Margin agreement and disclosure

Altruist Financial LLC • Member FINRA/SIPC

Altruist Financial LLC (“Altruist”) is furnishing this document 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 this Margin Disclosure Statement and your Customer Account Agreement.

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

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 Altruist to avoid the forced sale of those securities or other securities or assets in your account(s).

The 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 Altruist’s higher “house” requirements, Altruist can sell the securities or other assets in any of your accounts held at Altruist to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

The 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 customers of margin calls, but they 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 its 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, Altruist has the right to decide which security to sell in order to protect its interests.

Altruist can increase its “house” maintenance margin requirements at any time and is not required to provide you advance written notice.

These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause Altruist 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.

This Margin Account Agreement (this “Agreement”) sets forth the terms and conditions governing the extension of margin credit by Altruist Financial LLC (“Altruist,” “we,” “us,” or “our”) to the customer identified on the applicable account application or other account records (“you” or “your”) in connection with any brokerage account for which margin privileges are approved (each, a “Margin Account”).

By opening, maintaining, approving, or using a Margin Account, you acknowledge and agree that margin involves significant risk, including the risk of loss in excess of the assets deposited in your account, and that all transactions in your Margin Account are subject to this Agreement and all Applicable Laws.

This Agreement supplements, and is incorporated into, the Altruist Customer Agreement governing your brokerage account, the Altruist Margin Truth in Lending Statement, Altruist’s Disclosure of credit terms and policies, Altruist’s fee schedule or pricing disclosures, any day trading risk disclosure we furnish, and any other disclosures, policies, agreements, or supplemental terms applicable to your account, each as amended from time to time. In the event of a conflict between this Agreement and any other agreement governing your brokerage account, this Agreement will control solely with respect to margin credit and margin-related rights and obligations, unless another agreement expressly states otherwise.

Important Information About Using Margin and Its Risks

Borrowing on margin is not appropriate for every investor or every account. If your account is approved for margin, you agree to maintain the collateral and equity levels Altruist requires, which Altruist may change at any time without prior notice.

Before using margin in any way, you should understand that:

- you can lose more money than you deposit in your Margin Account;
- a decline in the value of securities in your account may require you to deposit additional funds or marginable securities;
- Altruist can force the sale of assets in your account if equity falls below required levels;
- Altruist can sell assets without first contacting you;
- you are not entitled to choose which assets are sold;
- you are not entitled to an extension on a margin call;
- Altruist may lend securities that collateralize your margin borrowing; and
- substitute payments in lieu of dividends may receive different tax treatment from actual dividends or distributions.

You also understand that fee billing, withdrawals, and other debits posted when insufficient free cash is available may increase your margin balance and risk of a margin call.

1. Definitions

For purposes of this Agreement:

“Applicable Laws” means all applicable federal, state, local, self-regulatory, exchange, and clearinghouse laws, rules, regulations, guidance, and interpretations.

“Customer Agreement” means the general customer agreement governing your brokerage account with Altruist. “Margin Account” means any brokerage account for which Altruist has approved margin privileges.

“Obligations” means all indebtedness, debit balances, liabilities, duties, fees, charges, costs, and other obligations of every kind you owe to Altruist or its affiliates in connection with your accounts or services, whether now existing or arising in the future.

“Securities and Other Property” means all cash, securities, financial assets, instruments, contracts, options, and other property of every kind, and all proceeds thereof, held by or through Altruist for your account, whether now held or later acquired.

2. Applicable Rules and Regulations

All transactions in your Margin Account are subject to Applicable Laws, including without limitation Regulation T of the Board of Governors of the Federal Reserve System, FINRA rules, exchange rules, clearinghouse rules, and the rules, customs, and usages of the markets where transactions are executed, in each case as amended from time to time.

3. Margin Credit; Nature of Margin Privileges

If Altruist approves your account for margin, we may extend credit to you from time to time for the purchase, carrying, or holding of securities, for withdrawals or other disbursements secured by eligible assets in your account, and for such other purposes as are permitted by Applicable Laws and Altruist’s policies. Margin privileges may include the ability to purchase securities using borrowed funds and, where permitted by Altruist, to withdraw funds that create or increase a debit balance secured by account collateral.

Altruist may approve, deny, limit, suspend, or terminate margin privileges at any time, with or without cause and with or without prior notice, subject to Applicable Laws.

Altruist may determine in its sole discretion which securities are margin eligible, what collateral value to assign to any security or other property, whether any asset may be purchased or held in a Margin Account, and whether to impose higher-than-regulatory requirements on any account, position, or class of securities. Securities that are not margin eligible may still be held in a Margin Account but may be assigned no collateral value or a 100% requirement. Mutual funds or other securities may become margin eligible only after a specified holding period.

4. Account Eligibility; Scope of Product

Only account types that Altruist designates as eligible may be approved for full margin privileges. Certain retirement accounts may be eligible only for limited or non-borrowing margin functionality, if and when Altruist offers such functionality, and other account types may be ineligible entirely. Accounts with securities-backed lending or similar conflicting credit features may be ineligible for margin at the same time.

5. Adviser Instructions; Managed Accounts

If your account is managed by an investment adviser, you acknowledge that Altruist may rely on instructions from that investment adviser to the extent authorized on the account, including instructions relating to margin-enabled transactions, withdrawals, and related account activity. You understand that your investment adviser, and not Altruist, is responsible for providing you with investment advice, determining the suitability of margin for your circumstances, and deciding whether margin usage is appropriate for your account, except to the extent otherwise expressly required by Applicable Laws.

Nothing in this Section limits Altruist's rights to reject instructions, require additional approvals, or require direct confirmation from you.

6. Security Interest; Lien; Setoff; Consolidation of Accounts

To secure the prompt payment and performance of all Obligations, you grant to Altruist a continuing first-priority security interest in, lien on, and right of setoff against all Securities and Other Property now or hereafter held by or through Altruist in any of your accounts, whether held individually or jointly and whether or not such assets are held in a Margin Account.

You authorize Altruist, to the fullest extent permitted by Applicable Laws and without prior notice where permitted, to:

- transfer assets among any of your accounts;
- apply cash or other property in any of your accounts against Obligations in any other account;
- consolidate accounts for purposes of calculating margin requirements, deficiencies, excess, or debit balances; and
- use money and securities in one account to carry or pay any deficit in another account.

7. Interest; Credit Terms; Fees

Debit balances in your Margin Account will bear interest at the rates established by Altruist from time to time and disclosed in Altruist's Disclosure of credit terms and policies. Interest may be variable and may change without prior notice to the extent permitted by Applicable Laws and the applicable disclosures.

You agree to pay all applicable interest, service charges, account fees, transfer fees, collection costs, extension fees, broker-assisted fees, taxes, and other charges applicable to your account or transactions. Altruist may deduct any such amounts from any of your accounts without further notice.

8. Maintenance of Margin; Margin Calls; House Requirements

You agree at all times to maintain such margin, equity, collateral, and positions in your account as Altruist may require under Applicable Laws or Altruist's house requirements, which may be more stringent than regulatory minimums and may be changed at any time without prior notice.

Altruist may, but is not obligated to, issue an initial margin call, maintenance margin call, house call, day trading margin call, minimum equity call, or other demand for additional collateral or payment if your account equity, margin excess, or buying power is insufficient. You are not entitled to notice before liquidation, to select which assets are sold, or to an extension of time to satisfy a margin call unless Altruist affirmatively grants one in writing or as otherwise required by Applicable Laws.

Any demand, notice, or extension given in one instance shall not waive Altruist's rights in any other instance.

9. Liquidation; Protective Action; Remedies

Whenever Altruist deems it necessary or advisable for its protection, or if any of the following occurs: (i) you fail to satisfy any call, payment, or other demand; (ii) your account equity becomes unsatisfactory; (iii) you breach this Agreement or any other agreement with Altruist; (iv) you fail to pay for securities purchased or deliver securities sold; (v) your account or collateral becomes subject to legal process, insolvency proceedings, death, incapacity, attachment, bankruptcy, or similar events; or (vi) Altruist otherwise determines that protective action is necessary, Altruist may, without prior notice or demand and in its sole discretion:

- sell, liquidate, or otherwise dispose of any Securities and Other Property in any of your accounts;
- buy in any securities required to cover deliveries or short positions;
- cancel open orders;
- close out any open commitments or transactions;
- refuse to execute any new transaction;
- decline or reverse disbursements; and
- take any other action Altruist deems necessary to protect itself.

Any deficiency remaining after liquidation shall remain your obligation and shall be payable immediately upon demand.

You will remain liable for all losses, costs, commissions, fees, expenses, and reasonable attorneys' fees incurred by Altruist in connection with collection, liquidation, defense of claims, or exercise of remedies.

10. Hypothecation; Rehypothecation; Securities Lending

Within the limitations imposed by Applicable Laws, Altruist may pledge, repledge, hypothecate, rehypothecate, lend, or otherwise use, either separately or together with securities of other customers, any securities or other property in your Margin Account or otherwise held as collateral for your Obligations, without retaining in its possession or control a like amount of similar property. Altruist is not required to deliver to you the identical securities originally deposited. Any securities in your Margin Account may be borrowed by Altruist or lent to others. You acknowledge that:

- you may lose voting rights or receive reduced or delayed proxy materials with respect to loaned securities;
- dividends or distributions on loaned securities may be treated as substitute payments in lieu of dividends and may be taxed differently from actual dividends; and
- Altruist may receive revenue or other benefits from such lending activities.

11. Orders; Long and Short Sales

You agree to designate any order to sell a security you do not own as a short sale, and you understand that Altruist may mark the order accordingly. Any order not designated as a short sale will be treated as a long sale, and you agree to make timely delivery of the sold securities if they are not already in your account. If you fail to deliver securities required for settlement, Altruist may borrow or buy securities to complete delivery, and you will be responsible for resulting losses, fees, and charges.

If Altruist supports short positions in your account, you agree that stock borrow fees, hard-to-borrow charges, and other short-related fees may apply and may change daily.

12. Communications; Statements; Conclusiveness

Communications, confirmations, statements, notices, and other correspondence sent to your address, email address, portal inbox, or other approved delivery destination of record will be deemed delivered when sent, whether or not actually received, to the fullest extent permitted by law. All communications are subject to the Altruist Electronic Delivery Consent Agreement, as amended from time to time.

You must promptly review all confirmations, statements, and notices and notify Altruist in writing of any objection or discrepancy within the period specified in the Customer Agreement or, if none is specified, within a commercially reasonable period. Failure to object timely may constitute acceptance to the fullest extent permitted by Applicable Laws.

13. Credit Information; Reports; Verification

You authorize Altruist to obtain consumer reports, credit reports, background information, and other verification information about you at account opening and thereafter whenever Altruist deems it necessary or advisable for account opening, account review, margin approval, collections, fraud prevention, or other permissible purposes.

You authorize Altruist to provide information regarding your account or payment history to consumer reporting agencies, collection agencies, and other parties as permitted by law.

14. Representations and Warranties

You represent and warrant that:

- you have the legal capacity and authority to enter into this Agreement;
- all information you have provided to Altruist is accurate and complete;
- if you are acting on behalf of an entity or person, all necessary entity approvals have been obtained and your execution binds the entity or person;
- no person other than the persons disclosed to Altruist has an interest in the account except as disclosed in account records; and
- you will notify Altruist promptly of any material change in your financial condition, employment, investment objectives, or other information relevant to your account or margin privileges.

15. Joint Accounts

If your Margin Account is a joint account, each account owner is jointly and severally liable for all Obligations under this Agreement. Altruist may rely on instructions from any one joint owner with respect to the account, including margin-related instructions, unless Altruist requires joint action. Any notice or communication to one joint owner will constitute notice to all joint owners to the fullest extent permitted by Applicable Laws.

16. Entity Accounts

If the account owner is a corporation, partnership, limited liability company, trust, estate, or other entity, the entity represents that its governing documents permit margin borrowing and that the person executing or accepting this Agreement is duly authorized to bind the entity. Altruist may require delivery of organizational documents, trust certificates, authorizing resolutions, incumbency certificates, or other evidence of authority.

17. Data, Market Information, and No Warranty

Any market data, reports, analytics, account information, calculations, buying power figures, or margin-related information furnished by Altruist are provided for informational purposes only and without warranty as to accuracy, completeness, timeliness, or suitability. Altruist shall not be liable for losses arising from delays, errors, interruptions, or inaccuracies in such information except as required by law.

18. Asset-Based Fees; Margin-Related Conflicts Disclosure

You acknowledge that, depending on your arrangements with your investment adviser and/or Altruist programs or services, advisory fees, platform fees, or other asset-based fees may be calculated based on the market value of assets in your account, including securities purchased with borrowed funds, while margin interest may also be charged on outstanding debit balances. You acknowledge that this may create incentives for your adviser or for Altruist programs to maintain higher asset values or margin balances, and you agree to review your adviser's Form ADV, fee disclosures, and other applicable disclosures carefully.

19. Arbitration

You acknowledge that, depending on your arrangements with your investment adviser and/or Altruist programs or services, advisory fees, platform fees, or other asset-based fees may be calculated based on the market value of assets in your account, including securities purchased with borrowed funds, while margin interest may also be charged on outstanding debit balances. You acknowledge that this may create incentives for your adviser or for Altruist programs to maintain higher asset values or margin balances, and you agree to review your adviser's Form ADV, fee disclosures, and other applicable disclosures carefully.

20. Miscellaneous

If any provision of this Agreement is found invalid or unenforceable, the remaining provisions will remain in full force and effect. Section headings are for convenience only and do not limit or modify the text of this Agreement. This Agreement binds and benefits the parties and their respective heirs, executors, administrators, successors, and assigns. Altruist may assign this Agreement or any related rights or obligations in connection with a merger, reorganization, sale, or other corporate transaction.

This Agreement, and any disputes arising under it, shall be governed by the law specified in the Customer Agreement, except to the extent federal law or another governing agreement requires otherwise.