

## Individual Transfer on Death Account Agreement

I authorize optionsXpress, Inc. ("OX"), to open a Transfer on Death account according to the terms and condition set forth herein. This agreement does not supersede or in any way affect, and I agree that I continue to be bound by all other agreements executed by me for my account.

1. During my lifetime I shall retain full ownership of the securities held in my account. Only I may give instructions to transfer, purchase, or sell securities, money, or other property for my account.

2. Upon receipt of notice of my death, as defined hereunder, OX shall, without requiring any further instruction from any other person or entity, transfer all money, securities, and other property from my account to the following person ("Beneficiary") or persons ("Beneficiaries") in equal shares (unless otherwise provided in this Agreement), subject to the terms and conditions set forth herein. Each Contingent Beneficiary listed below shall be treated as Beneficiary in the event that the Beneficiary named above him or her should predecease me. In keeping herewith, the terms Beneficiary and Beneficiaries shall include Contingent Beneficiary and Beneficiaries, if applicable.

Note - All stated percentages must add up to 100%. If not, transfers shall be made proportionally on the percentages stated.

a. \_\_\_\_\_ %  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

Contingent:

\_\_\_\_\_  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

b. \_\_\_\_\_ %  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

Contingent:

\_\_\_\_\_  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

c. \_\_\_\_\_ %  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

Contingent:

\_\_\_\_\_  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

d. \_\_\_\_\_ %  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

Contingent:

\_\_\_\_\_  
Beneficiary Name \_\_\_\_\_ Social Security Number or Tax Identification Number \_\_\_\_\_

\_\_\_\_\_  
Address

3. In the event that any of the Beneficiaries are minors in the relevant jurisdiction at the time of receipt of notice of my death and you are advised of such fact, the shares shall be transferred to a custodial account or other fiduciary or guardianship account for the benefit of the

minor Beneficiary upon receipt of appropriate documentation. Such shares shall remain in my account until receipt of appropriate documentation.

4. OX shall be considered to be on notice of any changes in Beneficiary, my death, or other information regarding my account on the date on which it receives a copy, sent by certified mail return receipt requested, fax, reputable overnight delivery service or other acceptable means of the documentation required by OX. In the case of my death, OX must receive a copy of the death certificate and any other documentation required by OX to complete the distribution of the proceeds from my account.

5. During my lifetime, the securities in my account are to be registered and held in the name of OX or other street or nominee name. However, if necessary to facilitate delivery or transfer of the securities, OX has the right at any time, and without further authorization, to register the securities held in my name, individually or otherwise in accordance with transfer agent requirements, without the names of any of the Beneficiaries thereon. I understand that such right is necessary as not all issuers, states, transfer agents, or financial organizations recognize Transfer on Death registration.

6. If any of the Beneficiaries should predecease me, then my account will pass only to that predeceased Beneficiary's Contingent Beneficiary, if any, and to any other surviving Beneficiary or Beneficiaries should that Contingent Beneficiary predecease me. A predeceased Beneficiary's estate shall have no claim to or interest in my account. If no Beneficiary or Contingent Beneficiary, if applicable, survives me, then the proceeds of my account shall pass to my estate or otherwise intestate.

7. In the event that any securities or other property in my account cannot, for any reason, be partitioned and transferred to any of the Beneficiaries, OX shall, to the extent necessary, liquidate securities or other property and transfer the proceeds of that sale among the Beneficiaries in the percentages set forth above.

8. If any Beneficiary hereunder is or becomes married to me, then the dissolution of our marriage shall have no effect on the designation of Beneficiary unless and until OX receives notice to the contrary by receipt of a new Transfer on Death Account Agreement.

9. In the event that, upon my death, my account reflects a debit balance, OX may liquidate any securities, at its discretion, required to satisfy that debit prior to distribution of any money, securities, or other property to the Beneficiary or Beneficiaries.

10. OX shall have the right to require execution of further documents by any Beneficiary or the legal representative of any Beneficiary, including but not limited to a Margin Agreement, prior to any distribution of the money, securities, or other property in my account.

11. In connection with OX's acting in compliance with this Agreement, I and my estate agree to indemnify and hold OX, its affiliates, directors, officers, agents, and employees, and their heirs, executors, administrators, successors, and assigns, harmless from any liability to any person or entity, including but not limited to the Beneficiary or Beneficiaries and/or my heirs, successors, spouse(s), and offspring of any actions taken arising out of or relating to this Agreement or otherwise in opening and maintaining my account, registering the securities or other property, or making the distributions upon receipt of notice of my death.

12. OX has no obligation: to locate Beneficiaries; to question or investigate the circumstances of my death as it is reported to OX or of which it is otherwise notified; to determine the age or any other facts about a Beneficiary as per NASD Rule 2310 or other applicable rules; to appoint, if applicable, a custodian or guardian for any minor Beneficiary; to locate or notify any spouse(s), children, or other heirs of mine upon my death; to verify the legality of any distribution under the probate, estate and transfer on death laws of any state where transfer takes place; or to determine which state's law is applicable.

13. I acknowledge that if "transfer on death" or "pay on death" registration is not permitted under the laws of the jurisdiction where I am domiciled at the time of death, that unless OX is served process in a proceeding in which it is asserted that the transfer of securities in this Transfer on Death Account should not be permitted, OX will proceed to re-register or transfer the securities in this Transfer on Death Account in accordance with this Transfer on Death Agreement. I and my estate agree to indemnify and hold OX harmless against any claim of any person acting on behalf of my estate from the re-registration for transfer of securities effected by OX. I acknowledge that it is my responsibility – not OX's – to determine if this agreement or "transfer on death" or "pay on death" registration is permitted or valid or enforceable under applicable laws of any applicable jurisdiction.

#### 14. ARBITRATION AGREEMENT

**This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**

**(a) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**

**(b) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

**(c) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**

**(d) The arbitrators do not have to explain the reason(s) for their award.**

**(e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.**

**(f) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**

**(g) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this Account Agreement.**

**I agree that any and all controversies that may arise between or among me, the Beneficiaries hereunder or my successors, heirs, assigns, children, or spouse(s) and OX or its affiliates or any of their respective officers, directors, employees, agents, subsidiaries, or affiliates, including, but not limited to, those arising out of or relating to the transactions contemplated hereby, this Agreement, the account established hereunder, any activity or claim related to my account or the construction, performance, or breach of this agreement or any other agreement between me and OX shall be determined by arbitration conducted before the NASD Dispute Resolution ("NASD-DR"), or, if NASDDR declines to hear the matter, before the American Arbitration Association, in accordance with their arbitration rules then in force. The award of the arbitrator shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction.**

**No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; the class is decertified; or (iii) I am excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.**

15. Spousal Consent. I acknowledge that if I am married and I designate a Beneficiary other than my spouse, this Beneficiary designation may have significant legal and/or tax consequences.

As the spouse of the below-named owner of the account, I hereby consent to the Beneficiary designation specified in Section 2 of this agreement.

\_\_\_\_\_  
Spouse's name (print)

\_\_\_\_\_  
Spouse's signature

\_\_\_\_\_  
Date

This Agreement contains an Arbitration Agreement in paragraphs 14 hereof.

\_\_\_\_\_  
Account Owner (s) Signature (s)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Brokerage Account Number