StoneX Financial Inc. (SFI) serves as clearing broker to your brokerage firm. With respect to this relationship, SFI offers many services to your brokerage firm as outlined in their clearing agreement and as disclosed to you under the terms of FINRA Rule 4311. Under the clearing agreement, SFI is the lender with respect to margin loans.

This document is being provided 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 upon opening your margin account. Consult your brokerage firm regarding any questions or concerns you may have with your margin account.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from SFI. If you choose to borrow funds from SFI, you will open a margin account with SFI through your brokerage firm. The securities purchased are SFI'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, SFI or your brokerage firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with SFI, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in using margin, whether trading securities on margin or using your margin account equity for other purposes. These risks include the following:

1. You can lose more funds than you deposit in the margin account. A decline in the value of securities purchased/ held in your margin account may require you to provide additional funds to SFI to avoid the forced sale of those securities or other securities or assets in your account(s).
2. SFI or your brokerage 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 higher "house" requirements, SFI or your brokerage firm can sell the securities or other assets in any of your accounts held at SFI to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
3. SFI or your brokerage 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 clients of margin calls, but they are not required to do so. However, even if SFI or your brokerage firm has contacted you and provided a specific date by which you can meet a margin call, either firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
4. 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, SFI or your brokerage firm has the right to decide which security to sell to protect its interests.
5. SFI can increase its "house" maintenance margin requirements at any time and is not required to provide advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Failure to satisfy the call may cause SFI or your brokerage firm to liquidate or sell securities in your account(s).
6. You are not entitled to an extension of time on a margin call. While an extension of time in order to meet margin requirements may be available to you under certain conditions, you do not have a right to the extension.