

Security Futures Terms and Conditions

This Security Futures Contracts Supplement (the "Security Futures Supplement") is part of the Account Terms and Conditions ("Account Agreement"). Unless otherwise defined in this Security Futures Supplement, defined terms have the same meaning as set forth in the Account agreement. In the event that any provision of this Security Futures Supplement conflicts or is inconsistent with any provision of the Account agreement, this Security Futures Supplement shall control for matters related to this Security Futures Supplement. This Security Futures Supplement sets forth certain additional terms and conditions under which optionsXpress, Inc. ("optionsXpress", "Broker" "we", "us", "our", or "ours") will introduce your account to Clearing Firm and will carry your ("Client") Accounts for the execution, clearance and/or carrying of security futures contracts traded on or subject to the rules of various Exchanges.

1. Account Designation. All security futures contracts and associated margin carried by Clearing Firm for a Client of optionsXpress will be deemed to be carried in Client's futures account. Client understands that security futures contracts carried in its futures account will be protected under the customer segregated funds or segregated account rules promulgated by the Commodity Futures Trading Commission ("CFTC").

2. Client Representations, Warranties and Covenants. In addition to the representations, warranties and covenants made by Client in the Account agreement, Client represents, warrants and covenants that if Client is a collective investment vehicle, Client is in compliance with any applicable registration requirements under the Commodity Exchange Act and the rules of the CFTC promulgated thereunder. In the event of any change in such information or status, Client agrees to promptly notify Broker of such change.

3. Acknowledgment of Risks. Client acknowledges and agrees that Client will not enter an order for security futures contracts unless and until Client has received, read and understood the current Risk Disclosure Statement for Securities Futures Contracts ("Disclosure Documents"). Client hereby acknowledges receipt of the Disclosure Documents and agrees to comply with any applicable duties and responsibilities set forth in the Disclosure Documents.

CLIENT REPRESENTS THAT IT IS AWARE OF THE RISKS AND OBLIGATIONS OF TRADING SECURITY FUTURES CONTRACTS AND IS FULLY PREPARED TO ASSUME SUCH RISK AND OBLIGATIONS.

CLIENT UNDERSTANDS THAT TRANSACTIONS IN SECURITY FUTURES CONTRACTS INVOLVE A HIGH DEGREE OF RISK AND OFFER NO GUARANTEE OF GAIN OR ASSURANCE AGAINST LOSS. CLIENT ALSO UNDERSTANDS THAT PRIOR TO ENGAGING IN ANY SECURITY FUTURES TRANSACTIONS CLIENT SHOULD REVIEW ITS PRESENT FINANCIAL SITUATION AND OBJECTIVES AND DETERMINE IF A PARTICULAR TRANSACTION OR STRATEGY IS SUITABLE. FURTHERMORE, CLIENT UNDERSTANDS THAT IT SHOULD NOT BUY OR SELL UNCOVERED SECURITY FUTURES POSITIONS UNLESS IT IS PREPARED TO SUSTAIN LARGE LOSSES, WHICH ARE NOT LIMITED TO THE AMOUNT OF MARGIN DEPOSITED WITH RESPECT TO SUCH POSITION. CLIENT FURTHER UNDERSTANDS THAT optionsXpress DOES NOT PERMIT THE DELIVERY OF UNDERLYING SHARES OF STOCK IN SETTLEMENT OF THE CONTRACT.

4. Execution. Neither Broker nor Clearing Firm make any recommendation as to where orders for security futures contracts should be executed and do not undertake to notify Client of price improvement opportunities or more advantageous execution quality at particular exchange venues.

5. Delivery of Shares of Stock. optionsXpress does not permit making or taking delivery of underlying shares of stock in single stock futures contracts. Clearing Firm may close out Client's security futures contracts prior to delivery. Client understands and agrees that Client is responsible for and Client's Account will be debited for any Losses incurred by Broker or Clearing Firm in connection therewith.

6. Offsetting Orders. Client agrees and acknowledges that when Client transmits to Broker an order to purchase a security futures contract(s) at a time when Client is short security futures contracts for the same underlying security or narrow-based security index, or when Client transmits to Broker an order to sell a security futures contract(s) at a time when Client is long security futures contracts for the same underlying security or narrow-based security index, unless Client expressly directs otherwise, Broker may treat such order as an offsetting order to close (fully or partially, as the case may be) the pre-existing position.

7. Applicable Law. Transactions in securities futures contracts are subject to applicable federal and state laws, including but not limited to Securities and Exchange Commission and CFTC rules, and the rules, interpretations, bylaws, constitutions, and customs and usages of all applicable self-regulatory organizations, Exchanges and clearinghouses where such transactions are executed or cleared. Client is aware of and agrees to be bound by all laws and rules applicable to the trading of securities futures.

8. EFP and EFS Transactions. If Client engages in exchange for physical ("EFP"), exchange for swaps ("EFS") or exchange for options ("EFO") transactions involving security futures contracts, Client agrees to provide Broker upon request, with documentation of the cash, swap transaction or equity options in the security(ies) underlying the security futures contract(s) associated with the EFP, EFS or EFO transaction, as applicable.

9. Position Limits. Client is aware and agrees to abide by position limits applicable to security futures contracts as may be established from time to time and agrees not to violate such limits alone or acting in concert with others. If at any time Client's Account is in violation of any applicable position limit, Client agrees that Broker or Clearing Firm may liquidate any security futures contract or other positions in any of Client's Accounts with Broker without prior notice to Client and/or exercise any other remedy permitted under the Account agreement as Broker or Clearing Firm deem appropriate to protect themselves.

10. Authorization to Transfer Funds. optionsXpress and Clearing Firm are hereby authorized, at any time, and from time to time, without prior notice to Client, to transfer from/to Client's security futures account(s) with optionsXpress and carried by Clearing Firm to/from any other account the Customer maintains with (a) optionsXpress or (b) Clearing Firm (including without limitation Customer's securities account(s)), in each case such amount of excess funds which in our judgment may be reasonably required to avoid margin calls or to reduce a debit balance in such other accounts. It is understood that we will, within a reasonable time thereafter, confirm in writing to Client any such transfer.

Ver.: SSF_RISKS_092008

optionsXpress, Inc. (Member SIPC) and Charles Schwab & Co., Inc. (Member SIPC) are separate but affiliated companies and subsidiaries of The Charles Schwab Corporation.