



## MARGIN DISCLOSURE

Arive Capital Markets is furnishing this document to you to provide some basic facts about purchasing securities on margin, and alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by Arive Capital Markets. Please consult an Arive Capital Markets representative regarding any questions or concerns you may have with your margin account.

IT IS IMPORTANT THAT YOU FULLY UNDERSTAND THE RISKS INVOLVED IN TRADING SECURITIES ON MARGIN, INCLUDING:

*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 the firm that has made the loan to avoid the forced sale of those securities or other securities in your account.

*The firm can force the sale of securities in your account*

If the equity in your account falls below the maintenance margin requirements under the law or the firm's higher "house" requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

*The firm can sell your securities 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 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 security in your account should be liquidated to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.

*The firm can increase its "house" maintenance margin requirements at any time*

The firm is not required to provide you with 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 the member to liquidate or sell the securities in your account.

*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.