

## **Day Trading Risk Disclosure**

*Disclosure to be provided to any customer who is a natural person to whom the broker-dealer recommends any intra-day trading strategy. To be provided prior to effecting the first of such transactions for or on behalf of such customer for this purpose. The exact wording hereinafter stated will always be a part of any such disclosure. The term "intra-day trading strategy" means an overall trading strategy characterized by the regular transmission by a customer of multiple intra-day electronic orders to effect both purchase and sale transaction in the same security or securities. FINRA Rule 2361*

You should consider the following points before engaging in day trading activities. For purposes of this notice, "day trading" means the transmission by you of multiple intra-day electronic orders to effect both purchase and sale transactions in the same security or securities.

- **Day trading is extremely risky.** You should be prepared to lose all the funds that you use for day trading. 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 for current income to meet your living expenses.
- **Be cautious of claims of large profits from day trading.** You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.
- **Day trading requires knowledge of securities markets.** Day 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 day trading.
- **Day trading requires knowledge of a firm's operations.** You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. You should confirm that a firm has adequate systems capacity to permit customers to engage in day trading activities.

- **Day trading may result in your paying large commissions.** Day 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.
- **Day 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 or other securities in your account. Short selling as 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.