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THE RISK OF LOSS IN ELECTRONIC DIRECT-ACCESS-TRADING CAN BE SUBSTANTIAL. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR CIRCUMSTANCES AND FINANCIAL RESOURCES. IN CONSIDERING WHETHER TO TRADE, YOU SHOULD BE AWARE OF THE FOLLOWING POINTS:

1. The national securities markets are extremely efficient and competitive. Successful Electronic Direct-Access Trading typically requires skill as well as experience and knowledge of the capital markets. There is no guarantee that a particular individual will be successful in implementing his or her investment strategy. A substantial number of Electronic Direct-Access-Traders will not be successful. Moreover, changes in market structure and competitive conditions may also affect your continued success. Only risk capital should be used for trading.
2. Direct-Access-Trading can be extremely risky. Direct-Access-Trading generally is not appropriate for someone of limited resources and limited investment trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses.
3. Be cautious of claims of large profits from direct-access-trading. You should be wary of advertisements or other statements that emphasize the potential for large profits in direct-access-trading. Direct-Access-Trading can also lead to large and immediate financial losses.
4. Direct-Access-Trading requires knowledge of securities markets. Direct-Access-Trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms; you should have appropriate experience before engaging in Direct-Access-Trading.
5. Direct-Access-Trading requires knowledge of a firm's operations. You should be familiar with a securities firm's business practices, including the operations of the firm's order execution systems and procedures. In addition, day trading requires knowledge of computers and various software packages that are used in placing trades.
6. Direct-Access-Trading may result in your paying large commissions. Direct-Access-Trading may require you to trade your account aggressively, and you may pay commissions on each trade. The total daily commissions that you pay on your trades may add to your losses or significantly reduce your earnings.
7. Persons who are new to Electronic Direct-Access-Trading should strictly limit both the number of trades they do and the size of their trades to reduce the risk of large dollar losses during the learning process.
8. Electronic Direct-Access-Trading is designed to generate short-term profits. However, the activity also may result in losses that can exceed more than 100% of the customer's initial capital. You are solely responsible for any losses in your account.
9. Placing contingent orders, such as "stop loss" or "stop limit" orders, will not necessarily limit your losses to the intended amounts, since market conditions on the NASDAQ or any Alternative Trading system on which the order is placed may make it impossible to execute such orders. Similarly, using "market orders" can be very risky, since large gaps can occur in price movements of active stocks. You are urged in most instances to use "limit orders."
10. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market suddenly drops, or if trading is halted due to recent news events of unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction.
11. In addition to normal market risks, a customer may experience losses due to system failures. The firm and its clearing broker rely on sophisticated computer software and hardware to execute transactions, which are subject to failure due to a variety of factors. In addition, NASDAQ and the Alternative Trading Systems have computer systems that often malfunction. Among other events, you may experience losses due to: system crashes during both peak and low volume periods; the loss of orders on both SOES and Select Net; and, delayed, conflicting and inaccurate confirmations on orders or cancellations that you initiate.
12. Direct-Access-Trading on margin or short selling may result in losses beyond your initial

- investment. When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities and/or other securities in your account. Short selling as a part of your day-trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position. The use of any margin or leverage in an account can work against you as well as for you. Leverage can lead to large losses as well as gains. You may sustain a total loss of the initial margin funds and any addition funds that you deposit with the Firm to establish or maintain a position, and you may incur losses beyond your initial investment. If the market moves against your position, you may be called upon to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.
13. You should consult your broker concerning the nature of the protections available to safeguard funds or property deposited in your account.

ALL OF THE POINTS NOTED ABOVE APPLY TO ELECTRONIC DIRECT-ACCESS-TRADING OF DOMESTIC EQUITY SECURITIES. IF YOU ARE CONTEMPLATING TRADING FUTURES OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE THAT THESE INSTRUMENTS POSSESS ADDITIONAL RISKS.

THE RISK OF ELECTRONIC DIRECT-ACCESS-TRADING MAY BE SUBSTANTIAL. THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF ELECTRONIC DAY TRADING. ONLY RISK CAPITAL SHOULD BE USED FOR SUCH TRADING.

Please click on the link below to go to the Account Forms Download page:

[I hereby acknowledge that I have received and understood this risk disclosure statement](#)