

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

<p>In re:</p> <p>HIGHLAND CAPITAL MANAGEMENT, L.P.,¹</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 19-12239 (CSS)</p> <p>Hearing Date: November 19, 2019 at 12:00 p.m. (ET) Objection Deadline: November 12, 2019 at 4:00 pm (ET)</p>
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**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF
JEFFERIES LLC TO DEBTOR’S MOTION FOR ORDER APPROVING
PROTOCOLS FOR THE DEBTOR TO IMPLEMENT CERTAIN
TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS**

Jefferies LLC (the “Jefferies”), by and through its undersigned counsel, hereby submits this limited objection and reservation of rights (the “Limited Objection”) in response to the Debtor’s *Motion for Order Approving Protocols for the Debtor to Implement Certain Transactions in the Ordinary Course of Business* (the “Motion”) [Docket No. 77]. In support hereof, Jefferies respectfully represents as follows:

BACKGROUND

1. Through the Motion, the Debtor, among other things, seeks authorization for a protocol (the “Protocol”) to liquidate and purchase securities in certain Proprietary Accounts² held at Jefferies. The Proprietary Accounts include (i) a prime brokerage account with Jefferies held by the Debtor (the “Prime Account”) and (ii) a prime brokerage account with Jefferies held by non-Debtor entity, Highland Select Equity Master Fund, L.P.³ (the “Select Fund Account”),

¹ The Debtor’s last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

² Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such term in the Motion.

³ The Motion references “Highland Select Master Fund L.P.” However, the entity is properly identified as Highland Select Equity Master Fund, L.P. (the “Highland Select Fund”)



over which the Debtor retains full control.⁴ The Motion asserts that the purchase and sale of securities in the Proprietary Accounts is done in the ordinary course of business opportunistically to take advantage of market conditions or “to generate liquidity to fund the Debtor’s day-to-day business operations.” Motion at 4-5. The proposed Protocol seeks authority to trade in the Proprietary Accounts without further court approval provided that (i) all such trades will be with unaffiliated third parties; (ii) all securities will be sold through either a public or over-the-counter exchange; and (iii) the trades will be disclosed to the CRO. The Motion also provides that the Debtor will not trade in the Prime Account or distribute any cash or assets from the Prime Account without the consent of Jefferies but is silent as to whether the consent and cooperation of Jefferies is required for trading in the Select Fund Account.

2. Each of the Proprietary Accounts is governed by a Prime Brokerage Customer Agreement (each a “PB Agreement,” and individually, the “Debtor PB Agreement” or the “Select Fund PB Agreement”). *See, e.g.*, Debtor PB Agreement, attached hereto as **Exhibit A**. Under the Debtor PB Agreement, Jefferies is granted a security interest in, among other things, all cash, securities and accounts held with Jefferies. *See* Ex. A at § 15. The Debtor PB Agreement also grants Jefferies rights of netting and set off against any obligation owing under the account. *Id.* at § 15. Jefferies retains the right under the Debtor PB Agreement, if it determines in its sole discretion the Debtor poses unacceptable risk, to cease to act as prime broker and/or portfolio manager and terminate the PB Agreement. *Id.* at §2(f). Jefferies’ rights and remedies under the Select Fund PB Agreement are substantially similar to the Debtor PB

⁴ According to the Motion, the Debtor holds a 99.5% ownership interest (directly and indirectly) in the Highland Select Fund and the Debtor can cause Highland Select Fund to buy and sell assets in its sole discretion. *See* Motion at n. 5.

Agreement, including the right, in its sole discretion, to cease lending on margin or change margin requirements.⁵

3. The Debtor PB Agreement is a “securities contract” as such term is defined in section 741(7) of the Bankruptcy Code. *See In re Lehman Brothers Holdings Inc.*, 602 B.R. 564 (Bankr. S.D.N.Y. 2019) (finding the prime brokerage agreement “falls squarely within the definition of a securities contract set forth in section 741(7)(A)(xi) of the Bankruptcy Code”). Such securities contracts are protected by the Bankruptcy Code’s so called “safe harbor” provisions set forth in section 555 of the Bankruptcy Code (addressing a non-debtor counterparty’s contractual right to liquidate, terminate, or accelerate a securities contract) and section 561 of the Bankruptcy Code (addressing a non-debtor counterparty’s contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement). Accordingly, Jefferies is not stayed or otherwise precluded by the Bankruptcy Code, and instead is specifically authorized by the Bankruptcy Code, to, among other things, terminate the Prime Account, liquidate securities in the Prime Account or otherwise net its margin deficit out of the Prime Account without delay or further order of this Court. 11 U.S.C. §§555, 561(a)(1). The non-Debtor Select Fund Account is not property of the Debtor’s bankruptcy estate, and Jefferies is not precluded or affected in any manner by the Debtor’s bankruptcy from exercising any rights and remedies with regard to the Select Fund Account under the Select Fund PB Agreement.

RESPONSE AND LIMITED OBJECTION

4. Jefferies expresses no view as to whether the proposed trading by the Debtor in the Proprietary Accounts in order to “generate liquidity to fund the Debtor’s day-to-day business

⁵ Because tHighland Select Fund is not a debtor in this bankruptcy case, the Select Fund PB Agreement is not attached hereto. However, to the extent necessary the Select Fund PB Agreement will be made available to the Court and parties in interest.

operations” is a transaction in the ordinary course of business for which separate court approval is necessary. However, whether such trading occurs in the Prime Account or in the Select Fund Account with or without separate court approval, Jefferies expressly reserves all rights under the Debtor PB Agreement or the Select Fund PB Agreement, including without limitation, any rights of setoff, netting and the right terminate the PB Agreements or otherwise limit trading under their terms. To the extent that the trading is in the Prime Account, Jefferies’ ability to exercise such rights notwithstanding the Debtor’s bankruptcy is expressly preserved by the Bankruptcy Code’s “safe harbor” provisions, including sections 555 and 561 of the Bankruptcy Code. To the extent trading occurs in the non-debtor Select Fund Account, the exercise of Jefferies’ rights under the Select Fund PB Agreement is not impacted by the Debtor’s bankruptcy. For the avoidance of doubt, nothing in the Protocol should be interpreted to affect Jefferies’ rights with respect to either PB Agreement.

5. Jefferies objects to the extent the Motion, and the Protocol proposed therein, can be read to grant the Debtor the right to trade in either the Prime Account or the Select Fund Account notwithstanding the rights and remedies afforded to Jefferies under the PB Agreements and without the express cooperation and agreement of Jefferies. At the commencement of the Debtor’s bankruptcy case, Jefferies objected to the Debtor’s motion for use of cash collateral to the extent it proposed permission to trade in the Prime Account without, among other things, an express agreement to pay down the Debtor’s margin balance in the Prime Account. As a result of Jefferies’ objection, the Debtor agreed on the record at the first day hearing that it would not buy and or sell securities in its Prime Account absent further order or notice to the court:

THE COURT: All right. That was all -- let me see if I can clarify. You’re not going to buy or sell anything in the Jefferies account without further order of the Court, or at least notice to the Court that that’s what you’re going to do?

MR. KHARASCH: Yes, Your Honor.

Oct. 18, 2019 Tr. at pp. 35-36

6. Following the first day hearing, the Debtor withdrew the cash collateral motion [Dkt. No. 72] and filed the Motion on the same day. The Protocol proposed by the Motion would permit the Debtor to liquidate or purchase securities in the Prime Account only with Jefferies consent, but is silent about whether Jefferies consent is required for trading in the Select Fund Account. Motion at p. 21. Upon information and belief, instead of trading in the Prime Account to generate operating funds for the Debtor as originally contemplated by the cash collateral motion, the Debtor may instead utilize trading in the Select Fund Account to generate necessary operating funds for the Debtor. While the Select Fund Account is not property of the Debtor's bankruptcy estate and trades in that account are not subject to the Debtors' bankruptcy proceedings (except to the extent the Debtor's actions directing the trading are subject to court approval), for the avoidance of doubt, nothing in the proposed Protocol should be interpreted as altering or limiting Jefferies' rights under the Select Fund PB Agreement, including any right to condition or prohibit trading in the Select Fund Account or to cease margin lending.

7. Since the filing of the Motion, Jefferies has been in contact with the Debtor to discuss the conditions under which the Debtor may liquidate securities and generate cash from the Proprietary Accounts. Those discussions are ongoing and Jefferies will continue to discuss the proposed Protocol, and potential changes thereto, with the Debtor in advance of the hearing to consider the Motion. However, to the extent no agreement on the Protocol is reached at or before the hearing on the Motion, any order approving the Motion should expressly provide that,

notwithstanding anything in the proposed Protocol or the Court's order approving the Motion, all of Jefferies' rights and remedies under each PB Agreement are fully preserved and enforceable.

CONCLUSION

WHEREFORE, for the foregoing reasons, Jefferies respectfully requests that any order granting the Motion include language reserving and protecting its rights under the PB Agreements and the Bankruptcy Code, and granting such other and further relief as the Court deems just and proper.

Dated: November 12 , 2019

ASHBY & GEDDES, P.A.

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Attorneys for Jefferies LLC

Exhibit A

Moniker					

Jefferies LLC
 Prime Brokerage Services
 520 Madison Avenue
 New York, NY 10022
 T: 212.284.2000 – F: 917.421.1931

Prime Brokerage Customer Agreement

This Agreement sets forth the terms and conditions under which Jefferies LLC ("Jefferies") will open and maintain one or more accounts (each an "Account") in the name of the customer specified below (which shall be hereinafter referred to as "you," "your" or "yours") and otherwise transact business with you. This Agreement shall not become effective until accepted by Jefferies, and such acceptance may only be evidenced by internal records maintained by Jefferies. This Agreement supersedes any previous agreements you may have made with Jefferies regarding your Accounts. The parties to this Agreement shall consist of you and Jefferies, on behalf of itself and as agent for the Jefferies Entities. "Jefferies Entities" means Jefferies, along with Jefferies Execution Services, Inc., Jefferies International Limited, Jefferies Funding LLC, and all of their current and future subsidiaries, parents, affiliates and divisions at which you have an Account or Accounts, or with which you have a Contract (as defined below), or to which you owe an Obligation (as defined below), either collectively or individually, as the context requires. All rights and limitations on liability and obligations of the parties in this Agreement are for the benefit of all Jefferies Entities, which, for those purposes, shall be third party beneficiaries of this Agreement.

In consideration of the Jefferies Entities from time to time accepting an Account from you or receiving, holding or delivering any of your property or entering into any Contract with you, you hereby agree as follows:

1. **Applicable Laws and Regulations.** All transactions in your Accounts shall be subject to all applicable U.S. and foreign laws, and the rules and regulations of applicable federal, state and self-regulatory agencies, including but not limited to, the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), the SEC, the Financial Industry Regulatory Authority ("FINRA"), and the constitution, rules, regulations, customs and usages of the exchanges, markets and clearing agencies where transactions are executed, cleared and settled for your Accounts ("Applicable Law"), including, in the case of prime brokerage Accounts, to the no-action letter of the Securities and Exchange Commission (the "SEC") dated January 25, 1994, as amended, modified or supplemented from time to time, regarding the performance of prime brokerage services, and other relevant regulations of the SEC or other governmental authorities or self-regulatory organizations (the "Prime Broker Regulatory Guidelines"). You further agree that Jefferies will, as required by Applicable Law, enter into contractual arrangements pertaining to prime brokerage transactions for your Accounts, which may alter Jefferies' normal procedures for dealing with you.
2. **Prime Brokerage Services.** You may maintain brokerage accounts with brokers other than Jefferies ("Executing Brokers") and may from time to time place orders with an Executing Broker designating Jefferies as your "Prime Broker". In connection therewith, you hereby request that Jefferies act as your Prime Broker in accordance with the terms and conditions of this Agreement and authorize Jefferies to execute an agreement with each current and future Executing Broker with whom you engage in prime brokerage transactions (each, as amended from time to time, an "Executing Broker Agreement"), provide or obtain any relevant information relating to you in order for Jefferies to establish a prime brokerage relationship on your behalf with the Executing Brokers, and perform any necessary or useful act as Prime Broker in accordance with this Agreement or Applicable Law.
 - a. **Definitions.** In addition to the terms defined throughout the Agreement, as used in this Agreement, the following terms shall have the following meanings:
 - "Affirm" means to acknowledge that the reported details of a particular trade and the corresponding settlement instructions received from the Executing Broker match those received from you.
 - "Disaffirm" means to communicate a rejection of one or more previously Affirmed trades with an intent not to clear and settle any such trades if Jefferies determines not to do so in good faith and in accordance with reasonable commercial standards as described more fully in the Executing Broker Agreement.
 - "DK" means to give notice of an intention not to clear and settle one or more transactions due to an inability to recognize the trade being submitted or a discrepancy in one or more details of the trade and corresponding settlement instructions as reported by the Executing Broker and you.
 - b. **Prime Brokerage Accounts.** At your request, Jefferies may effect on your behalf transactions in securities held or to be held in your Accounts. Jefferies will make available to you one or more accounts for the clearance and settlement of securities transactions executed on your behalf by Executing Brokers, as contemplated by Applicable Law and the terms of this Agreement. You expressly agree that as between Jefferies and you, the Executing Broker will be acting as your agent, not Jefferies' agent, for the purpose of carrying out your directions with respect to the purchase, sale and settlement of securities. Notwithstanding any other term of this Agreement, including the duties set forth in Section 2 hereof, you agree that Jefferies shall have no obligation to you or any third party to clear or settle trades executed on your behalf and that Jefferies may, in its sole and absolute discretion: (i) refuse to open any account requested by you; (ii) close any account; (iii) place restrictions or limits on transactions for any accounts, whether on the type, volume or otherwise; (iv) refuse to accept any transaction or series of transactions, order or confirm a transaction or cancel a confirmation, (v) reject a delivery or receipt of securities, money, or any other asset; or (vi) refuse to clear any trade or trades executed by you. You further agree that with respect to transactions that are not permitted by Jefferies, you shall inform the Executing Brokers that the Executing Broker may look only to you for the settlement of such transactions and the resolution of any claim or dispute relating thereto.

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- c. **Agreements with the Executing Brokers.** You acknowledge that Jefferies as prime broker may refuse to settle a transaction with any Executing Broker with which Jefferies has not entered into an Executing Broker Agreement. In addition, you agree that Jefferies' obligation to accept orders from Executing Brokers in permissible transactions for settlement on your behalf as your prime broker is subject to the terms and conditions of the Executing Broker Agreement, which agreement may be amended from time to time without notice to you. Before instructing any Executing Broker to settle trades executed on your behalf in your Accounts at Jefferies, it shall be your responsibility to determine from Jefferies that the Executing Broker is approved to do business with Jefferies as an Executing Broker and to inform Jefferies of your intention to execute prime brokerage transactions through such Executing Broker. You agree to accept any restrictions or limitations affecting your Accounts which may result from the terms of the Executing Broker Agreement and Jefferies' dealings with the Executing Brokers. Jefferies reserves the right to place a limit on the type or size of prime brokerage transactions pursuant to this Agreement that may be effected with the Executing Brokers generally or any particular Executing Broker. You further agree that, as between Jefferies and you, any loss resulting from any action or failure to take action by an Executing Broker or its agent or other third party with respect to an Account, including without limitation, the insolvency of any such party or the failure of any such party to fulfill its settlement obligations, will be borne solely by you.
- d. **Communications with the Executing Brokers.** You agree that Jefferies may be required by Applicable Law or the Executing Broker Agreements, or may otherwise deem it necessary or appropriate, to communicate information concerning you and your Accounts to the Executing Brokers. Such information may include, but is not limited to: (i) whether the net equity in your Account falls below certain minimums mandated by Applicable Law; (ii) information regarding the allocation of prime brokerage transactions to sub-accounts, if applicable (including, without limitation, your name, address and tax I.D. number and name, address and tax I.D. number of such sub-accounts); (iii) information regarding the availability of Securities and Other Assets (as defined below) sold by you; (iv) other matters requested by the Executing Brokers, after consultation with you; and (v) such other information as Jefferies may deem necessary or appropriate. You hereby consent to, and agree to hold Jefferies harmless with respect to the release to the Executing Brokers of any and all information regarding you and your Accounts in accordance with this paragraph.
- e. **Trade Reports.** By the close of business on trade date or by such earlier time as Jefferies may determine from time to time, you or your agent will report to Jefferies information regarding trades effected on your behalf by any Executing Broker for clearance and settlement in your Account ("Trade Report"). Trade Reports shall be made in such a manner as Jefferies may prescribe from time to time. Each Trade Report shall contain the following information with respect to each trade: (i) account name; (ii) name of the Executing Broker (and clearing broker, if different); (iii) security name, quantity and security symbol (or CUSIP number if no security symbol exists or is known); (iv) whether the trade is a buy, buy to cover, sell or short sale; (v) price per share or other unit (if a trade is to be reported on an average basis, you must compute the average price to four decimal places); (vi) exchange or other market where executed; (vii) commission rate; (viii) total execution and commission costs; (ix) if an options transaction is involved, whether the trade is an opening or closing trade; (x) the trade date and settlement date; (xi) for trades in non-U.S. markets, all other information required for Jefferies to settle such trades; and (xii) settlement instructions. On the day following each such trade, Jefferies will send you a notification of each trade placed with your Executing Broker for settlement by Jefferies based upon the information provided by you or your agent (see Schedule III).

You authorize and agree that, subject to the provisions of this Agreement and Jefferies' internal policies and procedures, Jefferies will Affirm and settle trades with an Executing Broker only to the extent that the information provided by such Executing Broker matches the trade information provided by you to Jefferies. You agree that Jefferies may DK or otherwise decline to Affirm and settle any and all trades as to which you have not timely provided the foregoing information. If you have provided information to Jefferies that does not match the information provided by the Executing Broker, Jefferies will, if time permits, attempt to contact you so that you can reconcile the differences in the reported information. If such contact and reconciliation is not made, Jefferies may, in its sole discretion: (i) settle such trade on your behalf, in Jefferies' sole judgment, considering, among other factors, whether the difference between your report and the Executing Broker's report are material; or (ii) DK or otherwise decline to Affirm and settle any such trade. You agree that you will review trade notifications promptly and will act expeditiously to correct unmatched trades and to resolve discrepancies between you and any Executing Brokers acting on your behalf.

You agree that Jefferies shall have no responsibility or liability with respect to trade data that is not received by Jefferies in the manner provided above. You agree that you will hold Jefferies harmless for any good faith errors Jefferies may make in Affirming, DK'ing, or Disaffirming trades.

- f. **Responsibility for Settling Trades.** Jefferies will be responsible for Affirming and settling trades executed on your behalf by your Executing Brokers and reported to Jefferies by you and your Executing Brokers, unless (i) you or the Executing Broker have not provided the information correctly, completely and on a timely basis as described above, or (ii) Jefferies determines either to DK or Disaffirm the trades in accordance with its internal policies and procedures, the terms of this Agreement, or Applicable Law.

In the event Jefferies determines not to settle a trade, Jefferies shall not have settlement responsibility for such trade and shall, instead, make reasonable efforts to contact you, but such notice shall not be a condition to Jefferies' right to cease to act as prime broker for you or decline to Affirm, clear or settle any prime brokerage transaction on your behalf. In such event, Jefferies shall incur no liability to you or any third party for exercising such right, and in any such case, or in the case of any termination of this Agreement, you agree that you must settle outstanding trades that have been DK'd or Disaffirmed and all future trades (in the event of termination of this Agreement) directly with the Executing Broker. You understand and agree that the Executing Broker Agreement may limit Jefferies' discretion and require Jefferies to Disaffirm certain prime brokerage transactions that Jefferies may, pursuant to Jefferies' internal policies and procedures, have otherwise agreed to effect, and you agree that Jefferies shall be held harmless for complying with such Executing Broker Agreement. You will be solely responsible to settle any and all trades with an Executing Broker in the event: (i) of the filing of a petition or other proceeding in bankruptcy, insolvency or the appointment of a receiver by or against your Executing Broker, (ii) your Executing Broker's registration is terminated or it ceases to conduct business, or (iii) your Executing Broker's failure, inability or refusal, for any reason whatsoever or for no reason at all, to settle a

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trade. In any such event (and without regard to whether Jefferies has Affirmed, Disaffirmed or DK'd a trade), if Jefferies agrees to settle any such trades, you will indemnify Jefferies for any losses arising out of or incurred by Jefferies in connection with Jefferies' agreement to settle such trades.

You further acknowledge and agree that, pursuant to its Executing Broker Agreements with the Executing Brokers and Applicable Law, Jefferies may become responsible to the Executing Brokers to settle certain prime brokerage transactions executed by you or on your behalf, even if you would have valid defenses to the settlement of such transactions. You agree to hold Jefferies harmless with respect to the effecting, clearing and settling of such transactions.

- g. **Portfolio Margining.** If so requested by you and accepted by Jefferies, Jefferies may in its sole discretion set margin requirements for your Account based on Jefferies' proprietary portfolio margining methodology ("**Portfolio Margining**"), which may, in certain circumstances, result in lower margin requirements for your Account than the margin requirements for a standard margin account under Regulation T of the Federal Reserve Board ("**Reg T**"). However, Portfolio Margining involves risk factors that may not be present in a standard Reg T margin account and you should thoroughly evaluate these risk factors before deciding whether to request that your Account be designated as an account to which Portfolio Margining applies (a "**Portfolio Margin Account**"). By requesting that your Account be designated as a Portfolio Margin Account, you hereby represent that you have read and understood the Risk Disclosure Statement Regarding Portfolio Margining, which is included in this Agreement in Exhibit A. You further agree to meet all portfolio margin deficiencies and shortfalls in minimum equity in your Portfolio Margin Account within three business days (or such shorter time period as determined by Jefferies in its sole discretion from time to time), regardless of whether such deficiency is due to new commitments or the effect of adverse market movements on existing positions. You agree that if you fail to meet any such portfolio margin deficiency or minimum equity deficiency by the end of the third business day (or such earlier business day as determined by Jefferies in its sole discretion from time to time), Jefferies may prohibit you from entering any new orders, with the exception of new orders that reduce the margin requirement, and may immediately liquidate positions in your Portfolio Margin Account on the fourth business day (or such earlier business day as determined by Jefferies in its sole discretion from time to time) and continuing until such margin deficiency is eliminated or minimum equity requirement is satisfied.

- YES. I hereby request that my Account be designated as a Portfolio Margin Account

Your Account will not be designated as a Portfolio Margin Account until accepted by Jefferies, and such acceptance may only be evidenced by internal records maintained by Jefferies. You agree that Jefferies may, in its sole and absolute discretion, decline to accept a request by you to designate your Account as a Portfolio Margin Account, or condition such acceptance on the basis of the satisfaction of certain conditions and requirements (including, without limitation, any minimum net equity or other requirements). Even if your request to designate your Account as a Portfolio Margin Account is accepted by Jefferies, Jefferies has no obligation to you or any third party to provide margin to you on any Security and Other Assets in your Account based on any Portfolio Margining methodology (including without limitation any Theoretical Intermarket Margin System (TIMS)) or otherwise, and Jefferies may in its sole and absolute discretion at any time: (i) change its Portfolio Margining methodology; (ii) vary the level of margin provided to you (including, without limitation, increasing the margin requirements to standard Reg T requirements and/or imposing any house margin requirements), whether based on portfolio composition, concentration, volatility, liquidity, market bias or otherwise; (iii) place restrictions or limits on the level of margin provided to you in your Account; (iv) refuse to provide Portfolio Margining on any Security and Other Assets; or (v) revoke the designation of your Account as a Portfolio Margin Account. In any such event, Jefferies may transfer all or a portion of the positions held in your Portfolio Margin Account to a Reg T Account in your name, which may bear a different account number than the account number for your Portfolio Margin Account. Except as expressly set forth herein or required by Applicable Law or Jefferies' internal policies and procedures, all the terms and conditions set forth in this Agreement will apply to Portfolio Margin Accounts.

- h. **Minimum Net Equity.** You will maintain in your Accounts with Jefferies such minimum net equity in cash or securities as Jefferies, in its sole discretion, may require from time to time ("**Minimum Net Equity Requirement**"), which shall in no event be less than the minimum net equity required by Applicable Law or by Jefferies' internal policies and procedures. Currently, the Minimum Net Equity Requirement for Portfolio Margin Accounts (without taking into consideration any cross-guarantees) is \$5,000,000, and the Minimum Net Equity Requirements for Accounts that are not Portfolio Margin Accounts are: (i) \$250,000, for trades executed on behalf of a customer account managed by an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as amended ("**Advisers Act**") (a "**Registered Investment Adviser**"), or (ii) for trades executed on behalf of an account not managed by a Registered Investment Adviser, (x) \$100,000 if that account is subject to a binding, written contract providing for a cross-guarantee by another Jefferies customer that is acceptable to Jefferies from time to time in its sole discretion, and that is and remains in compliance with the terms of such customer's agreements with, and obligations to, Jefferies, including without limitation the Minimum Net Equity Requirements applicable to such customer; or (y) \$1,000,000, if that account does not provide a cross-guarantee on behalf of any other account; or (z) \$1,000,000 plus an additional \$400,000 for each account cross-guaranteed by that account, if it provides a cross-guarantee for any other account. The Minimum Net Equity Requirement can only be satisfied in cash or securities with a ready market. You agree to promptly restore the minimum net equity in your Accounts if at any time it falls below the Minimum Net Equity Requirement for any reason. If you fail to restore it to satisfy the Minimum Net Equity Requirement, Jefferies may (and you hereby authorize Jefferies to) notify all Executing Brokers that Jefferies is no longer acting as your prime broker and will DK or Disaffirm any prime brokerage transactions commenced thereafter by you or on your behalf. The Minimum Net Equity Requirement for Portfolio Margin Accounts may not be satisfied by cross-guarantees.
- i. **Termination.** Jefferies may, without prior notice to you, cease to provide prime brokerage services or Portfolio Margining if required to do so under its own internal policies and procedures, this Agreement, the Prime Broker Regulatory Guidelines or Applicable Law. In addition, in the event that (i) your Accounts fall below the Minimum Net Equity Requirement; (ii) there would not be enough cash in your Accounts to settle your trades or that a margin call may be required as a result of settling such trade;

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or (iii) Jefferies determines in its sole discretion that the continuation of prime brokerage services or Portfolio Margining in general or to you in particular presents an unacceptable risk to Jefferies, taking into consideration all the facts and circumstances at the time, Jefferies may in its sole discretion Disaffirm all your prime brokerage transactions, cease to act as your Prime Broker and/or no longer provide Portfolio Margining to your Account. Either party hereto may terminate this Agreement at any time. Any termination of this Agreement shall terminate Jefferies' obligations to settle trades (other than trades executed prior to termination) or to provide other services under this Agreement; but all other provisions which are capable of surviving termination (including, without limitation, those governing indemnification) shall survive such termination.

j. **Guaranty of Accounts.**

☞ **Guaranteed Accounts and Guaranteed Obligations.** With respect to any guaranty by you of one or more other accounts (each a "Guaranteed Account"), you hereby unconditionally agree that Jefferies may, in its sole and absolute discretion, treat any obligations, liabilities or indebtedness that may now or hereafter may be owing to Jefferies with respect to or relating to (i) the Guaranteed Account, (ii) any securities or other assets from time to time held therein or credited thereto, and (iii) any advances made or extensions of credit extended by Jefferies with respect thereto (collectively, the "**Guaranteed Obligations**") as obligations, liabilities or indebtedness owed by you to Jefferies pursuant to the terms of this Agreement in the same manner and to the same extent as all other obligations, liabilities or indebtedness that may, from time-to-time, be owed by you to Jefferies in accordance with the terms hereof. Without limiting the foregoing, (x) any Collateral (as defined below) held by Jefferies pursuant to the terms hereof shall serve as security for payment of such Guaranteed Obligations to the same extent and in the same manner as such Collateral shall serve as security for payment of all your other existing and future obligations, liabilities, and indebtedness to Jefferies hereunder; and (y) Jefferies, in its sole and absolute discretion, may treat any Guaranteed Obligations as indebtedness payable on demand and charge any Guaranteed Obligations to your Accounts and take such Guaranteed Obligations into account in computing any debit balances owing with respect to your Accounts. Portfolio Margin Accounts may not provide a cross-guarantee on behalf of any other account.

☞ **Changes to the Guaranteed Accounts and Guaranteed Obligations.** You further agree that any guaranty shall be effective with respect to any and all renewals with respect to Guaranteed Accounts and the Guaranteed Obligations, and that Guaranteed Accounts and Guaranteed Obligations may be changed from time to time by the purchase or sale or exchange of securities or other assets, or by payments or by deliveries of securities or other property, all without notice to you, the same as if the guaranty had not been given. Any obligations resulting from any such renewal, change, purchase, sale, exchange, payment, delivery, close out, dealing or order shall constitute Guaranteed Obligations hereunder.

☞ **Consideration.** You agree that (i) the opening and/or continuing maintenance of any Guaranteed Account shall serve as full and sufficient consideration for any guaranty made by you; (ii) that Jefferies shall be under no obligation to allow any Guaranteed Account to maintain a Minimum Net Equity Requirement in an amount less than the amount that Jefferies would otherwise require the Guaranteed Account to maintain; and (iii) it shall not be a condition of your guaranty that Jefferies allow any Guaranteed Account to maintain a reduced Minimum Net Equity Requirement.

☞ **Waiver of Notice.** With respect to any Guaranteed Account, you hereby waive (i) any and all notices of any terms and conditions as may, from time to time, be agreed to between Jefferies and any holder, customer, or owner of a Guaranteed Account (the "Guaranteed Customer"); (ii) any notices whatsoever as to the current condition of any Guaranteed Account or any change therein from time to time and the manner of conducting or closing the same or otherwise; and (iii) in the event of default by the Guaranteed Customer any demand or notice in respect thereof and any requirement of legal or equitable proceedings or otherwise on your part against the Guaranteed Customer as condition precedent to enforcing your obligations as guarantor hereunder.

☞ **Minimum Net Equity.** You acknowledge that your guaranty of any account may increase the Minimum Net Equity that you are required to maintain pursuant to this Agreement.

☞ **Termination.** Any guaranty made hereby shall remain in effect until the start of the first business day following the receipt by Jefferies of your written notice of your intent to terminate such guaranty and, in no event, shall such termination have any effect on any obligations, liabilities, or indebtedness then existing, which obligations, liabilities, or indebtedness shall continue to be guaranteed by you, notwithstanding such termination, until such obligations, liabilities, or indebtedness are fully paid for, satisfied and/or performed, provided, that any payments or credits to the Guaranteed Account shall be applied first against new obligations, liabilities, or indebtedness that arise on and after the termination of any guaranty and, upon full satisfaction thereof, to the Guaranteed Obligations.

☞ **Guaranteed Account(s).** The Guaranteed Accounts shall consist of such accounts, if any, as are identified at the top of this Agreement and/or such accounts as you notify Jefferies, from time to time, of your agreement to guaranty pursuant to the terms hereof.

3. **Non-disclosure of Confidential and Material, Non-public Information.** The Jefferies Entities provide a variety of services to customers, counterparties, the public and other institutions. In connection with these services or as a result of other relationships between the Jefferies Entities and these customers, counterparties, the public and other institutions, the Jefferies Entities may from time to time come into possession of certain confidential and material, non-public information which, if disclosed, might affect your decision to buy, sell or hold a security. You understand and agree that the Jefferies Entities are prohibited by Applicable Law from communicating such material, non-public information to you and that the Jefferies Entities shall not in any event have any obligation to disclose to you any such relationship or information (whether or not confidential). You also understand and agree that Jefferies shall have no responsibility or liability to you for its failing to disclose such relationship or information to you.

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4. **Credit and Background Check.** You authorize Jefferies and any agent it selects to obtain reports and conduct background checks concerning you and your affiliates, including without limitation your and your affiliates' credit history, credit standing and business conduct, and to use, verify and confirm any and all information you provide. You also authorize the Jefferies Entities to share among themselves such information and any other confidential information the Jefferies Entities may have about you, your affiliates or your Accounts. On your written request, Jefferies will inform you whether we have obtained credit reports, and if so, we will provide you with the name and address of the reporting agency that furnished the reports. You agree that without notifying you, Jefferies and its agents may from time to time obtain additional reports and conduct additional background checks, including requesting a new credit report, in connection with any review, renewal or extension of your Accounts. You further agree that Jefferies may submit information reflecting on your credit record to any credit reporting agency.
5. **Transfer of Securities and Other Assets into Account.** You agree that all securities, put and call options, commodities, commodity futures contracts, commercial paper, and other assets deposited into your Accounts ("**Securities and Other Assets**") will be in Good Deliverable Form. "**Good Deliverable Form**" means that the assets will be freely transferable, properly endorsed, registered and fully negotiable. You agree to give Jefferies timely and accurate information relating to any restrictions on the sale or transfer of any Securities and Other Assets, including restrictions on the sale or transfer of any securities that are subject to restrictions on resale under Applicable Law, contract or otherwise, including without limitation securities subject to Rules 144 or 145(d) under the Securities Act of 1933, as amended ("**Restricted Securities**"). You further agree to timely satisfy all legal transfer requirements and to furnish all necessary documents before and after any Securities and Other Assets are transferred.
6. **Your Responsibility for Your Account.** You assume full financial responsibility with respect to all transactions in your Accounts and your investment decisions. You acknowledge that the Jefferies Entities do not provide to you or any shareholder or investor in you investment, tax, accounting or legal advice, nor do they make recommendations to you or suitability determinations for you, and that you and your advisers are responsible for these matters. You should consult with your tax adviser regarding tax consequences of your investment decisions. You represent and warrant that: (a) you will determine the appropriateness of all transactions and positions for your Accounts; (b) you are and will be: (i) knowledgeable about and experienced in the risks of entering into the transactions in your Accounts, (ii) capable of evaluating the merits and risks of the transactions and positions in your Accounts, (iii) able to bear the economic risks of the transactions and positions in your Accounts, and (iv) solely responsible for monitoring compliance with your own internal restrictions and procedures governing investments, trading limits and manner of authorizing investments, and Applicable Law affecting your power, authority or ability to trade, invest or engage in transactions. You represent, warrant and covenant that you are the sole beneficial owner of your Accounts. If your account is managed on a discretionary basis by an investment adviser, money manager or other person ("**Adviser**"), you acknowledge and agree that: (i) such Adviser is authorized to instruct Jefferies with respect to your Accounts, including all prime brokerage and other transactions; and (ii) the Adviser shall be responsible for making any determination relating to the suitability of any transaction for your Accounts; and (iii) your prime brokerage transactions may be aggregated with those of other accounts of your Adviser, according to your Adviser's instructions, for execution by your Executing Broker(s) in a single bulk trade and for settlement in bulk by Jefferies. In the event any trade is Disaffirmed, Jefferies will supply your Executing Broker as soon as practicable thereafter with the allocation of the bulk trade, based upon information provided by your Adviser.
7. **Payment and Settlement.** You agree that you will pay for any Securities and Other Assets purchased for your Accounts on or before the earlier of the settlement date for that transaction or the standard settlement date in the market on which those securities are traded. Your ability to purchase Securities and Other Assets without free credit balances in your Accounts will be at the discretion of Jefferies. You further agree that each item sold will be delivered to Jefferies in Good Deliverable Form on or before settlement date. Proceeds of any sale will not be paid to you before the time at which Jefferies has received the Securities and Other Assets in Good Deliverable Form and the settlement of the Securities and Other Assets is complete. You agree that in the event that you direct Jefferies to enter into any transaction denominated in a foreign currency or that your Accounts receives a dividend payment denominated in a foreign currency: (i) any profit or loss arising from a fluctuation in the exchange rate affecting such currency will be entirely for your Account and risk, (ii) all initial and subsequent deposits for margin purposes shall be made in U.S. dollars, in such amounts as Jefferies may, in its sole discretion, require, and (iii) Jefferies is authorized to convert funds in your Accounts into and from such foreign currency at a rate of exchange determined by Jefferies, in our sole discretion, on the basis of then prevailing money markets, and you will reimburse Jefferies for any expenses incurred in connection therewith.
8. **Rule 144 or 145(d) Restricted or Control Securities.** Prior to placing an order for the sale or transfer of Restricted Securities, you agree that you will advise Jefferies of the status of such securities and furnish Jefferies with the necessary documents (including opinions of legal counsel, if Jefferies so requests) or any other required waivers or consents necessary to satisfy legal transfer requirements. Restricted Securities may not be sold or transferred until they satisfy legal transfer requirements. You understand that even if necessary documents are furnished in a timely manner, there may be delays in the processing of Restricted Securities, which may result in delays in the delivery of securities and the crediting of cash to your Accounts. You are responsible for, and shall reimburse Jefferies for, any delays, expenses, losses, claims and damages (including reasonable attorneys' fees and court costs and expenses) ("**Losses**") incurred by Jefferies that are associated with compliance or failure to comply with all of the requirements and rules relating to Restricted Securities.
9. **Confirmations.** Jefferies will make available to you at no additional charge copies of confirmations that, in accordance with your instructions to your Executing Broker, were sent to you in care of Jefferies, as your Prime Broker. On the day following Jefferies' receipt of information from you regarding any prime brokerage transaction, Jefferies agrees to send you a notification of such trade based on the information supplied to Jefferies by you.

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Any trade notifications issued by Jefferies as prime broker shall indicate the name of the Executing Broker involved and the other information required by the Prime Broker Regulatory Guidelines, provided that Jefferies shall have received such information in the manner and to the extent provided in this Agreement from you. You agree that Jefferies has requested from you all of the information required by Rule 10b-10 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to each prime brokerage transaction. You further agree that the notifications sent by Jefferies will be based solely on the information supplied by you and that Jefferies assumes no responsibility for its content, and you will hold Jefferies harmless in connection with the sending of such notifications.

10. **Internet Communications.** Jefferies will take measures that it believes appropriate to protect the confidentiality of information that it transmits to you over the Internet. You acknowledge, however, that the Internet is not a secure network and that communications transmitted over the Internet may be accessed by unauthorized or unintended third parties. You acknowledge that you should not transmit any personal or identifying information (such as account numbers, credit or debit card numbers, Social Security numbers, passport or visa numbers or Passwords) via the Internet unless you are certain that the transmission will be secure and encrypted. You further acknowledge that Jefferies may be unable to assist you with problems that result from difficulties that you may encounter while logging on to or accessing your electronic communications via the Internet.
11. **Finality and Transmittal of Reports, Statements and Notices.** All statements and reports, including confirmations of transactions, activity reports, tax lot accounting reports, gain and loss summaries, portfolio summaries and other information made available or provided to you by Jefferies, whether electronically or otherwise ("**Reports**"), shall be binding if you do not object, in writing, on the business day on which it is made available or provided in the case of Reports made available provided electronically, within three calendar days in the case of confirmations, and five calendar days in the case of statements after transmittal to you by mail, electronic delivery or otherwise. Reports may contain prices, cost bases and valuations, and profit and loss data based on those prices, cost bases and valuations. You acknowledge that, in providing you with those prices, cost bases, and valuations, Jefferies is not making a bid for any Security or other Asset. You agree to use Reports solely for internal purposes and not to provide access to any of those Reports to any third parties, including the individuals or entities investing in you. You acknowledge that the information contained on the Reports comes from you or from third parties or is based on information received from you or from third parties, and that Jefferies makes no representation or warranty as to the accuracy or completeness thereof. You acknowledge that the prices and valuations may differ substantially from the price you would receive if you sold or attempted to sell the Securities or other Assets to which they relate and agree that you will not rely upon any such information in making any investment decision. Notices or other communications, including confirmations, account statements and margin calls, delivered, mailed or otherwise transmitted to you at the address specified below shall, until Jefferies has received notice in writing of a different address, be deemed to have been personally delivered to and received by you, and you agree to waive all claims resulting from any failure to receive such communications.
12. **Communications with Jefferies.** You agree that Jefferies may designate the manner in which you must send different types of written or oral communications (including changes in your contact information) to Jefferies and the addresses to be used for that purpose. Jefferies need not act upon any communications transmitted in a manner inconsistent with such designations, and Jefferies shall be permitted a reasonable amount of time, as appropriate under the circumstances, to act in response to any communications if it elects to do so. Jefferies will have no liability for relying on any directions from, or document signed by, any person that Jefferies reasonably believes to be you or to be authorized by you to give the direction or sign the document, whether or not the person has the authority to do so. Communications regarding your Accounts should be sent to your Jefferies representative unless you are otherwise notified.
13. **Power of Attorney or Trading Authorization to Third Party.** If you grant a power of attorney or trading authorization to a third party with respect to your Accounts at Jefferies, you agree that Jefferies may follow the instructions of that third party in accordance with the authorization. You shall indemnify and hold Jefferies harmless from and pay promptly any and all Losses arising from its following the instructions of the attorney in fact. This indemnity shall be in addition to, and in no way limit or restrict, any rights which Jefferies may have under such power of attorney or trading authorization or under this or any other agreement between you and Jefferies, or otherwise. Jefferies may, with respect to questions of law, apply for and obtain the advice and opinion of counsel, at its expense, and shall be fully protected with respect to anything Jefferies does or refrains from doing in good faith in conformity with such advice or opinion.
14. **Publications.** From time to time, Jefferies may make available to you information about securities and investment strategies, including its own research reports and market commentaries as well as materials prepared by others. None of this information is personalized or in any way tailored to reflect your financial circumstances or investment objectives and the securities or investment strategies discussed might not be suitable for you. Therefore, you should not view the fact that Jefferies is making this information available to you to be a recommendation to you of any particular security or investment strategy. You agree that no such information will be the primary basis of any investment decision you make. While all information produced by Jefferies is based on sources believed to be reliable, Jefferies does not guarantee or warrant the accuracy, reliability or timeliness of such information. Moreover, all information and opinions are current only as of the time provided and are subject to change without prior notice.
15. **Security Interest and Lien.** You hereby assign and pledge to the Jefferies Entities all Collateral (as defined below), and you hereby grant to the Jefferies Entities a first priority security interest in and to, a lien on and a right of set off against, all Collateral, and all such Collateral shall be subject to a general lien and a continuing perfected first security interest for the benefit of all of the Jefferies Entities, in each case as security and margin for the discharge of all of your existing or future Obligations, Contracts and other liabilities to any of the Jefferies Entities (collectively, "**Secured Obligations**"), without regard to how such Obligation, Contract and other liability may have arisen, whether or not any of the Jefferies Entities have made advances with respect to such Collateral, and irrespective of the number of accounts you may have with any of the Jefferies Entities or which Jefferies Entity holds such Collateral.

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You agree to at all times maintain in and furnish to your Accounts Collateral in such form and amounts as may be required by Jefferies as appropriate in light of your outstanding Obligations and potential Obligations to the Jefferies Entities. Such Collateral requirements will be set from time to time by Jefferies in its sole discretion and under Applicable Law. You and the Jefferies Entities agree that all Collateral held in or credited to any securities account at a securities intermediary will be treated as "financial assets" for purposes of Article 8 of the Uniform Commercial Code as in effect in the State of New York (the "UCC") and that any account maintained by you with any Jefferies Entity will be a "securities account" within the meaning of Article 8 of the UCC. The security interest granted by you hereunder is granted as security only and shall not subject the Jefferies Entities to, or transfer or in any way affect, any of your obligations or liabilities with respect to any of the Collateral or any transaction in connection therewith.

a. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

"**Collateral**" means (i) all accounts with the Jefferies Entities in which you have an interest (including all Accounts), (ii) all cash, securities of every kind and nature, commodities, instruments, financial assets, investment property, general intangibles, and other property (including any Security and Other Assets), whether fully paid or otherwise, which may from time to time be credited to, held in or carried by or through any such account, that is due to you, or that is delivered to or in the possession or control of any of the Jefferies Entities or any of their agents, and all security entitlements with respect to the foregoing, (iii) all of your right, title and interest in, to or under any Contract with, or obligation of, any Jefferies Entity, and (iv) all income and profits on any of the foregoing, all dividends, interest and other payments and distributions with respect to any of the foregoing, all other rights and privileges appurtenant to any of the foregoing, including any voting rights and any redemption rights, and any substitutions for any of the foregoing and all proceeds of any of the foregoing, in each case whether now existing or hereafter arising (together with the accounts in which such property and financial assets are held).

"**Contracts**" mean this Agreement and any other contract or agreement between you and any of the Jefferies Entities, including any securities purchase or sale agreement or transaction (including unsettled transactions), securities lending or borrowing agreement or transaction, commodity and currency contract, option contract on a security or commodity, credit default swap, forward contract, repurchase or reverse repurchase agreement or transaction, buy-sell agreement, loan sale or purchase agreement or loan participation, any agreement for prime brokerage or settlement of securities transactions, any agreement for margin lending, swap agreement or any other agreement relating to any extension of credit, any purchase or sale of securities or commodities, or any derivative or financial transaction, and any guarantees and credit support document related to any of the foregoing, in each case without regard to the form of such agreement, which may include oral agreements or agreements confirmed or signed by only one party to the agreement and agreements entered into or signed by the Jefferies Entities on your behalf.

"**Obligations**" means any and all obligations and liabilities you may have to any Jefferies Entity arising at any time, whether or not mature or contingent, related to the purchase, sale or loan of securities or other property, or under or in connection with this Agreement or any other Contract, including any payment, repayment or delivery obligation, any obligation relating to any extension of credit or to pay damages (including costs of cover) and legal and other expenses incurred in the enforcement of any Contract, in each case whether now existing or hereafter arising.

- b. **Covenants in respect of Collateral.** You agree that all Collateral delivered to any of the Jefferies Entities shall be free and clear of all prior liens, claims and encumbrances (other than liens solely in favor of the Jefferies Entities), and you will not cause or allow any of the Collateral, whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than security interests solely in the Jefferies Entities' favor. You will execute such documents and take such other action as the Jefferies Entities shall reasonably request in order to perfect the Jefferies Entities' rights with respect to any such Collateral. You will pay the fees for any filing, registration, recording or perfection of any security interest contemplated by this Agreement and pay, or cause to be paid, from your Accounts at the Jefferies Entities any and all taxes and levies imposed on the Collateral by any authority. In addition, you appoint the Jefferies Entities as your attorney-in-fact to act on your behalf to sign, seal, execute and deliver all documents, and do all such acts as may be required, to perfect the security interests created hereunder in, or realize upon all rights in the Collateral.
- c. **Rights of Jefferies Entities.** You hereby expressly grant the Jefferies Entities the right, within the limits of Applicable Law without notice to you, (x) to hold and re-register the Collateral in their own name or in another name, and to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer or use any amount of the Collateral, separately or together with other amounts of the Collateral, with all attendant rights of ownership (including the right to vote the securities), for the sum due to any of the Jefferies Entities, or for a greater sum and for a period of time longer than the Obligations or Contracts with respect to which such Collateral was pledged, and without retaining in their possession and control a like amount of similar Collateral and (y) to use or invest cash Collateral at their own risk. For the purposes of the return of any Collateral to Customer, the Jefferies Entities' return obligations shall be satisfied by delivering securities of the same issuer, class and quantity as the Collateral initially transferred. For the avoidance of doubt, you hereby grant the Jefferies Entities your consent to hypothecate your securities for the purposes of Rule 15c2-1 (a)(1) of the Exchange Act. Beyond the exercise of reasonable care in the custody and preservation thereof, the Jefferies Entities will have no duty as to any Collateral in its possession or control or in the possession or control of any sub-agent or bailee (including, without limitation, any securities intermediary) or any income therefrom or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Jefferies Entities will be deemed to have exercised reasonable care in the custody and preservation of the Collateral in their possession or control if such Collateral is accorded treatment substantially equal to that which they accord their own property.
- d. **Collateral for all your Obligations.** You and the Jefferies Entities hereby acknowledge and agree that each Jefferies Entity that holds Collateral does so both for itself and also as agent and bailee for all other Jefferies Entities that are secured parties under any Contract. Notwithstanding any provision to the contrary in any Contract, all Collateral pledged by you to a Jefferies Entity, whether under this Agreement or another Contract, shall constitute Collateral pledged by you to all Jefferies Entities under and in connection with this Agreement and all other Contracts to secure your obligations to the Jefferies Entities under this Agreement

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and all such other Contracts, and each such other Contract shall be deemed amended accordingly. All Collateral pledged by you in connection with a particular Contract shall secure first the Obligations you have to the Jefferies Entities under that Contract and second the Obligations you have to the Jefferies Entities under all other Contracts. You agree that the Jefferies Entities may at any time in their discretion and without prior notice to you, use, credit, apply or transfer Collateral (i) within such Jefferies Entities and/or (ii) to any Account at any other Jefferies Entity in which you have an interest or to any other Jefferies Entity with which you have a Contract or to which you owe an Obligation (including under a Master Repurchase Agreement, in which event such transferred Collateral shall become Additional Purchased Securities or Margin Securities, as the case may be, as defined in the applicable Master Repurchase Agreement). Notwithstanding the foregoing, nothing in this Agreement providing for a security interest in any Collateral pledged under this Agreement or any other Contract shall affect any calculation of margin or right of any Jefferies Entity to require additional margin or other Collateral to secure any other Contract or Obligation. Each Jefferies Entity hereby agrees to comply with the entitlement orders and other instructions with respect to any Collateral held in or credited to any Account maintained by such Jefferies Entity, or otherwise held by such Jefferies Entity, which entitlement order or instruction is originated by any Jefferies Entity that is a secured party under any Contract, in each case without your further consent, and you hereby consent to such agreement. In addition, you hereby consent to any agreement pursuant to which a Jefferies Entity agrees to comply with entitlement orders originated by any other Jefferies Entity that is a secured party under any Contract with respect to Collateral held in or credited to any Account maintained by such Jefferies Entity, or otherwise held by such Jefferies Entity, including the entering into of control or similar agreements. You agree that each Jefferies Entity has the right to not comply with any entitlement order or other instruction originated by you or a third party that would require a Jefferies Entity to make a delivery of Collateral to you or any other person to the extent that delivery of such Collateral would result in your Obligations exceeding the amount of remaining Collateral. You agree that the actions of a Jefferies Entity in not complying with your instructions as permitted hereunder satisfy any duties that it may have to you as a securities intermediary.

- e. **Remedies.** In the event of your breach or default under this Agreement or any other Contract or Obligation, each and every Jefferies Entity may, without notice and notwithstanding any notice, termination or cure provisions of any applicable Contract or Obligation, (i) determine you to be in default (however defined) under all or any Contract or Obligation you may have to any Jefferies Entity, (ii) in whole or in part accelerate, cancel, terminate, liquidate or otherwise close out this Agreement or any other Contract or Obligation you may have to any Jefferies Entity, (iii) retain any Collateral, set-off, net and/or recoup any Jefferies Entity's obligations to you against all your Obligations to any Jefferies Entity (and you hereby expressly waive any requirement of mutuality to allow one Jefferies Entity to set off, net or recoup any Obligation owed by you to a Jefferies Entity against any obligation of a different Jefferies Entity to you, and you agree that the Jefferies Entities may reconcile any such set off, netting or recoupment as they determine), (iv) foreclose on, collect, sell or otherwise liquidate any or all Collateral such Jefferies Entity selects, in any order and at any time, and apply the proceeds thereof to satisfy any of your Obligations to it or any other Jefferies Entity, and (v) in addition to the rights and remedies provided in this Agreement, exercise any and all rights and remedies available to a secured creditor under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and any other Applicable Law or in equity to protect, preserve or enforce the Jefferies Entities' rights or to reduce any risk to the Jefferies Entities of loss or delay, including entering into hedging transactions for your account and risk. Without limiting the generality of the foregoing, in the event of such a breach or default, the Jefferies Entities may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, withdraw all cash held in your Account, and if there shall be no such cash, or if such cash shall be insufficient to pay all the Secured Obligations in full, sell, lease, license or otherwise dispose of all of the remaining Collateral, or such lesser portion thereof as may be necessary to generate proceeds sufficient to satisfy in full all of Secured Obligations, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, and at such price or prices as the Jefferies Entities may deem satisfactory. In enforcing their security interest, the Jefferies Entities shall have the discretion to determine which items of Collateral are to be sold and the order in which they are to be sold. You agree to execute and deliver such documents and take such other action as the Jefferies Entities deem necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Jefferies Entities shall have the right to deliver, assign and transfer to the buyer thereof the Collateral so sold. Each buyer at any such sale shall hold the Collateral so sold absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of yours that may be waived or any other right or claim of yours, and you, to the extent permitted by law, hereby specifically waive all rights of redemption, stay or appraisal that you have or may have under any law now existing or hereafter adopted. The notice (if any) of such sale required by Section 9-611 of the UCC shall (1) in case of a public sale, state the time and place fixed for such sale, (2) in case of sale at a broker's board or on a securities exchange, state the board or exchange at which such sale is to be made and the day on which the Collateral, or the portion thereof so being sold, will first be offered for sale at such board or exchange, and (3) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Jefferies Entities may fix in the notice of such sale.

At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Jefferies Entities may determine. The Jefferies Entities shall not be obligated to make any such sale pursuant to any such notice. The Jefferies Entities may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Jefferies Entities until the selling price is paid by the buyer thereof, but the Jefferies Entities shall not incur any liability in case of the failure of such buyer to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Jefferies Entities, instead of exercising the power of sale herein conferred upon them, may proceed by a suit or suits at law or in equity to foreclose the security interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

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- f. **Adequate Assurance.** If at any time the Jefferies Entities have reasonable grounds for insecurity with respect to your performance of this Agreement or any of your Contracts or Obligations, the Jefferies Entities may demand, and you shall give within twenty-four (24) hours or such reasonable shorter period of time as the Jefferies Entities specify, adequate assurance of due performance. The adequate assurance of performance may include, but shall not be limited to, the delivery by you to the Jefferies Entities of additional property as Collateral. Any failure by you to give such adequate assurance of due performance shall constitute an independent, material default under the terms of all Contracts between you and any of the Jefferies Entities or Obligations owing by you to any of the Jefferies Entities, and the Jefferies Entities may terminate, liquidate or accelerate any and all such Contracts and Obligations and exercise any right under or with respect to any security relating to any such Contracts and Obligations and any right to net, set off or recoup payments which may arise under any such Contracts and Obligations or under Applicable Law.
16. **Sell-Outs, Buy-Ins and Cancellation of Orders.** Jefferies is authorized in case of your dissolution or whenever, in its discretion, Jefferies deems it necessary or appropriate for its protection, without notice to you, and without regard to any tax or other consequences to you, to sell any and all Securities and Other Assets in your Accounts (either individually or jointly with others), to borrow or buy in any or all Securities and Other Assets which may be short in such Accounts and/or to cancel all outstanding transactions and to offset any indebtedness in your Accounts against any other account you may have (either individually or jointly with others). Any such sales or purchases may be made at Jefferies' sole discretion on any exchange or market where such business is usually transacted, or at public auction or private sale; and Jefferies may be the purchaser for its own account. Such sales or purchases may be public or private and may be made without notice or advertisement and in such manner as Jefferies may, in its discretion, determine. It shall be understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of Jefferies' right to sell or buy without demand or notice as provided herein. At any such sale or purchase, Jefferies may purchase or sell the property free of any right of redemption, and you agree to be liable for any deficiency in your Accounts. If the proceeds from such purchase or sale satisfy your indebtedness to Jefferies, any money or Securities and Other Assets in your Accounts in excess of your indebtedness to Jefferies will be held for your Accounts.
17. **Order Execution.** You agree that, subject to the terms of an order, the method of execution of that order is in the sole discretion of Jefferies. Jefferies may reject and pre-review your orders or take any other action (which may delay the execution of the order) for any reason, including market conditions, system outages, capacity limitations, pending proprietary or customer orders in the same security, regulatory restrictions and restrictions imposed by Jefferies with respect to transactions in the particular security. You authorize Jefferies to submit your orders jointly with orders for other customers, and you acknowledge that the average price for executions resulting from bunched orders will be assigned to your Accounts. At your request, Jefferies will make available the underlying records reflecting the actual transaction prices.
18. **Jefferies as Agent.** You understand that Jefferies is acting as your agent, unless Jefferies notifies you, in writing, before the settlement date for the transaction that Jefferies is acting as a dealer for its own account or as agent for another party. Jefferies is not acting as a financial adviser or fiduciary with respect to your Accounts or any related transactions.
19. **Jefferies' Positions in Securities and Other Assets.** Jefferies may, for its own account, have long or short positions in, and actively buy or sell, the Securities and Other Assets purchased or sold for your Account or derivatives of these products.
20. **Mutual Funds.** Jefferies may establish and charge in its sole discretion at any time the different minimum investment or other requirements that will apply to the availability of mutual fund share classes. Different funds with similar investment policies, and different share classes within those funds, will have different expense levels that reduce returns of shareholders. Generally, a fund or share class with a lower minimum investment requirement has higher expenses and therefore a lower return than a fund or share class with a higher minimum investment requirement. Information about the funds and share classes that are available, including their investment policies, restrictions, charges and expenses, is contained in the funds' prospectuses that separately will be delivered to you. You should read these prospectuses carefully. Jefferies reserves the right in its discretion to vary investment minimums for an account based upon a variety of factors, including the overall relationship with Jefferies, type of account, legal or regulatory restrictions, or any other factors relevant to the relationship. In addition, Jefferies reserves the right, in its sole discretion, to set an earlier cutoff time for the receipt of customer orders than appears in the funds' prospectuses. You do not and will not engage in any market timing trading activity or use the proceeds of any financing in furtherance of any market timing trading activity. You agree, at all times, to comply with Rule 22c-1 of the Investment Company Act of 1940.
21. **Free Credit Balances.** Jefferies may, in its discretion, pay you interest on any free credit balances in your Accounts in accordance with its Credit Interest Policy, which is included in this Agreement in **Exhibit A**. Alternatively, if a cash sweep feature applies to your Accounts, Jefferies may, if it so chooses, sweep any free credit balances into one or more money market funds or other sweep vehicles that it may now or in the future make available to you and sweep assets out of these money market funds or other sweep vehicles as needed to satisfy any obligations to Jefferies or with respect to the Accounts. If the cash sweep feature applies to your Accounts, you authorize Jefferies to select the money market fund or other sweep vehicle in which your Accounts are eligible to have free credit balances over certain minimum amounts automatically invested. The timing and amounts to be swept will be set according to the terms of the cash sweep feature, as Jefferies will advise you at the time at which it is made available to you. Credit balances that are needed to satisfy a settling transaction or that serve as collateral for a short sale are not free and are not available for the cash sweep feature. All sweep transactions (including purchases, redemptions, dividends and dividend reinvestments) will appear on your periodic Account statements. These Account statements indicating sweep transactions are provided in lieu of separate confirmations.

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Minimum investment requirements may exist for the various sweep vehicles and money market funds and also for the various classes within a money market fund. The particular sweep vehicle, money market fund or class within a money market fund into which we sweep your balances may vary, based on factors established by us. Generally, a money market fund or a class within a money market fund with a lower minimum investment requirement has higher expenses and therefore a lower return than a fund or class with a higher minimum investment requirement. You agree that if the available cash in your Accounts change, Jefferies may sweep the cash into a different sweep vehicle, different money market fund or into a different class of the same money market fund. The restrictions, charges, and expenses that investments in money market funds are subject to will be described in a prospectus delivered to you, which you should read carefully. To the extent Jefferies may offer no-load mutual funds from prominent fund families to you, you should be aware that you may buy shares directly from the fund itself or its principal underwriter or distributor without paying transaction fees. In addition, Jefferies may receive investment advisory, administrative, distribution or "12b-1" fee or shareholder servicing fees from the funds into which it sweeps free credit balances in your Account.

22. **Jefferies as Custodian.** You authorize Jefferies to serve as custodian for the Securities and Other Assets in your Accounts and to register any Securities and Other Assets in your Accounts in the name of Jefferies or any nominee, including sub-custodians, or to cause the Securities and Other Assets to be registered in the name of, or in the name of any nominee of, a recognized depository clearing organization.
23. **Impartial Lottery Allocation.** You agree that, if Jefferies holds on your behalf bonds or preferred stocks in bearer form or in street name which are callable in part, you will participate in the impartial lottery allocation system of the called securities, in accordance with Jefferies' procedures and the rules of the FINRA. You understand and agree that in such situations, the probability of your securities being selected is proportional to the holdings of the securities of all other Jefferies' customers; to the extent such securities are held in bulk by Jefferies. You further understand that Jefferies will withdraw such securities from any depository prior to the first date on which they become callable unless the depository has adopted an impartial lottery system that is applicable to all participants. Further, you understand that, when the call is favorable, no allocation will be made to any Accounts in which Jefferies, its officers, directors or employees have a financial interest until all other customers are satisfied on an impartial lottery basis.
24. **Deposits on Cash Transactions.** If at any time Jefferies considers it necessary or appropriate for its protection, it may, in its discretion, require you to deposit cash or collateral in your Accounts to assure due performance by you of your open contractual commitments.
25. **Debit Balances.** Jefferies may charge you interest on debit balances in your Accounts in accordance with Jefferies' established rules and policies, as disclosed to you. In this Agreement, "Debit Balances" means Account balances representing money owed to Jefferies. You agree to satisfy, promptly upon demand, any indebtedness, to pay any Debit Balance in your Accounts, and to satisfy all other outstanding obligations relating to your Accounts.
26. **Fees and Charges.** You understand that Jefferies may charge commissions, markups and other fees for execution of transactions, fails, buy-ins, conversion costs, the maintenance of positions, custody and other related services, and you hereby agree to pay such charges and fees to Jefferies at Jefferies' then prevailing rates. You also understand that such charges and fee rates may be changed from time to time without notice to you, and you agree to be bound thereby. You agree to pay a late charge, to the extent permitted by Applicable Law, if you purchase securities in your cash Account and fail to pay for such securities by the settlement date. Any late charge that Jefferies may impose will be at the maximum rate of interest set forth in the Truth in Lending Statement, and may be charged from the settlement date to the date of payment. Jefferies is authorized to pay any such fees and charges from your Accounts.
27. **"Long" and "Short" Sales; Authorization to Purchase or Borrow Securities.** You agree that, in giving orders to sell, all orders to sell securities that are not owned by or not intended to be delivered by you will be designated as "short." All sell orders for securities owned by you will be designated as "long" at that time by you. By placing the order, you affirm that you will deliver the securities on or before the settlement date. You also agree that Jefferies may, in its discretion, immediately cover any short sales in your Accounts by buying the subject securities. Short sales may only be affected in a margin account. The designation of a sale order as "long" shall constitute, among other things, a representation on your part that you own the security, and if the security is not in Jefferies' possession at the time of the contract for sale, you agree to deliver it to Jefferies by the settlement date. If Jefferies affects a sale of any security at your direction and is unable to make delivery to the purchaser because of your failure to supply such security, then Jefferies is authorized to purchase or borrow any such security necessary to make delivery thereof. In that event, you will be responsible for any Losses which Jefferies may sustain thereby and any premiums which it may be required to pay, and for any Losses which Jefferies may sustain because of its inability to purchase or borrow the security sold.
28. **"Locates" of Borrowed Securities.** Before executing a short sale, a broker-dealer is generally required to make an "affirmative determination" as to whether the broker-dealer will receive delivery of the securities from the customer or that the securities can be borrowed by the settlement date. This process is commonly referred to as "obtaining a locate." If a sufficient quantity of securities is not available from the broker-dealer's inventory, the broker-dealer may, among other things, review a current "easy to borrow" list or contact third-party lenders to ascertain whether they have securities available for lending. If a sufficient quantity of securities appears borrowable, the broker-dealer may proceed to execute the short sale on behalf of its customer. A locate is simply an indication that, as of the time the locate is obtained, it appears that securities will be available for borrowing on the settlement date. A locate is not a guarantee that securities will actually be available for lending and delivery on the settlement date or that the lender will not thereafter require the return of the borrowed securities. If the securities are not available for borrowing for any reason by the settlement date, you as the seller will "fail to deliver" to the purchaser. A purchaser or securities lender may, in addition to other remedies and at any time after the giving of any required notice, buy-in the securities that were not timely delivered and you will be responsible for all Losses and costs of the buy-in.

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You are ultimately responsible for the delivery of securities on the settlement date and for the consequences of a failure to deliver and the timely return of securities borrowed on your behalf, including any Losses incurred by Jefferies relating to such short sales. Your reporting of a sell order as "short" shall constitute your representation that, if your order was executed by a broker-dealer other than Jefferies, such Executing Broker or another registered broker dealer has obtained a locate and you will identify to Jefferies the source of your locate. Jefferies may in its discretion require you to obtain all locates from Jefferies. Jefferies may also determine not to accept your representation of having obtained a locate as the grounds required for reliance by it under Applicable Law and may in its discretion borrow or buy, for your account and risk, the securities you have sold short.

29. **Mandatory Close-Out of Short Sales.** Applicable Law generally requires Jefferies to close-out a short sale of equity securities by buying the subject securities that were sold short at the commencement of trading on the business day after the normal settlement date if delivery of the securities did not occur on settlement date, and an exemption from the close-out requirement is not available. The close-out may be affected by Jefferies purchasing the securities for cash or guaranteed delivery of like kind and quantity. If an exemption from mandatory close out requirements contained in Applicable Law is available to you, you must affirmatively represent and provide supporting documentation to Jefferies at the time of placing the order in order to preclude the possible application of the mandatory close-out requirement. Jefferies may be required to effect a close-out mandated by Applicable Law whether or not a "locate" was obtained and whether or not a buy-in notice was issued.
30. **Short Positions Marked to Market.** Short positions will be "marked to the market". If the aggregate value of all securities sold by you appreciates, an amount equal to such appreciation will be transferred from your general margin account to your short account resulting in a debit entry in the general margin account. If the aggregate value of all the securities sold short depreciates, an amount equal to such decline will be transferred from your short account to your general margin account resulting in a credit entry in the general margin account. The closing price from the previous business day is used to determine any appreciation or depreciation in the market value of any security sold short.
31. **Options Transactions.** In the event you purchase or write (i.e., sell) listed options, you hereby agree and acknowledge the following: (a) all options transactions shall be subject to the constitution, rules, regulations, customs and usages of the Options Clearing Corporation and any exchange or other market place where executed, (b) you will not, acting alone or in concert with others, violate the position or exercise limits of the exchanges, which limits may change from time to time, (c) you have read and understood the Options Risk Disclosure Document and Special Statement or Uncovered Writing and have determined that options trading is not unsuitable for you, and (d) you have read and understood the section of the Options Risk Disclosure Document entitled "Exercise and Assignment" and you understand that (i) if you fail to give instructions to the contrary by the expiration date, any option which you may hold which is in the money by one quarter of a point or more at expiration will be exercised automatically by the Options Clearing Corporation, (ii) Jefferies will have no responsibility to advise you when an option in your Account is nearing expiration and shall bear no responsibility for any Losses incurred by you arising out of the fact that an option in your account was not exercised unless you have instructed Jefferies to exercise such option by the time established by Jefferies, and (iii) exercise assignment notices for option contracts are allocated among customer short positions pursuant to a procedure that randomly selects from among all customer short positions, including positions established on the day of assignment, those contracts that are liable for assignment at any time. A more detailed description of such random allocation procedures is available under request.
32. **Receipt of Truth in Lending Statement.** You hereby agree to pay interest, to the extent not prohibited by the laws of the State of New York, upon all amounts advanced and other balances due in your Accounts in accordance with Jefferies' Truth in Lending Statement pursuant to SEC Rule 10b-16 (the "Truth in Lending Statement"), enclosed in **Exhibit A** and incorporated herein by reference. You hereby acknowledge receipt of the Truth in Lending Statement and that, having read the same, you understand and agree that interest will be charged on any debit balances in accordance with the methods described in the Truth in Lending Statement or in any amendment or revision thereto which may be provided to you.
33. **Interest Charges in Margin Account.** You agree to pay on demand any debit balance owing with respect to your Account and that you shall be liable for any deficiency remaining in such Account in the event of a liquidation thereof. Failure to make such payment shall constitute a breach of this Agreement, and Jefferies may take such action as it considers necessary or appropriate for its protection in accordance with this Agreement. You agree that Jefferies is not obligated to request additional collateral in the event your Accounts fall below such margin maintenance requirements and there may be circumstances where Jefferies will liquidate Securities and Other Assets in the Accounts (including Securities and Other Assets in a cash account or other non-margin account) without notice to you to ensure that margin requirements are satisfied. You agree to pay interest charges on debits in your Accounts in accordance with Jefferies' prevailing rates and policies. (Please consult the Truth in Lending Statement for an outline of Jefferies' margin policies as currently in effect.) You agree that under certain circumstances Jefferies may charge interest to you at different rates, including higher rates than are listed in the Truth in Lending Statement; such rates will be disclosed separately to you by Jefferies.
34. **Consent to Loan or Pledge of Securities.** You hereby authorize Jefferies to borrow and/or lend either to itself or others any Securities and Other Assets held by Jefferies in your Accounts, together with all attendant rights of ownership (including the right to vote the securities) and to use all such Securities and Other Assets in its general loans, and such Securities and Other Assets may be pledged, repledged, loaned, hypothecated or rehypothecated either separately or in common with other such Securities and Other Assets for any amounts due to Jefferies thereon or for a greater sum, and Jefferies shall have no obligation to retain a like amount of similar Securities and Other Assets in its possession and control. You understand and agree that if securities in your Accounts are loaned to anyone other than Jefferies, you may lose your right to vote such securities.

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In the event that you no longer maintain a debit balance or any other indebtedness to Jefferies, it is understood that Jefferies will fully segregate all Securities and Other Assets in your Accounts in Jefferies' safekeeping or control (directly or through a clearinghouse) and deliver them to you upon request.

35. **Eligible Securities.** Jefferies may from time to time declare certain Securities and Other Assets to be ineligible for margin credit. Jefferies reserves the right, at its sole discretion, not to extend margin on any Securities and Other Assets for any reason, or to change margin requirements at any time without notice to you.
36. **Restricted Securities as Collateral.** You agree that all Securities and Other Assets you deposit in your Accounts as collateral for any loan that you may obtain from Jefferies will be in Good Deliverable Form. If you deposit Restricted Securities in violation of this Agreement and you do not, upon demand, promptly replace such Restricted Securities with Securities and Other Assets that are satisfactory to Jefferies, or pay in full the margin loan secured by such Restricted Securities, you agree that you will be in default under this Agreement and Jefferies may, without prejudice to its other rights and remedies at law and in equity, take any and/or all of the following actions:
- Liquidate Collateral.** Liquidate any Securities and Other Assets or, to the extent permitted by Applicable Law, any Restricted Securities held in your margin account, or any other Account with Jefferies in which you have an interest, to satisfy the debit balance secured by the Restricted Securities;
 - Set Off.** Set off against the debit balance secured by such margin loan any amounts held in any other Accounts you maintain with Jefferies;
 - Default Rate of Interest.** Until such time as the default is cured and in substitution for any other rate of interest specified in this Agreement, charge interest at prevailing debit rate per annum that is agreed upon as to each Account on the debit balance of all Accounts which you maintain with Jefferies and debit such Accounts from time to time for such interest (provided, however, that you acknowledge that in no event does Jefferies intend to charge a rate of interest in excess of the maximum rate permitted under Applicable Law and, in the event such rate of interest is in excess of the permitted rate, Jefferies agrees that any excess interest so charged shall at Jefferies' option be returned to you or applied to your Accounts);
 - Demand Immediate Payment.** Demand immediate payment in full of the margin loan secured by such Restricted Securities; or
 - Other Remedies.** Assert any other remedies available to Jefferies under Applicable Law to collect all amounts that you owe to Jefferies.
37. **Municipal Securities.** You should consult with your tax adviser prior to depositing municipal securities to satisfy margin requirements, as there may be tax consequences associated with doing so.
38. **Tax Consequences and Related Indemnification.**
- Tax-Exempt Entities May be Subject to Unrelated Business Income Tax.** Charitable remainder trusts, foundations, pension plans and other tax-exempt entities may be deemed to receive unrelated business taxable income ("UBTI") as a result of borrowing monies under a margin loan, investing in a partnership or limited liability company that generates UBTI or other leverage or loan arrangements. If you are a tax-exempt entity, you agree to consult with your tax adviser before making an investment or entering into such arrangement.
 - Non-U.S. Tax Obligations.** If you are not a United States-based entity or are otherwise subject to the jurisdiction of a tax authority other than the Internal Revenue Service, you may be subject to laws, rules, regulations, withholding requirements, tax payments and other obligations related to your Accounts, the transactions therein, and the amounts you pay to Jefferies for the services provided hereunder ("Foreign Tax Rules"). You agree that, notwithstanding the letter of those Foreign Tax Rules, you shall be liable and responsible for compliance therewith, and shall indemnify and hold harmless Jefferies from and against any tax obligations or penalties incurred by you or Jefferies in connection therewith.
39. **Tax Treatment of Payments In Lieu of Dividends.** The Internal Revenue Code generally provides that, subject to certain requirements, dividends paid to a U.S. individual shareholder from domestic corporations and certain foreign corporations are subject to tax at the reduced rates applicable to long-term capital gains. These dividend payments are considered qualified dividends subject to certain holding period requirements. Jefferies has the right to rehypothecate the shares in your Account. Consequently as a result of the rehypothecation the IRS requires that some or all of the dividend payments you may receive are considered substitute payments in lieu of dividends. Any substitute payments in lieu of dividends will appear on Form 1099-MISC Box 8 of your Consolidated 1099 Form instead of Form 1099-DIV Box 1b "Qualified Dividends". Accordingly, you understand that your account may receive substitute payments in lieu of dividends rather than qualified dividends, which are taxed at ordinary income tax rates, and Jefferies, shall not be responsible to you for any additional taxes or other costs you incur for receipt of substitute payments in lieu of dividends. You should consult with your tax adviser if you have any questions relating to substitute payments in lieu of dividends.
40. **Non-Individual Certification.** You hereby certify and represent to Jefferies that the use of a margin account and specifically the borrowing, lending and pledging of Securities and Other Assets as described herein is in accordance with and authorized by the provisions of the organizing documents or a separate resolution of the partnership, trust, company or other entity that owns the Accounts, as well as Applicable Law governing the type of entity that owns the Accounts.
41. **Transfer of Excess Funds; Exchange Rate Fluctuations.** You hereby authorize Jefferies to transfer excess funds from your commodity accounts to any of your other Accounts for any reason, such as to avoid a margin call, not in conflict with the Commodity Exchange Act. If any transactions are effected on an exchange in which a foreign currency is used, any profit or loss as a result of a fluctuation in the exchange rate will be for your Account.

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42. **Satisfaction of Indebtedness; Termination.** You may terminate this Agreement at any time by written notice to Jefferies at The Office of the General Counsel, 520 Madison Avenue, 13th Floor, New York, NY 10022. You agree to satisfy, on demand, any indebtedness, and to pay any debit balance remaining when one of your Accounts is closed, either partially or totally. No Account may be closed without Jefferies first receiving all Securities and Other Assets for which the Account is short and all funds to pay in full for all Securities and Other Assets in which the Account is long. Jefferies may at any time, with or without notice to you, terminate your Accounts or any of their features or change their nature, composition or availability. Termination of the Accounts or any feature will be effective immediately or at a later time if so specified by Jefferies, except that the relevant parts of this Agreement will remain in effect with respect to all transactions then outstanding.
43. **Costs of Collection.** In the event that Jefferies employs counsel or a collection agency to collect any debit balance which you owe, you agree to pay the reasonable costs of collection, including but not limited to attorneys' fees, court costs and expenses incurred by Jefferies in connection with its efforts to collect monies owed to it.
44. **Voting of Proxies for Securities in Your Account.** Jefferies may, in accordance with Applicable Law, vote proxies for securities we hold as your nominee where Jefferies has not received voting instructions from you on a timely basis. You agree that Jefferies will not be responsible or liable for failing or refraining to vote any proxies where Jefferies has not received proxies or related shareholder communications on a timely basis.
45. **Waiver, Assignment and Modification.** You agree that Jefferies may change the terms of this Agreement by giving you notice of the new terms. You agree that you and your Accounts will be bound by the changes through any subsequent use of your Accounts, or if you do not close your Accounts, within fifteen (15) calendar days of being notified of the changes. Except as specifically permitted in this Agreement, no provision of this Agreement will be deemed waived, altered, modified or amended unless agreed to in writing by Jefferies. Jefferies' failure to insist on strict compliance with this Agreement or any other course of conduct on our part will not be deemed a waiver of Jefferies' rights under this Agreement. You may not assign this Agreement to any third party without the written consent of Jefferies. Any assignment in violation of this Agreement shall be void. Jefferies may assign any of its rights and obligations in this Agreement to its affiliates and successors without giving you notice.
46. **New York Law to Govern.** This Agreement shall be deemed to have been made in the State of New York and shall be construed, and the rights and liabilities of the parties determined, in accordance with the laws of the State of New York without giving effect to the choice of law or conflict of laws provisions thereof.
47. **Restrictions on Trading.** You understand that Jefferies may, in its sole discretion, prohibit or restrict trading of Securities and Other Assets or substitution of Securities and Other Assets in your Accounts.
48. **Severability, Non-Waiver.** If any provision of this Agreement is held to be invalid, void or unenforceable by reason of any law, rule, administrative order or judicial decision, that determination shall not affect the validity of the remaining provisions of this Agreement.
49. **Entire Understanding.** This Agreement together with any other agreements you and we enter into, as amended or supplemented from time to time, relating to your Accounts or to particular products or services, any procedures established by Jefferies with respect to the use of your Accounts and terms contained on statements and confirmations sent to you by or on behalf of Jefferies contain the entire understanding between you and Jefferies concerning the subject matter of this Agreement. This Agreement is in addition to (and in no way limits or restricts) any of the provisions of or the rights which you or any of your affiliates may have under any other agreements between you or any of your affiliates and Jefferies.
50. **Shareholder Communications.** Under SEC Rule 14b-1(c), Jefferies is required to disclose to an issuer, upon request, the name, address and security positions of customers who are beneficial owners of that issuer's securities unless the customer specifically objects to such disclosure. Therefore, if you object to Jefferies' disclosing to an issuer, upon request, your name, address and security positions to those companies of which you are a beneficial owner please check the box below. If you do not object to Jefferies' disclosing to an issuer, upon request, your name, address and security positions to those companies of which you are a beneficial owner then you need not check the box below.
- YES. I DO OBJECT to the disclosure of such information.
51. **Bankruptcy or Attachment.** You agree to promptly notify Jefferies in writing in the event of your bankruptcy, insolvency, reorganization, dissolution, termination or similar condition. In the event that: (a) Jefferies is advised of your involuntary application for protection under the applicable bankruptcy laws or the appointment of a receiver for you or otherwise is informed of your insolvency, reorganization, dissolution or similar condition or (b) Jefferies is served with any lien, levy, garnishment or similar process with respect to you or your Account, then Jefferies may, but is not required to, immediately take any action which Jefferies in its sole discretion may believe necessary or appropriate for its own protection, including without limitation, selling out any positions in your Account to satisfy any obligations you have to Jefferies, without regard to any tax or other consequences of such action to you, with or without notice to you and without liability.
52. **LIMITED LIABILITY.** JEFFERIES SHALL NOT BE LIABLE IN CONNECTION WITH THE ENTERING, EXECUTION, CLEARING, HANDLING, SELLING OR PURCHASING OF SECURITIES AND OTHER ASSETS OR TAKING ANY OTHER ACTION FOR YOUR ACCOUNTS, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT ON ITS PART. JEFFERIES' LIABILITY IN ANY SUCH EVENT SHALL BE LIMITED TO ACTUAL DAMAGES PROVEN WITH REASONABLE CERTAINTY, RESULTING SOLELY AND DIRECTLY FROM SUCH GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THAT ARE PROVEN TO HAVE BEEN WITHIN THE CONTEMPLATION OF THE PARTIES.

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WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE JEFFERIES ENTITIES SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR OTHER LOSSES SUFFERED BY YOU OR ANY THIRD PARTY, WHETHER SUCH DAMAGES ARE SUFFERED AS A RESULT OF ENTERING INTO OR RELYING ON THIS AGREEMENT, OUR PROVIDING SERVICES TO YOU, OR OTHERWISE, EVEN IF ANY OF THE JEFFERIES ENTITIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES OR LOSSES WERE REASONABLY FORESEEABLE. YOU ACKNOWLEDGE THAT CERTAIN OF YOUR SECURITIES AND OTHER ASSETS MAY BE HELD OUTSIDE THE UNITED STATES BY UNAFFILIATED, FOREIGN, AGENT BANKS AND DEPOSITORIES. JEFFERIES WILL NOT BE LIABLE TO YOU FOR ANY LOSS, LIABILITY OR EXPENSE INCURRED BY YOU IN CONNECTION WITH THESE ARRANGEMENTS EXCEPT TO THE EXTENT THAT ANY SUCH LOSS, LIABILITY OR EXPENSE RESULTS FROM JEFFERIES' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

53. **Indemnity.** Jefferies shall not be liable for and, in addition to any other indemnification obligations you have under this Agreement, you agree to reimburse, indemnify and hold the Jefferies Entities and each of their respective directors, officers and employees and any person controlling or controlled by Jefferies harmless from any and all Losses arising out of or relating to your Accounts, Contracts or Obligations or in connection with the execution, purchase, sale, assignment, exercise, endorsement or handling of any Security and Other Asset thereunder or any transaction contemplated thereby, or in connection with Jefferies acting or declining to act as prime broker, including, without limitation, Losses that result from: (a) your or your agent's (in all cases in this Section 53, references to your agent includes without limitation your investment adviser) act or omission or alleged act or omission, including without limitation you or your agent's misrepresentation or alleged misrepresentation and you or your agent's failure to perform any duty, obligation, or responsibility with respect to the Account(s) as set forth in this Agreement or other breach hereof (b) Jefferies' following your or your agent's directions or failing to follow your or their unlawful or unreasonable directions, (c) the failure by any person not controlled by Jefferies to perform any obligations to you; and (d) any claim brought by a shareholder or other third party concerning its investment in or with you.
54. **Force Majeure.** Jefferies shall not be liable for losses caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes, failures of the mails or other communications systems, mechanical or electronic failure, failure of third parties to follow instructions, for other causes commonly known as "acts of God," or for any other cause not reasonably within Jefferies' control, whether or not such cause was reasonably foreseeable. Jefferies shall not be liable for losses caused by general market conditions that were not directly related to Jefferies' violation of this Agreement.
55. **Netting and Set Off Rights.** The Jefferies Entities shall have the right, at any time and from time to time, to set off and otherwise apply any and all of their Obligations owed to you against your Obligations to any of the Jefferies Entities and to foreclose on any Collateral for the purpose of satisfying your Obligations to any of the Jefferies Entities. You acknowledge that the fulfillment by the Jefferies Entities of their Obligations to you is contingent upon there being no breach, repudiation, misrepresentation or default (however characterized) by you which has occurred and is continuing under this Agreement or any Contract.
56. **Monitoring.** You acknowledge and agree that Jefferies may monitor and record telephone and any other communications between Jefferies and you that occur over any network, including telephone, cable and wireless networks and the Internet, and Jefferies may use the resulting information for internal purposes or as may be required by Applicable Law. Any such monitoring and recording will be carried out consistent with Jefferies' privacy policy.
57. **Headings.** The heading of each provision of this Agreement is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.
58. **Counterparts.** This Agreement may be executed in any number of counterparts by you, each of which will constitute an original, and all of which, when taken together, shall constitute one and the same instrument.
59. **SIPC.** Jefferies is a member of the Securities Investor Protection Corporation ("**SIPC**"). SIPC currently protects the securities and cash in your Account up to \$500,000, of which \$250,000 may be in cash. Jefferies has secured additional protection of up to \$24,500,000 per Account, with an aggregate limit of \$100,000,000 for all Accounts of Jefferies. Neither the SIPC nor the additional coverage protects against the market risks associated with investing. Jefferies reserves the right to modify or eliminate such additional coverage in its own discretion upon 30 days' notice prior to the discontinuation or reduction of any such coverage. You acknowledge that, for purposes of SIPC, money market balances are considered securities. Securities and other assets held in your Account (except brokered certificates of deposit) are not insured by the Federal Deposit Insurance Corporation ("**FDIC**") and are subject to investment risks, including possible loss of the principal amount invested. Positions that are held away are not in the custody or control of Jefferies, nor are they covered by SIPC or the additional protection secured by Jefferies. To obtain information on SIPC, including the SIPC Brochure, go to www.SIPC.org or contact SIPC directly at (202) 371-8300.
60. **Services Provided by Jefferies' Affiliates.** You agree that Jefferies may provide certain brokerage, advisory, execution, or other services to you with or through its affiliates. All rights and limitations on liability and obligations of Jefferies in this Agreement are for the benefit of Jefferies and each of its present and future affiliates, which, for those purposes, shall be third party beneficiaries of this Agreement.
61. **No Use of Jefferies Name.** You shall not use or publish any materials containing Jefferies' name, logo or trademark without the prior written consent of Jefferies.

62. Acknowledgments and Representations.

You acknowledge that this Agreement is subject to the requirements of Applicable Law and the Prime Broker Regulatory Guidelines, and that you have reviewed the minimum requirements applicable to you. You represent, warrant and covenant that:

- a. Execution of this Agreement, performance by Jefferies of the services contemplated in accordance with this Agreement, and your acceptance of those services will not violate Applicable Law or any other restrictions governing the conduct of your business;
- b. All property held by Jefferies for you shall be free from any lien, encumbrance or security interest other than the security interest and lien created hereby in favor of Jefferies; and
- c. You will take such steps as may be necessary from time to time to assure Jefferies that it has a first lien and security interest in property held on your behalf.
- d. You will have, maintain and review, no less than on an annual basis policies and procedures, including a compliance manual, necessary to comply with applicable law.
- e. You acknowledge and agree that the fees charged by Jefferies reflect the allocation of risks including, but not limited to, the limitation of liability contained herein. A modification of the allocation of risks set forth in this Agreement would affect the fees charged by Jefferies, and in consideration of such fees, you agree to such allocations of risks.
- f. The assets in the account(s) are not and will not be assets of (i) an "employee benefit plan" that is subject to the fiduciary responsibility provisions of the Employee Retirement Security Act of 1974, as amended ("ERISA"), (ii) a "plan" within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), (iii) a person or entity the underlying assets of which include plan assets by reason of Department of Labor Regulation Section 2510.3-101 or otherwise, or (iv) a "governmental plan" as defined in Section 3(32) of ERISA or a "church plan" as defined in Section 3(33) of ERISA that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

63. Notices.

Notices required under this Agreement shall be sent by certified mail return receipt requested with an additional copy sent by facsimile to you at the address set forth next to your signature, and to Jefferies as follows:

- | | |
|--|--|
| <ol style="list-style-type: none"> a. Prime Brokerage Services
Jefferies LLC
520 Madison Avenue
New York, NY 10022
Fax: 917-421-1931 b. Office of the General Counsel
Re: Prime Brokerage Services
Jefferies LLC
520 Madison Avenue, 16th Floor
New York, NY 10022
Fax: 646-786-5691 | <ol style="list-style-type: none"> c. Director of Compliance
Re: Prime Brokerage Services
Jefferies LLC
520 Madison Avenue, 16th Floor
New York, NY 10022
Fax: 917-421-1997 |
|--|--|

64. Arbitration.

This Agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement, the parties agree as follows:

- ⊗ 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.
- ⊗ Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- ⊗ The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- ⊗ The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least twenty (20) days prior to the first scheduled hearing date.
- ⊗ The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- ⊗ 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.
- ⊗ The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

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Subject to the preceding disclosures, you agree that any and all controversies which may arise between you and Jefferies concerning your Accounts, any transaction or the construction, performance or breach of this or any other agreement between you and Jefferies, whether entered into prior, on or subsequent to the date hereof, shall be determined by arbitration. Any arbitration under this Agreement shall be determined before FINRA Dispute Resolution, Inc. ("FINRA-DR") or an exchange of which Jefferies is a member in accordance with the rules of that particular regulatory agency then in effect. You may elect in the first instance whether arbitration shall be by FINRA-DR or a specific national securities exchange of which Jefferies is a member, but if you fail to make such election by registered letter or telegram to Jefferies at its main office within five days after you receive a written request from Jefferies that you make such election, then Jefferies shall make the election as to the arbitration forum which will have jurisdiction over the dispute. Judgment upon arbitration awards may be entered in any court, state or federal, having jurisdiction.

No person shall bring a putative or certified class action to arbitration, seek to enforce any pre-dispute 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; or (ii) the class is decertified; or (iii) you are 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.

BY SIGNING THIS AGREEMENT, YOU:

- agree with all terms and conditions stated in this Agreement; and
- acknowledge that you have received a copy of this Agreement, including the exhibits attached hereto.
- THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE IN PARAGRAPH 64 ABOVE.

Highland Capital Management, LP [Signature]
 Name of Customer By

Frank Waterhouse CEO 5/24/13
 Name Title Date

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Exhibit A

Jefferies LLC
 Prime Brokerage Services
 520 Madison Avenue
 New York, NY 10022
 T: 212.284.2000 – F: 917.421.1931

Credit Interest Policy

Interest Period. Interest in all months, except for December, is computed two days prior to the last business day of the current month through two days prior to the last business day of the following month and will be processed to your account one day prior to the last business day of each month. In December, interest will accrue through December 31st and will be posted on the last business day of the calendar year. Interest is computed for each period on the basis of a 360-day year.

Credit Balances. Interest is computed based on the net average daily free credit balance in your Account, beginning with the day the credit balance occurs. Funds must be received by 4:30pm Eastern Standard or Daylight Savings time and deposited into your account in order to be considered for same day interest computations.

Interest Rate on Credit Balances. The applicable interest rate is based on the average quoted Federal Funds Target Rate (FFTR) quoted by the Wall Street Journal and is available to you upon written request. The rate used is based on the average daily balance for the month; days of zero balance are not included in the monthly average. The negotiated credit rate between you and Jefferies Prime Brokerage Services will be the prevailing credit rate applied to your daily free credit balance. The interest rate will change without prior written notice as the quoted FFTR changes. The minimum daily balance necessary for your account to qualify under this policy is \$1,000, and you must intend to invest the funds within a reasonable period of time.

Truth –In-Lending Statement

Interest Period. Interest in all months, except for December, is computed two days prior to the last business day of the current month through two days prior to the last business day of the following month and will be processed to your account one day prior to the last business day of each month. In December, interest will accrue through December 31st and will be posted on the last business day of the calendar year. Interest is computed for each period on the basis of a 360-day year.

Debit Balances. Interest is computed based on the net average daily debit balance in your Margin Account each day during the period. Interest will be charged on any credit extended to or maintained for you for the purpose of purchasing, carrying or trading in securities or otherwise. Short sales accounts are excluded from the computation of such interest and instead are marked to the market (i.e., the balance in the short sale account is adjusted to equal the market value of the short securities); any excess of the funds or deficiency of funds created by such mark-to-market is credited or charged, respectively, to your Margin Account. Where applicable, credit balances are subtracted from debit balances in determining the daily debit balance, but only to the extent that such credit balances do not exceed such debit balances.

Interest Rate on Debit Balances. Interest will be charged on any credit extended for the purpose of purchasing, carrying, or trading in any security or other property. The annual rate of interest to be charged is based on the Federal Funds Target Rate (FFTR). The FFTR is the rate quoted by major money center commercial banks for money loaned to other banks, and will be reported to you upon your written request. The interest rate will change without prior notice as the quoted federal funds rate changes. Interest is computed for the actual number of days that a debit balance exists on the basis of a 360-day year. Your prevailing rate of interest will be the negotiated rate between you and Jefferies Prime Brokerage Services, and will appear on your monthly statements. Since the rate of interest charged is related to the FFTR, any changes in these rates will cause corresponding changes in the rate charged to your account and these changes will be made without prior notice to you. If for any other reasons Jefferies changes the rate of interest it charges, you will be given at least thirty days prior notice.

Debit balances in your account represent money lent to you by Jefferies and it is the amount lent to you by Jefferies upon which Jefferies charges you interest. Each additional purchase of securities on credit increases your debit balance, as do interest expenses and any other charges assessed against your account. Interest may be charged to your account at varying times during the month to reflect any changes in interest rates which have occurred during the month. Any interest charged on your debit balance which is unpaid at the close of an interest period will be added to the opening balance for the next interest period.

Interest Computation. To compute your interest for such period it will be necessary to use the prior month's and current month's statement, as follows: take the settlement date debit balance on the last business day of the prior month; each day add to it any debits appearing on your statement and subtract any credits to determine the day's debit balance. Total each day's debit balance and divide by the number of days a debit balance existed for that interest period. Apply the appropriate interest rate to the average debit balance for the interest period. Your monthly statements will show the opening and closing debit balances. The interest charged during the interest period is the averaged total of such daily computations. The daily debit balance of the account is the aggregate daily settlement date debit balance for all account types other than your Type 5-Short and Type 3-Income Accounts.

Marking to Market. The credit balance in the Type 5-Short Account will be decreased or increased in accordance with the corresponding market values of all settled short positions. Any associated corresponding debits or credits including settled Cash Account balances will be aggregated as one value and posted to the Type 2-Margin account. Credits in your Type 5-Short Account, other than Marking to Market, will not be utilized to offset your Type 2-Margin Account balance for interest computation.

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You have agreed in your Customer Agreement to maintain at all times margin for your accounts as required by Jefferies from time to time. Jefferies' general policy is to require the deposit in cash or collateral on initial transactions as prescribed under Regulation T of the Board of Governors of the Federal Reserve System. Jefferies will also require the deposit of cash or additional eligible collateral at such times as may be necessary to prevent the equity in your Account from dropping below levels determined by Jefferies, which may exceed those required by applicable regulations.

~~Free and available credit balances in accounts are netted against settlement date debit balances in the calculation of your net balance. These credit balances do not include proceeds of securities sold short or from the sales of securities owned but not in good deliverable form.~~

Jefferies may in any individual case make exceptions to its general policy by requiring more or less cash or collateral at such times as under the circumstances appear necessary or appropriate to Jefferies. Jefferies' determination of the eligibility of collateral and the valuation thereof shall be conclusive.

Upon request, your Account Executive can provide any additional information you may require.

CERTIFICATE OF SERVICE

I, William P. Bowden, hereby certify that, on November 12, 2019, I caused one copy of the foregoing to be served upon the parties below in the manner indicated.

VIA EMAIL AND HAND DELIVERY Pachulski Stang Ziehl & Jones LLP James E. O'Neill 919 N. Market Street, 17th Floor Wilmington, DE 19801	VIA EMAIL AND MAIL Pachulski Stang Ziehl & Jones LLP Jeffrey N. Pomerantz 10100 Santa Monica Blvd., 13th Floor Los Angeles, CA 90067
VIA EMAIL AND HAND DELIVERY Office of the United States Trustee Jane M. Leamy 844 King Street, Suite 2207 Lockbox 35 Wilmington, DE 19801	

/s/ William P. Bowden
William P. Bowden (#2553)