GlobaLink SECURITIES INC.
Member NASD, SIPC

1045 W Huntington Dr. Ste 201, Arcadia, CA 91007 USA
Tel: 1-626-964-5966 Fax:1-626-964-5926

# OPTION APPROVAL FORM AND AGREEMENT

Rep Code: _____

| | | | |
|---|---|---|---|
| Account No: | | Account Type: | ☐Cash ☐Margin |
| Account Title: | | Marital Status: | ☐Single ☐Married ☐Divorced ☐Widowed |
| Date of Birth: | / / | No. of Dependents: | |
| Employer: | | Position: | |
| Nature of Business: | | | |
| If spouse Employed: Employer: | Position: | | Annual Income: |

| Total Estimated Annual Income: | Net Liquid Assets: | Est. Net Worth Excluding Residence: |
|---|---|---|
| ☐ $15,000 and Under | ☐ $50,000 and Under | ☐ $50,000 and Under |
| ☐ $15,001－$ 25,000 | ☐ $50,001－$ 100,000 | ☐ $50,001－$ 100,000 |
| ☐ $25,001－$ 50,000 | ☐ $100,001－$ 250,000 | ☐ $100,001－$ 250,000 |
| ☐ $50,001－$ 100,000 | ☐ $250,001－$ 500,000 | ☐ $250,001－$ 500,000 |
| ☐ $100,001－$ 250,000 | ☐ $500,001－$ 1,000,000 | ☐ $500,001－$ 1,000,000 |
| ☐ Over $250,000 | ☐ Over $1,000,000 | ☐ Over $1,000,000 |

| | | | |
|---|---|---|---|
| Joint Account Name: | | Employer: | |
| Nature of Business: | | Position: | |
| If spouse Employed: Employer: | Position: | | Annual Income: |

Investment Experience:

| | No. of Yrs | Avg. Dollar | Frequency |
|---|---|---|---|
| Size of Trade | | | |
| Options | _____ | _____ | _____ |
| Stocks | _____ | _____ | _____ |
| Bonds | _____ | _____ | _____ |

Date Risk Disclosure Documents were Furnished: / /

Investment Objective:
☐ Short Term Trading ☐ Growth
☐ Preservation of Capital ☐ Hedging
☐ Income & Appreciation ☐ Speculation

## Customer Signatures:

The customer hereby confirms that the customer has read the Option Agreement on the reverse side of this form, understands the contents thereof and by singing below, agrees to be bound by those terms. The customer has reviewed the information contained on this form and confirms that all the information, especially(but not limited) to income, net worth and investment objectives, is correct and accurate, and understand that Globalink Securities, Inc, may periodically request new financial information and review customer's authorization to trade options. This agreement contains a pre-dispute arbitration clause in Paragraph 9/10. The customer Acknowledges a copy of this agreement.

Applicant Signature (X) :_____ Date: / /_____

Joint Signature (X) : _____ Date: / /_____

Corporations, Partnerships or Trusts : Print Name:_____Title:_____

Signature: _____ Date: / /_____

## FOR OFFICE USE ONLY

| | | |
|---|---|---|
| RR Signature:_____ Date ; / / | ***Level of Approval*** | ***Not Qualified for Option Trading*** |
| Branch Manager/ROP Signature: _____ | □Covered Call □Buy Options | SROP Signature: |
| SROP Signature: _____ | □Spreading □Naked Puts | |
| | □Uncovered Call | Date: / / |

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This Agreement is intended to cover the respective rights and obligations of the Customer, GlobaLink Securities ("The Broker") and Wedbush Morgan Securities, (as margin lender and/or the Broker's clearing firm)("Wedbush Morgan"), in connection with puts and calls that may be handled, purchased and/or endorsed for the account of the Customer. In consideration of the Broker transacting such business, the Customer agrees as follows:

**1.** The Customer understands that the booklet "CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS," will be sent when his/her account is approved for option trading. The Customer agrees to read the booklet prior to conducting any trades in this account. The Customer understands that the account will be handled in accordance with the rule of The Options Clearing Corporation and the applicable exchange and/or other regulatory agencies, and agrees to conduct activity in the account in accordance with such RULES. If the Customer, after reading the aforementioned booklet, determines that option trading is unsuitable for his/her account, shall notify the Broker (GlobaLink Securities) immediately by written notification stating "I do not wish to engage in option trading," and send such notification to GlabaLink Securities main office in the City of Industry, California via certification mail.

**2.** The Customer agrees that in connection with any transaction in options, the Customer (i) shall comply with the rules, constitution, interpretations, policies, customs and regulations of The Option Clearing Corporation (The OCC) and any option exchange where the transaction was executed, and (ii) either acting alone or in concert with others, will not violate the position or exercise limits established by any options exchange.

**3.** In consideration for maintaining a short (uncovered) position in any put or call option, the Customer agrees to maintain an excess over maintenance in such amounts as the Broker may specify from time to time, and that no withdrawals of cash or securities will be permitted from the account which would reduce either the equity or the maintenance excess below the Broker's requirements. The Customer shall respond to all margin calls issued by the Broker or the Broker's clearing firm/margin lender Wedbush Morgan Securities and it is understood that the Broker or Wedbush Morgan may make a margin call upon the Customer whenever, in their sole discretion, the Broker and/or Wedbush Morgan at the request of the Customer. This authorization is intended to cover (without limitation) the purchase or sale (short or short exempt) for the account and risk of the Customer any part or of all of the shares represented by options sold by the Broker and/or Wedbush Morgan may sell any other securities held in the account of the Customer and apply the proceeds of such sale on account of any indebtedness of the Customer to the Broker or Wedbush Morgan. Any and all expenses incurred by the Broker and/or Wedbush Morgan in connection with the foregoing may be charged to the Customer's account. **4A.** Wedbush Morgan employs the Random Select method of allocation. Under this method, the exercise assignment notices for option contracts are allocated at random in accordance with our service provider's (ADP) option system.

**4B.** Options are exercised in accordance with the rules of the OCC. The Customer is aware of the Broker's and Wedbush Morgan's requirements and time limitations for accepting an exercise notice. The Customer is also aware that the Customer must notify the Broker no later than 4:20 p.m. (ET) on the business day immediately preceding the expiration date, if the Customer does not want the Broker and'/or Wedbush Morgan to exercise on the Customer's behalf an equity option which is "in-the-money" by less than ¾ of a point or an index option which is "in-the-money" by 1/100 of a point, on the business day immediately preceding the expiration date, the Customer hereby agrees to waive any and all claims for damage or loss that the Customer might have against the Broker and/or Wedbush Morgan arising out of the fact that an in-the-money option is not exercised.

**5. SPECIAL SUITABILITY STATEMENT FOR UNCOVERED OPTION WRITERS** There are special risks associated with uncovered option writing, which expose the Customer to potentially significant loss. Therefore, this type of strategy may not be suitable for all Customers approved for option transactions.

A. The potential loss of uncovered call writing is unlimited. The writer of an 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.
B. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears: risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
C. Uncovered option writing is 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 position, the Customer's Broker of Wedbush Morgan may request significant additional margin payments. If a Customer does not make such margin payments, the Broker or Wedbush Morgan may liquidate stock or options position in the Customer's account with little or no prior notice in accordance with the Customer's margin agreement.
D. For combination writing, where the Customer writers both a put and a call on the same underlying instrument, the potential risk is unlimited.
E. If a secondary market in options were to become unavailable, a Customer who writes such option(s) would not be able to engage in closing transactions, and a Customer who writes such option(s) would remain obligated until expiration or assignment.
F. The writer of an America-style option is subject to being assigned an exercise at any time after the option has been written until the option expires. By contrast the writer of a European-style option is subject to exercise assignment only during the exercise period.

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**6. SUCCESSORS**
The Customer hereby agrees that this Agreement and all its terms shall be binding upon the Customer, the Customer's heirs, executors, administrators, personal representatives and assigns. This Agreement shall ensure to the benefit of the Broker's or Wedbush Morgan's present organization and any successor organization, irrespective of any change in the personnel or ownership thereof.

**7.** The provisions of this Agreement shall be considered as supplementary to any Customer Agreement and/or Margin Agreement that the Customer has signed. Except as specifically amended by this Agreement, all of the terms and conditions thereof shall remain effective with respect to all open commitments in puts and/or calls now carried for the account of the Customer as well as those made in the future.

**8. CHOICE OF LAWS**
THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF CALIFORNIA AND SHALL BE CONSTRUED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES DETERMINED, IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

ARBITRATION DISCLOSURES ARBITRATION IS FINAL AND BINDING ON THE PARTIES. THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL. PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED. THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE
SECURITIES INDUSTRY.

**10A. ARBITRATION**
THE CUSTOMER AND BROKER AGREE, AND BY ACTING AS THE CLEARING BROKER WEDBUSH MORGAN AGREES, THAT ALL CONTROVERSIES WHICH MAY ARISE BETWEEN THE PARTIES CONCERNING ANY TRANSACTION OR THE CONSTRUCTION PERFORMANCE, OR BREACH OF THIS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES PERTAINING TO SECURITIES AND OR OTHER PROPERTY, WHETHER ENTERED INTO PRIOR, ON OR SUBSEQUENT TO THE DATE HEREOR, SHALL BE DETERMINED BY ARBITRATION. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED PURSUANT TO THE FEDERAL ARBITRATION ACT AND THE LAWS OF THE STATE DESIGNATED IN PARAGRAPH 8, BEFORE THE AMERICAN ARBITRATION ASSOCIATION, OR BEFORE THE NEW YORK STOCK EXCHANGE, INC. OR AN ARBITRATION FACILITY PROVIDED BY ANY OTHER EXCHANGE OF WHICH THE BROKER OR WEDBUSH MORGAN IS A MEMBER OR THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. AND IN ACCORDANCE WITH THE RULES OBTAINING OF THE SELECTED ORGANIZATION. THE CUSTMER MAY ELECT IN THE FIRST INSTANCE WHETHER ARBITRATION SHALL BE BY THE AMERICAN ARBITRATION ASSOCIATION, OR BY AN EXCHANGE OR SELF-REGULATORY ORGANIZATION OF WHICH THE BROKEY OR WEDBUSH MORGAN IS A MEMBER, BUT IF THE CUSTOMER FAILS TO MAKE SUCH ELECTION, BY REGISTERED LETTER OR TELEGRAM ADDRESSED TO THE BROKER AT THE BROKER AT THE BROKER'S AND/OR WEDBUSH MORGAN'S MAIN OFFICE, BEFORE THE EXPIRATION OF THE DAYS AFTER RECERPT OF A WRITTEN REQUEST FROM THE BROKER AND/OR WEDBUSH MORGAN TO MAKE SUCH ELECTION, THEN THE BROKER ANDIOR WEDBUSH MORGAN MAY MAKE SUCH ELECTION. THE AWARD OF THE ARBITRATOR OR OF THE MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN A COURT, STATE OR FEDERAL, HAVING JURISDICTION.

**10B.** NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS
ENCOMPASSED BY THE PUTA-TIVE CLASS ACTION UNTIL:

(I) THE CLASS ACTION IS DENIED;
(II) THE CLASS IS DECERTIFIED; OR
(III) THE CUSTOMER IS EXCLUDED FORM THE CLASS BY THE COURT.

SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

The rules of various exchanges trading listed options clearly state that an option agreement must be fully completed, executed and on file at the Customer's Brokerage firm within 15 days after the Customer's option account has been open. The Broker requires the Customer to

comply with the above so that the Broker may provide uninterrupted service in executing the Customers listed option orders.
**THIS AGREEMENT CONTAINS A PRE DISPUTE ARBITRATION CLAUSE IN PARAGRAPHS 9&10**