

## **MARGIN DISCLOSURE**

Securities purchased on margin or deposited in your account are BancWest Investment Services' (BWIS) collateral for the loan to you. Interest you pay on the loan may be shared between BWIS and the clearing firm. If the securities in your account decline in value, so does the value of the collateral supporting your loan. As a result, BWIS or the clearing firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the clearing firm in order to maintain the required equity in the margin account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You may lose more funds or securities than you deposited in your margin account.
- BWIS or the clearing firm may force the sale of securities or other assets in your account(s).
- BWIS or the clearing firm can sell your securities or other assets in your account(s) without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are to be liquidated or sold to meet a margin call.
- BWIS or the clearing firm can increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice.
- You are not entitled to an extension of time on a margin call.
- Your written Margin Agreement with BWIS or the clearing firm provides for certain important obligations by you. The Margin Agreement is a legally binding agreement, cannot be modified by conduct, and no failure on the part of BWIS or the clearing firm at any time to enforce its rights under the Margin Agreement to the greatest extent permitted shall in any way be deemed to waive, modify or relax any of the rights granted to BWIS or the clearing firm, including those rights vested in BWIS or the clearing firm to deal with the collateral on all loans advanced to you.