



MOORS & CABOT

WEALTH MANAGEMENT

The Single Stock Risk Management Group
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PROCEDURAL ROADMAP FOR STOCK HEDGING

1. Client, client's advisor and Moors & Cabot review client's stock position(s), including any existing hedging transactions, and discuss appropriate hedging strategies
2. Moors & Cabot solicits pricing bids from institutional counterparties on structure client feels is most appropriate
3. Client provides copies of any applicable Trust, Partnership, Corporate, Restricted Stock, current hedging transaction documents, etc. to Institutional Counterparty for review
4. Client completes initial documentation from Moors & Cabot and Institutional counterparty (including questionnaires, risk disclosures, Master and Pledge agreements, etc.)
5. Institutional counterparty "approves" client and opens account(s)
6. Client deposits stock with institutional counterparty. If stock is subject to a current hedging transaction at another counterparty, the transfer of stock and applicable cash must be coordinated with each counterparty. Clients may be required to complete additional documentation to initiate this transfer.
7. Recorded conference call between client, institutional Counterparty and Moors & Cabot to confirm terms of transaction
8. Counterparty executes transaction at client's request (market order, limit order etc.)
9. Counterparty sends trade confirmation to client for signature once trade is complete

Moors & Cabot, Incorporated – Member FINRA & SIPC

"Options are not suitable for all investors, and there are significant risks inherent in the use of options, even when options are used for hedging purposes. Moors & Cabot does not provide legal, tax or accounting advice and the information contained herein should not be construed as such. Investors should be aware of potential risks with their counterparty, including credit risk, possible restrictions on stock transfer, and foreign jurisdictional tax requirements. This is not intended to be a complete summary of the transactions discussed above."