

## MARGIN DISCLOSURE STATEMENT

This statement is being furnished 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 brokerage firm (the Firm). Consult your Financial Professional 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 HTS. If you choose to borrow funds, a margin account will be opened and interest will be charged on the amounts borrowed by you from HTS. The securities purchased are 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, HTS or your Financial Professional can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with HTS, 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:

- **Interest on Account Balances.** All balances in the Cash and Margin account types will be net together. If the netting results in a settled debit, debit interest will be charged. If the netting results in a settled credit, credit interest will be paid. Interest will be charged on those net debit balances that accrue \$1.00 or greater of interest during the month. Please consult your Financial Professional for additional information.
- **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 HTS to avoid the forced sale of those securities or other securities or assets in your account(s).
- **The Firm or HTS 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 HTS's higher "house" requirements, HTS or your Financial Professional can sell the securities or other assets in any of your accounts held at HTS to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **Your securities or other assets may be sold without contacting you.** Some investors mistakenly believe that HTS or your Financial Professional must contact the customer for a margin call to be valid, and that HTS or your Financial Professional cannot liquidate securities or other assets in customer accounts to meet the call unless HTS or your Financial Professional has contacted customers first. This is not the case. Most firms will attempt to notify customers of margin calls, but firms 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 their 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, HTS or your Financial Professional has the right to decide which security to sell in order to protect HTS's interests.

- **“House” maintenance margin requirements may be increased at any time without advance written notice.** These changes in HTS's policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause HTS or your Financial Professional 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.

- **Please see [Schedule A](#) for additional information regarding HTS' standard margin rates.** The specific rate charged may differ from the rates listed in Schedule A. Please consult your Financial Professional.

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