

Please refer to the E*TRADE Securities Brokerage Customer Agreement for a complete discussion of the terms and conditions governing your account. If you have questions regarding the Customer Agreement or your account, please e-mail us through etrade.com or call 1-800-ETRADE1.

THE INFORMATION CONTAINED IN YOUR ACCOUNT STATEMENT SHALL BE BINDING UPON YOU IF YOU DO NOT OBJECT, EITHER IN WRITING OR VIA ELECTRONIC MAIL, WITHIN FIVE (5) DAYS AFTER THE ACCOUNT STATEMENT IS FIRST RECEIVED BY YOU, OR WITHIN SIXTY (60) DAYS FOR ANY TRANSFER OF FUNDS SUBJECT TO REGULATION E, SUCH AS ATM AND POINT-OF-SALE TRANSFERS, DEBIT TRANSACTIONS, DIRECT DEPOSITS, AND WITHDRAWALS. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS, DIRECT INQUIRIES TO 1-800-ETRADE1 OR WRITE TO US AT E*TRADE SECURITIES LLC, P.O. BOX 1542, MERRIFIELD, VA 22116-1542.

Applicable Rules and Regulations. All transactions in your account shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market, and its clearing house, where the transactions are executed by E*TRADE Clearing LLC (ETC) or its agents, including ETC subsidiaries and affiliates. Also, where applicable, the transactions shall be subject to the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission ("SEC"), the Board of Governors of the Federal Reserve System, and any applicable self-regulatory organization.

Securities Pricing. The amounts printed in the market value column of the Account Holdings section, or any amounts derived there from, are based on U.S. month end prices and are provided to us by outside quotation services for the securities currently held by us in your account. Prices of municipal bonds, certain over-the-counter securities, and federal obligations are approximations and are only for guidance purposes. The prices used are based on the last reported transaction known to the quotation services or of the yields or values that are calculated on the basis of these prices. The value of brokered CDs reflected on this statement is estimated by a third-party pricing service. Actual value may differ if you elect to sell your CD(s) in the secondary market.

Interest/Dividends. We are required by law to report annually to you and to the Internal Revenue Service on Form 1099 any taxable interest, dividends, and capital gains credited to your account, as well as any taxes withheld. The year-to-date figures shown on your statement reflect these amounts classified to the best of our current knowledge. However, some payments are subject to reclassification, which will be reflected on subsequent statements if we are advised of them prior to the end of the calendar year.

SIPC and Other Insurance Coverage. ETC is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC currently protects the assets in each of your securities accounts at ETC up to \$500,000, of which no more than \$100,000 may be in cash. Visit www.sipc.org or call (202) 371-8300 for more information including a brochure on SIPC protection. (Please note that money market mutual fund balances are not considered cash; they are considered to be securities.) Additional protection has been secured through an independent insurer. Account protection does not cover the market risks associated with investing.

Trading in non-U.S. Markets. Investing outside the United States involves additional risks related to currency fluctuations, economic and political differences and differences in accounting standards. In order to trade in non-U.S. markets, you first must either: (1) convert U.S. dollars held in your account to the applicable currency of the non-U.S. market in which you wish to trade; or (2) transfer into your account the applicable non-U.S. currency. Currency exchanges are affected by affiliates of ETC on a principal basis, and may include a mark-up or mark-down, as appropriate. You should be aware that more favorable exchange rates may be available through third parties not affiliated with ETC. These currency transactions are not regulated or overseen by the SEC or the Commodities Futures Trading Commission, or any of the securities or commodities self-regulatory organizations. Securities trades executed on a non-U.S. exchange will be effected by one or more affiliates of ETC, which may be compensated for their services.

Payment for Order Flow. The SEC (as well as the FINRA) requires that all broker-dealers inform their customers when a new account is opened, and on an annual basis thereafter, of payment for order flow practices (compensation received for placing orders through specialists on national

securities exchanges, over-the-counter market makers, alternative trading systems, and ECN's (collectively, "market centers"). Consistent with the overriding principle of best execution, ETC, at the direction of its affiliate E*TRADE Securities LLC ("ETS"), routes orders to various market centers. ETS, through ETC, receives remuneration (generally in the form of per share cash payments or through profit sharing arrangements) for routing orders in securities to particular market centers for execution. Such remuneration is considered compensation to ETS, and the source and amount of any compensation received in connection with your transaction will be disclosed to you upon written request. E*TRADE Financial Corp. has a financial interest in ISE Stock Exchange, LLC, CHX Holdings, Inc. (owner and operator of the Chicago Stock Exchange) and a market maker subsidiary (E*TRADE Capital Markets). ETS takes a number of factors into consideration in determining where to route customers' orders, including, but not limited to: speed of execution; price improvement opportunities (executions at prices superior to the then prevailing inside market); automatic execution guarantees; the availability of efficient and reliable order handling systems; level of service provided; the cost of executing orders; and, all other factors being equal, whether or not it will receive cash or non-cash payments for routing order flow and reciprocal business arrangements. ETC and ETS regularly and rigorously review transactions and market centers for execution quality based on the foregoing factors.

Margin Accounts. Whether a purchase may be made on margin, how much of the purchase price must be in your account at the time you place your order, and your margin maintenance requirements are determined by the Federal Reserve Board ("FRB"), by applicable exchange rules and by ETC. For our protection, we reserve the right, at any time and without prior notice to you, to impose stricter requirements than those imposed by the FRB or applicable exchange rules. You will be charged interest on a daily basis on all debit balances that you owe to ETC and on credit extended to you by ETC for the purpose of purchasing, carrying, or trading in securities or otherwise. Interest is calculated on a 360-day basis using settlement date balances. The applicable interest rate for margin loans is a fixed percentage above ETC's Base Rate, which is set at our discretion with reference to commercially recognized interest rates. The margin interest rate will change without prior notice as the Base Rate changes. Information about ETC's Base Rate is available upon written request to ETC. For more information on how ETC calculates interest, please see the E*TRADE Securities Brokerage Customer Agreement.

Cash Balances. Any cash balances are held unsegregated and may be used by ETC in the conduct of its business, subject to the limitations of Rule 15c3-3 under the Securities Exchange Act of 1934. ETC reserves the right to require seven days' prior notice before permitting a withdrawal or transfer of funds from the time sub-account of my Cash Balance. ETC has no present intention of exercising this provision. However, ETC may, at its sole discretion, choose to do so in the future.

Options Trading. If you are approved for options trading, you are responsible for advising ETC of any material changes in your investment objectives or financial situation.

Random Allocation of Options Exercise Notices. Exercise assignment notices for options contracts are allocated among customer short options positions in accordance with a random allocation method. A detailed description of ETC's random allocation method is available upon request.

Financial Statement. A financial statement of ETC is available for your inspection at etrade.com or will be mailed to you upon your written request.

ETC is an indirect subsidiary of E*TRADE Financial Corporation.

General Information

This Statement's Closing Equity. Market value of all long positions less the market value of all short positions, plus or minus the dollar amount of the net closing money balance.

Net Change in Equity. The difference between this statement's closing equity and last statement's closing equity.

Margin Interest. Interest expense charges on the daily debit balance in your account.

Market Value. The closing price of each security position as of the last business day of the month. (Market value of some positions may be omitted).

Money Activity Summary. Total debit (such as purchases, withdrawals, margin interest charges) and total credits (such as sales, deposits, interest, or dividend income) to your account, along with the Combined Opening and Combined Closing balances, are reflected as of the last business day of the statement period.

Activity/Trade Date. Trade date or transaction date of other entries.

Total Portfolio Percent. Percentage of your holding by issue of security.

DIV/CPN% Yield. Annual dividend or bond % yield.

Open Orders. Buy or sell orders for securities that have not yet been executed or canceled.

Symbol/CUSIP. The symbol or identification number for each security.

