

For any transaction effected by us on your behalf for the purchase and/or sale of any option contracts traded on any registered options exchange, or any other national securities exchange, you agree as follows:

1. All transactions are governed by the constitution, rules, interpretations and policies, customs, and regulations of the exchange or market where executed and of the Options Clearing Corporation.

2. You acknowledge that you have received, read, and understand the “Characteristics and Risk of Standardized Options” (“the Disclosure”). You acknowledge that you received this Disclosure prior to the first option transaction effected in your account, and you specifically affirm the following, as set forth in the Disclosure:

a) That both the purchase and the writing of option 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;

b) That you should not purchase an option unless you are able to sustain a total loss of the premium and transaction costs, that you should not write a call option unless you either own the underlying security (or a security convertible, exchangeable, or exercisable into the underlying security) or are able to sustain substantial financial losses, and that you should not write a put option unless you are able to sustain substantial financial losses;

c). That the price of an option contract is affected by various factors such as the relationship between the exercise price and the market price of the underlying security, the expiration of the option, and the price fluctuations or other characteristics of the underlying stock.

d) That the Exchanges may restrict transactions in particular options or the exercise of option contracts in their discretion.

3. Options trading may be highly speculative. You are willing to assume all the financial risks and hazards of options trading, and you have determined that in view of your financial situation and investment objectives, options trading is not unsuitable for you.

4. You, acting alone or in concert with others, will not violate the position or exercise limits set forth by the Options Clearing Corporation.

5. You acknowledge that on certain trading days, trading may cease or be restricted in one or more classes of options and that this may result in financial disadvantage or loss to you. You agree to hold harmless WMS and the exchange involved, and their respective officers, directors, and agents, for this or any other loss resulting from any acts made in accordance with the constitution, rules, interpretations and policies, customs, or regulations of the Exchanges or the Options Clearing Corporation.

6. You understand and agree to abide by our requirements and time limitations for accepting an exercise notice from you.

7. You have been advised of and agree to abide by our policies, exchange, and federal regulations regarding margining of options and related transactions.

8. You agree to advise us of any material changes in your financial situation, needs, experience, or investment objectives.

9. You agree that in the event less than three days remain until expiration, and when we have, after repeated attempts, been unable to contact you regarding any expiring option positions which remain in your account, we may exercise the limited discretion granted here to liquidate those positions as we may see fit. This limited discretionary authority shall not require us to take any action, whatsoever. In the event that we should liquidate any option positions, your account will be credited in a fair and equitable manner.

10. You agree that in the event you notify us that you do not wish to exercise a long option, we may buy such option as principal for our own account.

11. Any other agreement by you with us shall also apply to such option transactions, except to the extent such other agreements conflict 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.

12. Exercise assignment notices for option contracts are allocated among customer short positions pursuant to an automated procedure which randomly selects from among all customers short option positions, including positions established on the day of assignment, those contracts which are subject to exercise. All "American-style" short option positions are liable for assignment at any time; all "European-style" short option positions are liable for assignment within the specified period for assignment contained within the option contract.

13. By completing the "Options" section and signing the Client Account Agreement (Form CAA), you acknowledge you have received the Disclosure document and you are aware of and accept the nature and extent of the obligations and risk factors of options trading, and you believe the options transactions you have indicated in the Client Account Information Form to be suitable investment media for your account. You acknowledge you have read, understand, and agree to the terms and conditions of this Agreement. Additionally, if you have indicated that you wish to invest in uncovered options, you acknowledge that you have read the "Special Statement for Uncovered Option Writers" below.

You further agree that you will advise us promptly in writing of any material changes in the information supplied on the WMS Client Account Information Form. You acknowledge and understand that an Options Clearing Corporation prospectus is available from WMS upon your request.

If you have indicated "Uncovered Calls or Puts" as an option investment choice, please read the following statement carefully.

SPECIAL STATEMENT FOR UNCOVERED WRITERS: There are special risks associated with uncovered option writing, which expose the investor to potential significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

The potential loss of uncovered call writing is unlimited. The writer of any uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.

As with writing uncovered calls, the risk of writing uncovered put options is substantial . The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss would be substantial if there is a significant decline in the value of the underlying instrument.

Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options positions, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account, with little or no prior notice in accordance with the investor's margin agreement.

For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.

If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an options writer would remain obligated until expiration or assignment.

The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period.

NOTE: It is expected that you will read the booklet entitled "Characteristics and Risks of Standardized Options"(the Disclosure) available from your broker. In particular, your attention is directed to the chapter entitled "Risks of Buying and Writing Options". This statement is not intended to enumerate all of the risks entailed in writing uncovered options.