

EXTENDED HOURS TRADING RISK DISCLOSURE

TO: OUR CUSTOMERS WHO TRADE SECURITIES
FROM: TRADE DESK
DATE: _____
RE: CONDITIONS OF VOLATILITY

As a prospective user of our Extended Hours trading capability, you need to be aware of what GLB Trading, Inc. regards as the risks of engaging in this activity so as to be on guard for situations that you might find unacceptable in view of your risk tolerance and investment objectives. Please be kind enough to read through the following Risk factors and sign and return this Risk Disclosure to your Registered Representative.

- Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not at all.
- Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading which is inferior to that you would obtain during regular market hours.
- Risk of Unlinked Markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system inferior to one you would obtain in another extended hours trading system.
- Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

GLB Trading, Inc. VOLATILITY DISCLOSURE STATEMENT

TO: OUR CUSTOMERS WHO TRADE SECURITIES
FROM: TRADE DESK
DATE: _____
RE: CONDITIONS OF VOLATILITY

GLB Trading, Inc. wishes to alert you to the existence or potential existence of conditions of extreme volatility in one or more securities traded by you. While we appreciate your business and understand that your strategies may include taking advantage of these volatile conditions, we want you to know that in trading these securities you are assuming the risk of illiquidity, and potential losses as a result of unanticipated market conditions, sudden price moves, influx of orders, trading halts, etc. In particular, please be advised as follows:

- a. High volumes of trading in a particular security or groups of securities at the opening or during the day may cause delays in execution or executions at prices significantly away from the market prices quoted.
- b. Normal automated execution processes are quite likely to be overridden during periods of high volatility, including manual executions and reductions of order size guarantees.
- c. Market orders must be executed promptly and therefore may be at prices and quantities that differ significantly from those expected or displayed.
- d. While limit orders must be executed at the required price and size, significant delays and even failures of execution may occur if limits are not reached.
- e. Computerized or other electronic direct access by you to an account or trading system is no guarantee that orders will be promptly processed or executed and you should be aware of the risk of substantial halts or delays and lack of access during periods of extreme volatility, including lack of telephone access.
- f. While the company believes that its systems [and those of its clearing organization] are adequate to service all customers promptly during periods of extreme volatility, there is no guarantee that these systems will not be overloaded on occasion and therefore be less effective than normal in providing required service.
- g. Initial Public Offering (IPO) securities are particularly likely to experience conditions of extreme volatility and investors in these issues should be particularly aware of the risks described above, including specifically the risk that the investor's order may be executed at a "top" from which the price thereafter experiences a precipitous decline. [GLB Trading, Inc. has a policy of requiring all purchases of certain IPO stocks to be made only through a Registered Representative.]
- h. You may experience that the company has raised maintenance margin requirements in your account to make sure that there is enough liquidity to absorb volatile price changes, or eliminating margin altogether for certain securities.
- i. The entering of duplicate "cancellation" or "replacement" orders by you in order to achieve better execution may lead to your being responsible for ALL orders entered.

IF YOU HAVE ANY QUESTIONS ABOUT THE FOREGOING, PLEASE CONTACT YOUR BROKER AND PLEASE TAKE STEPS TO PROTECT YOURSELF THROUGH THE USE OF "LIMIT ORDERS" OR OTHERWISE.

