



Portfolio Margin Disclosure

Prior to any trading account being opened, all potential clients wishing to trade under the guidelines of a portfolio margined account will undergo an interview with VT Brokers' Senior registered option principal in order for the firm to ascertain the client's knowledge of option trading, option strategies, and the risks associated with a portfolio margined account. In addition, all required account documentation is to be completed and reviewed by both VT Brokers and its clearing firms prior to an account approval and opening. VT Brokers reserves the right to approve or not approve an account for portfolio margin status for any reason. VT Brokers also reserves the right to sell out any position at any time in a portfolio-margined account.

Portfolio Margin risks do not represent all risks associated with positions in a particular portfolio. Dramatic day-to-day changes in the implied volatilities are not represented in the risk analysis. Margin requirements may be significantly greater than simple Risk-Based Haircuts (RBH) calculations. RBH is not a Value at Risk (VAR) calculation and does not make a correlation between stocks in a portfolio.

VT Brokers and its clearing firms will apply their own risk guidelines and limits to all approved portfolio margined accounts. These guidelines and limits may be more stringent than what is available under portfolio margining rules. VT Brokers may also require additional margin beyond the risk-based margin requirements, particularly for positions with naked or uncovered calls or puts. Note that you can lose more funds than you deposit in the margin account; VTB can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice; and you are not entitled to an extension of time on a margin call.

Please note that current or pending portfolio margining rules, guidelines and requirements are subject to change by the SEC, NYSE or other regulatory entities.

Certain risk guidelines for Portfolio Margin accounts are set by the SEC, other regulatory agencies, Merrill Lynch, Penson Financial and VT Brokers, and differ depending on the type of instruments in a trading account and other factors.

Portfolio margin risk levels and related capital requirements can significantly vary day-to-day depending on the volatility of positions in a portfolio and on the movements of the overall market.

The potential loss for the writing of uncovered puts and calls is unlimited and the use of margining may accelerate the velocity of potential losses and may require additional capital to cover any and all margining requirements.

Multiple leg option strategies, including spreads, will incur multiple commission charges.

High trading volumes and potential congested system access may delay execution of trades.

Please note that options are not suitable for all investors and investing in options carries substantial risk. Because of the importance of tax considerations to all options transactions, investors considering options should consult with a tax advisor as to how taxes affect the outcome of contemplated options transactions.

Individuals should not enter into options transactions until they have read and understood the risk disclosure document titled "[Characteristics and Risks of Standardized Options](#)." To obtain a copy of the Options Disclosure contact us at 415-291-7300.

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