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Risk Disclosure Statement Regarding Portfolio Margining

A portfolio margin account involves characteristics and risk factors that may not be present in a standard margin account under Regulation T of the Board of Governors of the Federal Reserve System ("Reg. T"). You should thoroughly evaluate these factors in deciding whether to open a portfolio margin account at Jefferies LLC ("Jefferies") and you should clearly understand these risk factors before establishing any position in a portfolio margin account at Jefferies. We have prepared this disclosure statement to highlight some of the risks that commonly arise in connection with portfolio margining and urge you to study this disclosure statement carefully before opening a portfolio margin account or establishing any position in a portfolio margin account at Jefferies. Additional risks may arise in connection with specific positions depending on the terms of the position and your particular circumstances.

You should not construe this disclosure statement as legal, business, tax or accounting advice, and you should consult your attorney and financial, tax and accounting advisers as to legal, business, tax and accounting matters concerning portfolio margining.

Overview of Portfolio Margining

1. "Portfolio margining" is a margin methodology that sets margin requirements for an account based on the greatest projected net loss of all positions in a "security class" or "product group" as determined by a model using multiple pricing scenarios. Pricing scenarios for options are based on changes in inputs to a theoretical pricing model, including the underlying price and volatility.
2. The goal of portfolio margining is to set levels of margin that more precisely reflect actual net risk. The customer may benefit from portfolio margining in that margin requirements that are calculated based on net risk are generally lower than alternative "position" or "strategy" based methodologies for determining margin requirements. Lower margin requirements allow the customer more leverage in an account.

Customers Eligible for Portfolio Margining

3. To be eligible for portfolio margining at Jefferies, customers (other than broker-dealers or members of a national futures exchange) must be approved for writing uncovered options and meet certain minimum eligibility and approval requirements, including a minimum net equity requirement established by Jefferies in its sole discretion from time to time. Unlisted derivatives on margin equity securities or indices of equity securities are not eligible for portfolio margining at Jefferies as of the date of preparation of this disclosure statement. However, if unlisted derivatives on margin equity securities or eligible indices of equity securities become eligible for portfolio margining at Jefferies in the future and a customer (other than a broker-dealer or member of a national futures exchange) wishes to trade in these unlisted derivatives, the customer must have and maintain at all times account equity of not less than five million dollars (or such higher minimum net equity and/or other eligibility requirements established by Jefferies in its sole discretion from time to time), aggregated across all accounts under identical ownership at the carrying broker-dealer and/or its United States regulated affiliated broker-dealers or Futures Commission Merchants. This identical ownership requirement excludes accounts held by the same customer in different capacities (e.g., as a trustee and as an individual) and accounts where ownership is overlapping but not identical (e.g., individual accounts and joint accounts).

Positions Eligible for a Portfolio Margin

4. All "margin equity securities" (as defined in Section 220.2 of Reg. T), warrants on margin equity securities or on eligible indices of equity securities, equity-based or equity-index based listed options, and security futures products (as defined in Section 3(a)(56) of the Securities Exchange Act of 1934, as amended) are eligible to be margined in a portfolio margin account. Under applicable regulations, a customer that has an account with equity of at least five million dollars may also establish and maintain positions in unlisted derivatives (e.g., over-the-counter swaps, options) on a margin equity security or an eligible index of equity securities that can be priced by a theoretical pricing model approved by the Securities and Exchange Commission (the "SEC") in a portfolio margin account. However, security futures products and unlisted derivatives are not eligible for portfolio margining at Jefferies as of the date of preparation of this disclosure statement. If security futures products and/or unlisted derivatives on margin equity securities or eligible indices of equity securities become eligible for portfolio margining at Jefferies in the future and you meet the applicable minimum net equity and/or other eligibility requirements established by Jefferies in its sole discretion from time to time (which may be higher or more stringent than those imposed under the self-regulatory organization rules), you may establish and maintain positions in these products in your portfolio margin account at Jefferies.

Special Rules for Portfolio Margin Accounts

5. A portfolio margin account at Jefferies will be a separate account and not a sub-account of the customer's standard Reg. T margin account. Excess equity in the customer's standard Reg. T margin account may be available to satisfy any margin requirement in the portfolio margin account. However, to the extent such excess equity is used to satisfy any margin requirement in the portfolio margin account, such excess equity will no longer be available for additional transactions in the standard Reg. T margin account.
6. A portfolio margin account will be subject to a minimum margin requirement of $.375 for each listed option and, if applicable, each unlisted derivative and security futures product, in each case multiplied by the contract's or instrument's multiplier, carried long or short in the account. Other eligible products are not subject to a minimum margin requirement.

7. A margin deficiency in the portfolio margin account, regardless of whether due to new commitments or the effect of adverse market movements on existing positions, must be met no later than the end of the next business day (or such shorter time period as determined by Jefferies in its sole discretion from time to time). Failure to meet a portfolio margin deficiency by the end of the next business day (or such shorter time period as determined by Jefferies in its sole discretion from time to time) will result in a prohibition on entering any new orders, with the exception of new orders that reduce the margin requirement. Failure to meet a portfolio margin deficiency by the end of the next business day (or such shorter time period as determined by Jefferies in its sole discretion from time to time) will result in the immediate liquidation of positions in the Portfolio Margin Account, to the extent necessary to eliminate the margin deficiency.
8. Any shortfall in aggregate equity across accounts, when required, must be met no later than the end of the next business days (or such shorter time period as determined by Jefferies in its sole discretion from time to time). Failure to meet a minimum equity deficiency by the end of the next business day (or such shorter time period as determined by Jefferies in its sole discretion from time to time) will result in a prohibition on entering any new orders, with the exception of new orders that reduce the margin requirement, continuing until such time as the minimum equity requirement is satisfied, or if applicable, all unlisted derivatives are liquidated or transferred out of the portfolio margin account.

Special Risks of Portfolio Margin Accounts

9. Portfolio margining generally permits greater leverage in an account, and greater leverage creates greater losses in the event of adverse market movements.
10. Because the maximum time limit for meeting a margin deficiency in a portfolio margin account is shorter than that in a standard margin account, there is increased risk that positions in a customer's portfolio margin account will be liquidated involuntarily, possibly causing losses to the customer.
11. Because portfolio margin requirements are determined using sophisticated mathematical calculations and theoretical values that must be calculated from market data, it may be more difficult for customers to predict the size of future margin deficiencies in a portfolio margin account. This is particularly true in the case of customers who do not have access to specialized software necessary to make such calculations or who do not receive theoretical values calculated and distributed periodically by an approved vendor of theoretical values.
12. Trading of margin equity securities, warrants on margin equity securities or on eligible indices of equity securities, listed options, unlisted derivatives on margin equity securities or an eligible index of equity securities, and security futures products (if any) in a portfolio margin account is generally subject to all the risks of trading those same products in a standard securities margin account. Customers should be thoroughly familiar with the risk disclosure materials applicable to those products, including the booklets entitled "Characteristics and Risks of Standardized Options" and "Security Futures Risk Disclosure Statement". Because this disclosure statement does not disclose the risks and other significant aspects of trading in security futures and options, customers should review those materials carefully before trading these products in a portfolio margin account.
13. Customers should consult with their tax advisers to be certain that they are familiar with the tax treatment of transactions in margin equity securities, warrants on margin equity securities or on eligible indices of equity securities, listed options, unlisted derivatives on margin equity securities or an eligible index of equity securities, and security futures products (if any), including tax consequences of trading strategies involving both security futures and option contracts.
14. The descriptions in this disclosure statement relating to eligibility requirements for portfolio margin accounts, and minimum equity and margin requirements for those accounts, are minimums imposed under the self-regulatory organization rules. Time frames within which margin and equity deficiencies must be met are maximums imposed under the self-regulatory organization rules. Jefferies may in its sole discretion impose additional eligibility, minimum net equity and margin requirements for portfolio margin accounts from time to time, including time frames within which margin and equity deficiencies must be met, which may be more stringent than the requirements and maximums imposed under the self-regulatory organization rules.
15. Customers should bear in mind that the discrepancies in the cash flow characteristics of security futures and certain options are still present even when those products are carried together in a portfolio margin account. In addition, discrepancies in the cash flow characteristics of certain unlisted derivatives may also be present when those products are carried in a portfolio margin account. Both security futures and options contracts are generally marked to the market at least once each business day. Similarly, certain unlisted derivatives may also be marked to the market on a daily basis. However, there may be incongruity between the marking to the market of each eligible product in that marks may take place with different frequency and at different times within the day. For example, when a security futures contract is marked to the market, the gain or loss is immediately credited to or debited from, respectively, the customer's account in cash. While a change in the value of a long option contract may increase or decrease the equity in the account, the gain or loss is not realized until the option is liquidated, exercised, or assigned. Accordingly, a customer may be required to deposit cash in the account in order to meet a variation payment on a security futures contract even though the customer is in a hedged position and has experienced a corresponding (but yet unrealized) gain on an option. Alternatively, a customer who is in a hedged position and would otherwise be entitled to receive a variation payment on a security futures contract may find that the cash is required to be held in the account as margin collateral on an offsetting option position.

The general provisions governing portfolio margining (including definitions used in this document) are set forth in FINRA Rule 4210(g), which can be accessed on FINRA's website located at www.finra.org. Jefferies is a member of FINRA.

ACKNOWLEDGEMENT FOR CUSTOMERS UTILIZING A PORTFOLIO MARGIN ACCOUNT

BY SIGNING BELOW, I/WE AFFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE RISK DISCLOSURE STATEMENT REGARDING PORTFOLIO MARGINING.

Name of Customer	By	
Name	Title	Date