



*Referred By Robbins Securities, Inc.*

## Account Opening Instructions – Limited Partnership Account

Thank you for choosing BEST Direct Securities for your **Limited Partnership Account**. To ensure your account is opened promptly, we have provided instructions below. Please contact Customer Service at (800) 553-2575 with any questions you may have or to obtain additional account opening documents.

### 1. Complete Necessary Account Documentation

- New Account Application
- Partnership Account Form (signed by all Limited Partners)
- Copy of the Limited Partnership Agreement
- Trading Platform Selection Form
- Non-Resident Entities*
  - Copy of valid government-issued Passport and W-8 for all authorized persons
  - Name, address and phone numbers of beneficial owners of 10% or more

### 2. Verify Information

To ensure prompt account opening, please verify the information provided on the account documents is complete and accurate. Missing or incorrect information may result in processing delays. Please ensure a valid e-mail address has been noted on the application and all account owners have signed.

### 3. Mail Original Completed Account Documents

After your application is completed in its entirety, please mail all pages of the application, with original signature(s), to the following address:

BEST Direct Securities  
Attn: New Accounts  
One Peregrine Way  
Cedar Falls, IA 50613

### 4. Fund Your Account

You may fund your account by using a personal check or wire transfer. The name on the source of funds must match the name on the BEST Direct Securities account being opened. Please note third party funds, money orders, cashier's checks, starter checks and cash cannot be accepted.

**Payment by check:** Please make checks payable to Terra Nova Financial, LLC.

**Payment by wire:** For complete wire instructions, please visit [www.bestdirectsecurities.com/Open\\_An\\_Account/AccountFunding.aspx](http://www.bestdirectsecurities.com/Open_An_Account/AccountFunding.aspx) and select Equities/Options or Futures for detailed wire instructions.

**Transfer an existing account from another firm:** Please contact Customer Service at (800) 553-2575 to request an Account Transfer Form. This form may also be downloaded at the above link located under "Payment by wire".

Account applications are typically reviewed within one business day of receipt. You will be notified if additional information is required. Once the account is approved, you will be notified via the e-mail address provided on the account application. Once account funding has been completed, your trading platform login information will be e-mailed to you.

*Still have questions?*

**Please contact Customer Service at (800) 553-2575.**

**Thank you for choosing BEST Direct Securities!**



One Peregrine Way | Cedar Falls, IA 50613  
800-553-2575  
Member FINRA & SIPC

Rep Code: \_\_\_\_\_ Account #: \_\_\_\_\_

### New Account Application

#### Type of Registration:

**Account Registration: (Please circle one)**

Individual	Corporate	General Partnership	Traditional IRA	Rollover IRA
Joint (Includes JTWROS & JTEN)	Limited Liability Company	Limited Partnership	Roth IRA	Qualified Plan
Trust	Non-Corporate	Sole Proprietorship	SEP	Investment Club

**Account Type: (Please circle one)**

Cash	Margin	Margin & Options
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Account Title: \_\_\_\_\_

(If other than individual or joint, please complete with entity's name for Example John Doe Trust DTD 1/1/77 )

#### Account Holder Information:

Name:

Physical Address:

Date of Birth:

Social Security # or Tax ID:

Tax Residency Status: (Please circle one)

U.S. Citizen      Resident Alien      Non-Resident Alien

Citizenship:

Home Phone:

Work Phone:

Fax:

E-mail Address:

Marital Status:

Number of Dependents:

#### Secondary Account Holder Information:

Name:

Physical Address:

Date of Birth:

Social Security # or Tax ID:

Tax Residency Status: (Please circle one)

U.S. Citizen      Resident Alien      Non-Resident Alien

Citizenship:

Home Phone:

Work Phone:

Fax:

E-mail Address:

Marital Status:

Number of Dependents:

Mailing Address (if different from home address):

Mailing Address (if different from home address):

**Employment Information:**

Employment Status: (Please circle one)

Employed      Self-Employed      Unemployed      Retired

Name of Employer:

Employer's Address:

Occupation:

Nature of Business:

Title/Responsibilities:

**Employment Information:**

Employment Status: (Please circle one)

Employed      Self-Employed      Unemployed      Retired

Name of Employer:

Employer's Address:

Occupation:

Nature of Business:

Title/Responsibilities:

**Financial Information:**

Annual Income:

Liquid Net Worth:

i.e.: cash, cash equivalents, securities with a ready market, etc.

Total Net Worth:

Tax Status:

Source of Income & Assets: (Please check all that apply)

Salary/Employment Income

Inheritance or Gifts

Investments and Interest Income

Other (Please Specify):

**Financial Information:**

Annual Income:

Liquid Net Worth:

ie: cash, cash equivalents, securities with a ready market, etc.

Total Net Worth:

Tax Status:

Source of Income & Assets: (Please check all that apply)

Salary/Employment Income

Inheritance or Gifts

Investments and Interest Income

Other (Please Specify):

*For Corporations or Other Business Entities: Source of Assets: (Please check all that apply)*

Capital

Commercial Borrowing

Retained Earnings

Other (Please Specify):

**Credit References:**

Bank/Brokerage: \_\_\_\_\_

Branch Location: \_\_\_\_\_

Account #: \_\_\_\_\_

Broker name(s): \_\_\_\_\_

**Credit References:**

Bank/Brokerage: \_\_\_\_\_

Branch Location: \_\_\_\_\_

Account #: \_\_\_\_\_

Broker name(s): \_\_\_\_\_

**Affiliations & Associations:****Are you currently affiliated or employed by a member of a stock exchange or FINRA?**

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify company name: \_\_\_\_\_

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify company name: \_\_\_\_\_

**Do you have an affiliation with, or work for a securities firm, bank, trust, or insurance company?**

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify company name: \_\_\_\_\_

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify company name: \_\_\_\_\_

**Are you a director, 10% shareholder, or policy-making officer of a publicly owned company?**

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify company name: \_\_\_\_\_

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify company name: \_\_\_\_\_

**Are you a senior foreign government official, an immediate family member of such an official or a close associate of such an official?**

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify the official's name, relationship to you, and foreign government with which associated:  
\_\_\_\_\_

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If so specify the official's name, relationship to you, and foreign government with which associated:  
\_\_\_\_\_**Investment Profile:****Investment Objective:** (Please circle)

Capital Preservation

Income

Growth

Investment Hedge

Speculation

**Investment Experience:** (In years)

Other

Stocks: \_\_\_\_\_

Bonds: \_\_\_\_\_

Mutual Funds: \_\_\_\_\_

Commodities: \_\_\_\_\_

Options: \_\_\_\_\_

**For Option Accounts:****Types of Option Trades:** (Over the past year)

Cash \_\_\_\_\_

Margin \_\_\_\_\_

Both \_\_\_\_\_

Neither \_\_\_\_\_

**Option Trading Frequency:** (Over the past year)

Active \_\_\_\_\_

Moderate \_\_\_\_\_

Infrequent \_\_\_\_\_

No Trading \_\_\_\_\_

**Option Strategies Employed last year:** (Please circle all that apply)

No Activity	Writing Covered Calls	Buying Calls & Puts	Spreads & Combinations	Uncovered Equity Put Writing
	Uncovered Equity Call Writing		Uncovered Index Writing	

**Option Strategies You wish to employ:** (Please circle all that apply)

No Options Activity	<b>LEVEL 1-6</b>	1. Writing Covered Calls	2. Buying Calls & Puts	3. Spreads & Combinations
		4. Uncovered Equity Put Writing	5. Uncovered Equity Call Writing	6. Uncovered Index Writing

**Customer Acknowledgements:**

\_\_\_\_\_ **Initial** Customer represents and warrants that Customer is not a Foreign Shell Bank, as defined in the Section 313 of the USA Patriot Act or the rules promulgated thereunder, and is not being used by a foreign bank to indirectly provide banking services to another foreign bank that does not have a physical presence in any country.

**Disclosure of Name/Address on Securities You Own**

Under Rule 14b-1(c) of the Securities Exchange Act, we are required to disclose to an issuer the name, address, and securities position of our customers who are beneficial owners of that issuer’s securities unless the customer objects. Please check the box if you do not want your ownership disclosed.

\_\_\_\_\_ **I do object to the disclosure of such information.**

\_\_\_\_\_ **I do not object to the disclosure of such information.**

**Fee Acceptance**

\_\_\_\_\_ **I acknowledge that BEST Direct Securities, LLC or Clearing Agent, will deduct any applicable fees (such as my monthly software, exchange, educational and news service fees) electronically from my trading account.**

**Trade Confirmations and Statements Via Electronic Delivery**

**Informed Consent to Electronic Delivery of Account-Related Document Agreement:**

You understand that by checking the box below indicating consent to electronic delivery, you give your informed consent to the electronic delivery of: (1) the documents necessary to establish an account with BEST Direct Securities, LLC (“BEST Direct”) including but not limited to, the account agreement, disclosure of credit terms, privacy policy statements, disclosure documents, including the options disclosure document; and (2) other documents that report activity related to the accounts, including trade confirmations and monthly or quarterly account statements (“Account Documentation”). You understand that account opening documents will be provided to you electronically through the website of BEST Direct (www.bestdirectsecurities.com) during the online account opening process. You understand that when a new confirmation or account statement is posted, you will be notified by standard internet e-mail to your stated e-mail address of record indicating that the document is available online at a specific web page. E-mail notifications will not contain sensitive or confidential Customer information, including account numbers or the identity of the security purchased. You will have the opportunity to print/download hard copies of all Account Documentation, and you acknowledge that you have the ability to print/download hard copies for your records. You understand that your consent to electronic delivery is effective immediately and will remain in effect unless and until either BEST Direct, Inc or you affirmatively revoke it. You understand that you may revoke this consent only by providing notice to BEST Direct in writing to One Peregrine Way, Cedar Falls, IA 50613 and that your revocation of consent is effective solely upon receipt by BEST Direct. If you revoke your consent, you will receive future Account Documentation in paper form sent to the address indicated for your account. You understand that you will not be charged any additional cost for the electronic delivery of these documents by BEST Direct, but that you may incur potential associated costs from Internet access providers and telephone companies. Electronic Account Documentation will be posted on servers accessible from TNF’s web site. Other than access to the Internet via BEST Direct web site, you understand that there are no additional hardware or software requirements needed to access the Account Documentation that are the subject of this consent. You acknowledge that you have the systems requirements necessary to download PDF documents and that the software provided by BEST Direct, if any, is sufficient to permit you to print/download PDF versions of Account Documentation. You understand that BEST Direct will notify you in advance of any changes in the hardware and software requirements needed to access Account Documentation covered by this consent. You represent that you have carefully read and fully understand the terms of this consent. You understand that you are obligated to provide an updated e-mail address to BEST Direct immediately in the event that your stated e-mail address changes.

**YES\*** \_\_\_\_\_ **Please send my trade confirmations and statements via electronic delivery. By clicking “yes”, I acknowledge that I give informed consent to the electronic delivery of trade confirmations and statements. I understand that my consent is effective immediately and will remain in effect indefinitely, unless and until, it is revoked in writing by me or by BEST Direct I hereby represent that I have carefully read the above information regarding informed consent and fully understand the implications thereof.**

**NO\*\*** \_\_\_\_\_ **Please send my confirmations and statements via U.S. Postal Service in addition to posting them electronically. I understand that there are postage and handling fees that may apply.**

*\*Even if you consent to electronic delivery, you may still request paper versions of Account Activity Documents by contacting BEST Direct Securities, LLC or its Clearing Agent.*

*\*\* If you do not consent to electronic delivery of Account Activity Documents, you understand that you may not be able to receive Account Activity electronically.*

**Duplicate Confirms and Statements** (Please complete if you would like another party to receive these documents also. The duplicate confirms and statements will be sent via U.S. Postal Service. Fees apply)

Name: \_\_\_\_\_ Email Address: \_\_\_\_\_  
 Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## Summary of Customer Account Documentation:

In consideration of BEST Direct Securities, LLC ("BEST Direct") and its Clearing Agent, in accordance with its agreement with BEST Direct, opening and maintaining, and carrying one or more accounts, including, without limitation, cash, margin, options or other (collectively, the "Account(s)") in the name(s) listed as account owner(s) on the Account(s), you agree as follows:

You acknowledge that you have received, read, understand and agree to be bound by the Customer Account Documentation, including, without limitation, the Customer Agreement and the Disclosure Statements (the "Customer Account Documentation") which has been provided to you during the account application process, and hereby agree to be bound by the terms and conditions as they apply to your Account(s), as amended from time-to-time. In addition, you hereby warrant, represent and agree that you are of full legal age to contract in the state where you reside and have the capacity to enter into the Customer Account Documentation. Clearing Agent will hold all securities you purchase in "street name". Clearing Agent will credit your Account(s) with the sales proceeds of securities sold and will credit your Account(s) with interest or dividends received on positions held in your Account(s). If you wish to have income or proceeds sent to you automatically, please contact BEST Direct for more information. If you wish to have securities transferred and shipped, please contact Terra Nova Financial, LLC ("TNF"). By signing this Summary of Customer Account Documentation, you confirm your intention to reinvest cash credit balances held by Clearing Agent in your name, and you further confirm that this cash credit balance is being maintained in your Account(s) solely for the purpose of reinvestment. You acknowledge and understand that the Securities Investor Protection Corporation ("SIPC") protects assets in your Account(s) up to \$500,000, with a limit of \$100,000 for cash balances, which are being held for purposes of investment, but SIPC coverage is not available for funds maintained solely for the purpose of earning interest. You acknowledge that these protections do not cover fluctuations in the market value of your securities and that investments in securities are not guaranteed and will fluctuate with market conditions. When selling a security, you understand that you may receive more or less than your original investment. You also acknowledge and agree that BEST Direct and Clearing Agent may record by any method any and all telephone or other conversations you have with them.

You understand that you are solely responsible for all orders entered including orders entered via any online service using a user ID and/or password. You understand that BEST Direct may offer various ways of accessing your Account(s), including telephone service and online access. You agree that you will attempt to reach and communicate with BEST Direct through an alternative method if you experience any problems in reaching BEST Direct through any particular method or medium. You also agree that reports of execution of orders and statements of your Account(s) shall be conclusive unless you notify BEST Direct of any objection thereto within five (5) days for execution of orders reports, and ten (10) days for account statements, after transmission to you by mail or otherwise.

### **For Account(s) trading in options ("Options Account(s)"):**

You believe and represent that you have sufficient knowledge to invest in options and are CAPABLE OF EVALUATING, CARRYING, AND BEARING THE FINANCIAL RISK AND HAZARDS OF THE OPTION STRATEGIES THAT YOU HAVE REQUESTED. You further represent that you will maintain extra awareness due to the short life and price volatility of options. Before trading in any options, you hereby confirm that you will have received, read and understand The Options Clearing Corporation (the "OCC") disclosure document which has been provided to you during the account application process with respect to transactions in options issued by the OCC. You acknowledge and agree that you will not enter an order for an option contract until after you have read the current disclosure document of the OCC, identifying customer duties, responsibilities and risks associated with options trading.

You agree that you will not, acting alone or in concert with others, either directly or indirectly, hold or control any number of option contracts which exceed the position limits, or exercise a long position in any option contract which will exceed the exercise limits, as fixed from time to time by the exchanges or markets where such option contracts are traded.

### **For Account(s) trading on margin ("Margin Account(s)"):**

**Margin Requirements:** You shall at all times maintain such securities and other property for margin purposes as required by Clearing Agent from time to time in its sole discretion and/or pursuant to applicable laws, rules or regulations, whichever is greater. BEST Direct and Clearing Agent reserve the right to increase margin maintenance requirements at any time in its sole discretion. You agree to promptly satisfy all margin and maintenance calls. In addition, you acknowledge that BEST Direct and Clearing Agent is not obligated to (i) request additional securities or other property for margin purposes in the event the Account(s) fall below minimum margin requirements, (ii) notify you of any such deficiency or (iii) allow you time to deposit additional securities or other property.

You understand and agree that BEST Direct and Clearing Agent may, in its sole discretion and without notice to you, (i) cancel or otherwise liquidate any Account(s) and any transactions executed by BEST Direct or Clearing Agent on your behalf, (ii) set-off any obligation owing by to you against any obligation of yours, or against any collateral, (iii) satisfy any obligation of yours to BEST Direct and Clearing Agent from any collateral, (iv) sell any securities, instruments, commodities or other property in any Account(s), and (v) purchase any securities, instruments, commodities or other property, in which you have a short position.

**Margin Risk Disclosure:** You also understand that although a Margin Account(s) can be used to increase your purchasing power or as a line of credit that is available for use when you desire, it also presents a higher degree of risk than non-leveraged trading. You acknowledge that margin purchasing is a risky strategy and that interest will be charged for any credit extended to you for the purpose of buying, trading or carrying any securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit.

**Short Sales:** You understand that acceptance of orders to sell securities short is subject to TNF's ability to borrow an equivalent number of shares of the security that you wish to sell short and certain regulatory restrictions on short sales. You agree that if market conditions change or if BEST Direct and Clearing Agent are no longer able to borrow the shares, BEST Direct and Clearing Agent may repurchase for your Account(s), at any time, the security that you sold short and you agree to pay any costs relating in any way to the repurchase of that security.

**Loan of Securities:** You understand and agree that any and all securities or other property held in your Margin Account(s) may from time-to-time without notice be lent, pledged, re-pledged, hypothecated, re-hypothecated separately or in common with other securities or any other property for any amount due in your Account(s), or for a greater amount as permitted by regulation, and without BEST Direct and Clearing Agent retaining in its possession and control for delivery a like amount of similar securities or other property. You acknowledge that in connection with such loans, BEST Direct and Clearing Agent may receive and retain certain benefits to which you will not be entitled and that, in certain circumstances, such loans may limit, in whole or in part, your ability to exercise voting rights of the securities lent.

**You further acknowledge that you have received, read, understand and agree to be bound by the pre-dispute clause located under the heading "Agreement to Arbitrate Controversies", Paragraph 15 in the Customer Agreement which is contained in the Customer Account Documentation that has been delivered to you during the account application process. In doing so, you agree to resolve any disputes arising out of your Account(s) by arbitration. By signing this Summary of Customer Account Documentation, you also warrant, represent and certify that all the information you provided on the account application, or otherwise submit to BEST Direct, is current, true, accurate, and complete. You further agree that if you experience a material change in circumstances, you will notify BEST Direct in writing of the new information.**

Customer understands that any alteration to this Summary of Customer Account Documentation or the Customer Account Documentation itself shall be ineffective to relieve Customer of Customer's Obligations hereunder and thereunder. This Agreement and the opening of any Account(s) including, without limitation, any Options Account(s) or Margin Account(s), shall not be effective until received and approved by TNF.

**Certification of Taxpayer ID Number (Substitute W-9)**

Under penalty of perjury, you certify that (1) the number shown on this form is your correct taxpayer identification number, (2) you are not subject to backup withholding because (a) you are exempt from backup withholding, or (b) you have not been notified by the Internal Revenue Service (IRS) that you are subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified you that you are no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an Individual Retirement Arrangement (IRA), and payments other than interest and dividends) and (3) you are a U.S. person (including a U.S. resident alien). **Certification instructions: You must cross out item (2) above if you have been notified by the IRS that you are currently subject to back up withholding because of underreporting of interest or dividends on your tax return.**

In order to be considered for any Account(s), you must complete all applicable information on the application. Omission of any of the information requested in the application may be grounds for denial of or delay in the approval of your application. **Do not sign this Summary of Customer Account Documentation until you have read the application and the Customer Account Documentation booklet carefully.**

**You acknowledge that you have received, read, understood, and agree to abide and be bound by the terms and conditions of the Customer Account Documentation. The Customer Account Documentation is hereby incorporated by reference into this Summary of Customer Account Documentation.**

**THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISIONS OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.**

**THE CUSTOMER AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN PARAGRAPH 15. CUSTOMER HAS READ AND UNDERSTOOD, AND AGREES TO BE BOUND BY SUCH PREDISPUTE ARBITRATION CLAUSE.**

X \_\_\_\_\_ Taxpayer ID/Social Security: \_\_\_\_\_  
**Applicant's Signature** **Date**

X \_\_\_\_\_ Taxpayer ID/Social Security: \_\_\_\_\_  
**Co-Applicant's Signature** **Date**

**FOR INTERNAL USE ONLY**

Registered Representative Signature: _____	Date: _____
Registered Representative Printed Name: _____	
Approved For: <input type="checkbox"/> Cash <input type="checkbox"/> Margin	
Principal's Signature: _____	Date: _____
Principal's Printed Name: _____	

**For Options Accounts Only:**

In my capacity as R.O.P., I have reviewed the client's financial conditions, investment objective(s) & investment experience, and on that basis feel the following level of option trading is suitable for this client: (Check all that apply)

- \_\_\_\_\_ Customer Account Disapproved
- |                                     |                                  |
|-------------------------------------|----------------------------------|
| _____ Customer Account Approved for | A. Writing Covered Calls         |
| _____ Customer Account Approved for | B. Buying Calls & Puts           |
| _____ Customer Account Approved for | C. Spreads & Combinations        |
| _____ Customer Account Approved for | D. Uncovered Equity Put Writing  |
| _____ Customer Account Approved for | E. Uncovered Equity Call Writing |
| _____ Customer Account Approved for | F. Uncovered Index Writing       |

ROP Signature: \_\_\_\_\_ Date: \_\_\_\_\_

ROP's Printed Name: \_\_\_\_\_

Are there other accounts to be linked to the account being opened? Yes \_\_\_\_\_ No \_\_\_\_\_

If so, please indicate the account numbers of each such account: \_\_\_\_\_

Characteristics and Risks of Standardized Options and Special Statement for Uncovered Option Writers Delivered: \_\_\_\_\_

• Linked accounts include all accounts acting in concert whose options positions must be aggregated for reporting purposes.



One Peregrine Way  
Cedar Falls, IA 50613  
800-553-2575  
Member FINRA & SIPC

Account #: \_\_\_\_\_

**BEST Direct Securities, LLC  
LIMITED PARTNERSHIP ACCOUNT AGREEMENT**

Gentlemen:

In consideration of your carrying a limited partnership account in the name of a duly organized limited partnership of which the undersigned is a general partner, the general partner(s) named herein jointly and severally agree that each of the following named persons, to wit:

\_\_\_\_\_  
(PLEASE PRINT)

\_\_\_\_\_  
(PLEASE PRINT)

shall have authority on behalf of the limited partnership account to buy, sell and otherwise deal in, through you as brokers, stocks, bonds, put and call options and other securities on margin or otherwise (including short sales); to receive on behalf of the limited partnership account demands, notices, confirmations, reports, statements of account and communications of every kind; to receive on behalf of the limited partnership account money, securities and property of every kind, and to dispose of same; to make on behalf of the limited partnership account agreements relating to any of the foregoing matters and to terminate or modify same or waive any of the provisions thereof; and generally to deal with you on behalf of the limited partnership account as fully and completely as if you alone were interested in said account, all without notice to the other or others interested in said account. The authority hereby conferred shall remain in force until written notice of its revocation addressed to you and delivered at your office at One Peregrine Way, Cedar Falls, IA 50613. The undersigned hereby certify that the members of said partnership are as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned further authorizes you, in the event of death or retirement of the general partner of the partnership, to take such proceedings, require such papers, retain such portion of or restrict transactions in said account as you may deem advisable to protect you against any liability, penalty or loss under any present or future law or otherwise. It is further agreed that in the event of death or retirement of any general partner of the limited partnership remaining and/or the successor general partner will immediately cause you to be notified of such fact.

All notices or communications to the limited partnership account are to be directed to the address shown on the broker's records, which may be changed from time to time.

**Partnership Name:** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: General Partner

Title: General Partner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Note: Please attach a copy of your partnership agreement.**



**TRADING PLATFORM SELECTION FORM**

**Subscriber Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**City:** \_\_\_\_\_

**State:** \_\_\_\_\_

**Zip:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

**PLEASE SELECT ONE:**

BESTDirect 8 (No Monthly Charge)

Tradiant WEB (No Monthly Charge)

Tradiant PRO (Fees apply)  
(Tradiant PRO also includes Tradiant WEB)

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**(PLEASE COMPLETE THE FOLLOWING WHEN CHANGING EXISTING SELECTION ONLY)**

**Rep Code:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Please submit completed form with the New Account Application.**

*Please visit [bestdirectsecurities.com](http://bestdirectsecurities.com) or contact Customer Service at (800) 553-2575 with any questions regarding your platforms selections.*



BEST Direct Securities, LLC  
One Peregrine Way  
Cedar Falls, IA 50613  
800-553-2575  
Member FINRA & SIPC

The Customer Account Documentation contained in this booklet sets forth the terms and conditions pursuant to which BEST Direct Securities, LLC (“BEST Direct”, “IB”) will open and maintain, and Terra Nova Financial, LLC (“Clearing Agent”, “TNF”), in accordance with its agreement with BEST Direct will carry one or more accounts, including, without limitation, cash, margin, options or other (collectively, “Account(s)”) for you (“Customer”), either individually or jointly with others.

The Customer Agreement contains the terms and conditions that govern your “Account”. TNF serves your account as Clearing Agent by contractual arrangement with your personal broker, BEST Direct, who utilizes the services and facilities of TNF to perform certain execution and clearing functions (referred to herein as (“Introducing Broker”, “IB”). As used herein, “Broker” refers to the personal broker with whom you deal and the brokerage firm (Introducing Broker) with whom he or she is associated; and “you” or “your” refer to each person who signs an Account Application (as defined below), or any designee of the person who signs the Account Application. **Neither your Broker nor the brokerage firm (Introducing Broker) with which he or she is associated may contractually bind TNF or make any representations to you on behalf of TNF.**

You should discuss all your investment goals and objectives with your Broker in order for him/her to have a clear understanding of your financial goals. **SHOULD YOU HAVE ANY QUESTIONS CONCERNING ANY ASPECT OF THE INFORMATION CONTAINED HEREIN, YOUR ACCOUNT OR SECURITIES IN GENERAL, CONTACT YOUR BROKER IMMEDIATELY**

TNF relies on your Broker and his/her agents for instructions concerning your Account. TNF clears only those trades introduced by your Broker and acts only to effect the administrative and clearing functions for your Broker. TNF does not give advice or recommendations concerning customer Accounts to the customers of Introducing Brokers. Therefore, you must consult your Introducing Broker for advice and recommendations concerning your Account.

**\*\* PLEASE NOTE \*\* If you are a customer of an Introducing Broker, please be advised that (i) TNF will not review or analyze your Account for the purpose of providing advice to you and TNF will not provide any advice regarding your Account, (ii) TNF assumes no responsibility for trades made in your Account, and (iii) TNF has no responsibility or liability for any actions or omissions of your Introducing Broker or its representatives, employees or other agents.**

## CUSTOMER AGREEMENT

Customer hereby represents warrants and agrees as follows:

**1. Legal Capacity to Enter Into Agreements.** If Customer is an individual: Customer is of full legal age in the state in which Customer resides and has the capacity to enter into this Customer Agreement (this “Agreement”). If Customer is a partnership, trust, corporation or any other type of entity: the execution, delivery and performance of this Agreement have been duly authorized by all necessary actions; Customer has full power and authority to execute and deliver this Agreement to IB, to enter into the transactions contemplated hereunder, and to perform the obligations set forth herein; and the person signing this Agreement on Customer’s behalf is duly authorized to do so.

**2. Accuracy of New Account Application and Credit Information.** The information Customer has provided to IB in any account application is complete and accurate, including whether Customer is an employee, member or partner of (i) any securities exchange, (ii) any member firm of any securities exchange, (iii) the Financial Industry Regulatory Authority. (“FINRA”), (iv) a bank, trust company or insurance company, or (v) any entity controlled or affiliated with an exchange or securities firm. No one except the account holders listed has an interest in the Account(s). Customer will notify IB promptly in writing of any changes in any such information including, without limitation, changes in Customer’s financial circumstances or investment objectives. Customer authorizes IB and Clearing Agent to make inquiries for the purpose of verifying its creditworthiness and business conduct and to provide information regarding its performance under this Agreement to credit reporting agencies and to IB or Clearing Agent’s affiliates. Customer understands that, upon its written request, IB or Clearing Agent will tell Customer whether a credit report was requested and provide the name and address of the agency that furnished it. Upon written or oral demand by IB or Clearing Agent, Customer will supply such financial information as IB or Clearing Agent determines it needs to evaluate Customer’s financial condition and ability to perform its obligations under this Agreement. **Important Information About Procedures for Opening a New Account:** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. **What this means for you:** When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

**3. Definitions.** The terms “securities,” “options,” “credit balances,” “assets” or “other property,” as used herein, shall include, without limitation, cash, stocks, bonds, mutual funds, annuities, financial instruments and commodities of every kind and nature, and all contracts, options and derivatives relating thereto. The term “Customer” shall mean the undersigned and shall include the plural if any Account(s) are jointly owned. **Investment Objective Definitions:** The following definitions are guidelines to assist customers in communicating their investment objectives to IB. The stated objectives pertain to the respective account, as different accounts held by an individual may have different objectives. Objectives may be combined i.e., Capital Appreciation/Income) providing the combination is not contradictory

**INCOME:** An investment that generates interest income for its owner and is not expected to increase in market price.

**PRESERVATION OF CAPITAL:** A conservative approach that emphasizes the safeguarding of principal.

**CAPITAL APPRECIATION:** An investment in companies that generally reinvest their earnings for growth rather than paying dividends, and whose equity has greater potential for increased market price.

**TAX ADVANTAGED INCOME:** An investment strategy that seeks to reduce or eliminate the amount of taxable income received by the investor.

**SPECULATION:** A strategy that takes greater than average risk to achieve the potential for greater than average growth, with greater than average volatility.

**SHORT TERM TRADING:** This objective is for one-time sales of securities or short-term money market positions.

**AGGRESSIVE GROWTH:** Indicates you seek to grow the principal value of your investments over time and are willing to invest in securities that have historically demonstrated an above average degree of risk of loss of principal value to pursue this objective.

**HEDGE:** An investment made in order to reduce the risk of adverse price movements in a security by taking an offsetting position in a related security, such as an option or a short sale.

**OTHER:** Investment objectives that fall outside the above definitions.

**4. Advice and Recommendations, Indemnification.** Customer acknowledges that all decisions relating to its investment or trading activity shall be made by Customer or its duly authorized representative (which can be IB). Customer acknowledges that IB and Clearing Agent are under no duty to inquire as to the authority or propriety of any instructions given to them, and that they shall be entitled to rely upon any such instructions without inquiry or investigation, including, without limitation, instructions with respect to the disbursement of funds and the transfer of securities. Customer acknowledges that IB and Clearing Agent do not provide legal advice. Customer hereby agrees to hold IB and Clearing Agent, their officers, directors, employees, agents and affiliates harmless from any liability, financial or otherwise, or expense (including attorneys' fees and disbursements), on a current basis as incurred, as a result of any losses or damages Customer may suffer with respect to any such decisions, instructions, transactions or strategies or as a result of any breach by Customer of any of its covenants, representations, acknowledgments or warranties herein.

**5. Orders, Notices, Executions Confirmations and Account(s) Statements and Other Communications.** IB or Clearing Agent may execute any transaction authorized by Customer on any exchange or other market where such business is then transacted. IB or Clearing Agent may reject any order Customer places with IB or place restrictions on Customer's Account(s) in its sole discretion. Customer understands that IB and the Clearing Agent reserve the right to refuse, and assume no responsibility for, orders sent through the mail for the purchase or sale of securities, options, assets or other property. Customer also understands that if Customer requests the transfer or registration of foreign securities, Customer may be responsible for any transfer fees and other fees and expenses charged to it. Customer shall promptly review upon receipt all reports of the execution of orders and statements of Customer's Account(s). Such reports and statements shall be deemed accepted by Customer and shall be binding upon Customer if IB has not received written objection from Customer within five (5) days with respect to the former and ten (10) days with respect to the latter after transmitted by IB or Clearing Agent to Customer.

You acknowledge that IB delivers both binding and non-binding communications to you regarding your account. IB uses its best efforts to identify each communication as either binding (also described as official notices) and non-binding (often "real-time" or online account information). Despite the nature or method of conveying this information, you are responsible for reporting any discrepancies in a timely manner. You understand that IB delivers real-time information about the status of your orders by email along with providing online ledgers and order status information which are non-binding upon IB, its agents and assigns and the Clearing Agent; and that such information may be changed based on market corrections and resolution of discrepancies among other factors.

**6. Minimum Deposit and Purchases and Sales.** Customer understands that IB or Clearing Agent may require Customer to make a minimum deposit into its Account(s) and to maintain a minimum balance in Customer's Account(s) thereafter. To execute purchase orders, IB and Clearing Agent generally require that Customer's Account contain available funds equal to or greater than the purchase price of the securities. To execute sell orders, IB and Clearing Agent generally require that stock certificates be in Customer's Account in good deliverable form. Customer agrees that any purchase or sell order inadvertently accepted by IB or Clearing Agent without sufficient funds or negotiable certificates, respectively, in Customer's Account(s), will be subject to liquidation in the case of a purchase order, or buy-in in the case of a sell order, all at IB and Clearing Agent's discretion and Customer's expense. In the event full funds are not available in Customer's Account(s) and an order is executed, Customer agrees to promptly make payment to IB or Clearing Agent via wire transfer or certified or personal check. If such funds are not received on or before the settlement date, IB or Clearing Agent may liquidate Customer's Account(s) and Customer will be liable for any resulting losses and all associated costs incurred by IB or Clearing Agent. Without limiting the foregoing, whenever Customer does not, on or before the settlement date, pay in full for any security purchased for Customer's Account, or deliver any security sold for such Account, IB and Clearing Agent are authorized (subject to the provisions of any applicable statute, rule or regulation), until payment or delivery is made in full, to pledge, re-pledge, hypothecate or re-hypothecate, on any terms, without notice, any or all securities which IB or Clearing Agent may hold for Customer (either individually or jointly with others), separately or in common with other securities or commodities or any other property, for the sum then due, or for a greater or lesser sum and without retaining in its possession and control for delivery a like amount of similar securities or other property.

**7. Credit Balances and Fund Availability.** Customer understands that Customer may elect to have available credit balances in its Account(s) automatically swept on a daily basis to the money market vehicle that Customer has chosen from IB or Clearing Agent's available options ("Designated Sweep Account"). In the event Customer makes such an election, the proceeds of any funds deposited to its Account(s) will be swept to the Designated Sweep Account by the Clearing Agent and will begin earning dividends or interest on the next business day after such deposit. Customer understands that all purchases and/or redemptions of shares in the Designated Sweep Account will be reflected on its Account statement and that it will not receive confirmations in connection with such activity. Customer understands that access to such funds may be withheld for up to ten (10) calendar days to ensure that there are sufficient funds in its Account(s) to cover any executed transaction(s).

**8. Payment of Obligations Upon Demand, Interest on Debit Balances and Costs of Collection.** Customer shall at all times be liable for the payment upon demand, or upon settlement date when applicable, of any debit balance or other obligation, liability or indebtedness (collectively, "Obligations") owing in any of its Account(s); and Customer shall be liable to IB or Clearing Agent for any deficiency remaining in any Account(s) in the event of the termination or liquidation thereof, in whole or in part, by IB, Clearing Agent, or by Customer, and Customer shall make payments of such Obligations upon demand. Debit balances in any Account(s) may be charged interest in accordance with IB and Clearing Agent's then-current interest rate schedule for debit balances. The reasonable costs and expenses of enforcement or collection of any debit balance or Obligations, including attorneys' fees and expenses incurred by IB or Clearing Agent, and any unpaid deficiency in Customer's Account(s), shall be paid or reimbursed by Customer to IB or Clearing Agent, as incurred. IB or Clearing Agent may accept a lesser sum than due in Customer's Account(s) without prejudice to IB or Clearing Agent's right to recover the balance due in such Account(s). IB and Clearing Agent shall have the right to accelerate the time fixed in any demand made of Customer.

**9. Security for Indebtedness.** All securities, options, credit balances, assets and other property whatsoever which IB or Clearing Agent may hold, carry or maintain for any purpose, in or for any of Customer's Account(s) or otherwise, whether individually or jointly held with others, whether now owned or hereafter acquired, and any proceeds or distributions therefrom (collectively, "Collateral"), shall be subject to a lien in IB and Clearing Agent's favor for the discharge of all Obligations, and Customer hereby grants to IB and Clearing Agent a continuing, perfected, first-priority security interest and right of set-off in all Collateral, both of which shall be without regard to Clearing Agent having made any advances in connection with Customer's Account(s) and without regard to the number of Account(s) Customer may have with Introducing or Clearing Agent. Subject to the provisions of any applicable statute, rule or regulation, IB and Clearing Agent may hold Collateral as security for the payment of any Obligations, and IB and Clearing Agent shall have the right to transfer such Collateral in any of Customer's Account(s) from or to any other of Customer's Account(s), when in IB or Clearing Agent's judgment such transfer may be necessary for its or their protection. In enforcing their lien, IB and Clearing Agent shall have the right to sell, assign, and deliver all or any part of the Collateral in any of Customer's Account(s) to satisfy Customer's Obligations or when IB or

Clearing Agent otherwise deems it necessary for its or their protection. If IB or Clearing Agent believes there is inadequate security for Customer's Obligations or upon any event which in IB or Clearing Agent's opinion jeopardizes Customer's Account(s), IB and Clearing Agent shall have the right to (i) cancel any outstanding orders for the purchase or sale of securities, options, assets or other property, (ii) close transactions in Customer's Account(s), (iii) buy-in any securities, options, assets or other property of which Customer's Account(s) may be short, or (iv) require Customer to deposit additional Collateral in accordance with the rules and regulations of the Board of Governors of the Federal Reserve System, or any securities regulatory or self-regulatory body to whose jurisdiction IB or Clearing Agent is subject. IB and Clearing Agent may also, but shall have no obligation to do so, require Customer to deposit such additional Collateral as IB or Clearing Agent, in its sole discretion, determines is necessary as security for Obligations. IB and Clearing Agent shall have all rights and remedies available to a secured party under any applicable law in addition to the rights and remedies provided herein. Subject to the provisions of any applicable statute, rule or regulation, IB and Clearing Agent may take any or all of the foregoing actions without prior notice, tender, demand or call, all of which Customer expressly waives. Customer hereby appoints IB and Clearing Agent, each its true and lawful agent and attorney-in-fact, with full power to act in Customer's name and on Customer's behalf, with respect to the execution of all instruments and the taking of all action necessary or desirable to effectuate the rights and remedies provided in this Agreement and by applicable law.

**10. Events of Default.** The following shall constitute an "Event of Default": (i) Customer fails to make payment as and when required pursuant to this Agreement, (ii) Customer fails to provide margin to IB or Clearing Agent as and when required or to perform any other Obligations as and when required, (iii) any representation or warranty made by Customer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, (iv) Customer states that it will not perform any of the Obligations under this Agreement, (v) Customer defaults in the performance of any obligation to IB or Clearing Agent under any agreement now or hereafter entered into, (vi) Customer defaults in the payment of any indebtedness for borrowed money, or any guaranty of such indebtedness, upon the maturity (including any accelerated maturity) thereof, (vii) Customer applies for, consents to or is the subject of an application or petition for the appointment of or the taking of possession by, a receiver, custodian, trustee, liquidator or similar person of Customer or of all or a substantial part of Customer's property, admits in writing its inability, or becomes unable to pay its debts generally as such debts become due, makes a general assignment for the benefit of creditors, files or is the subject of the filing or entry of a petition or order for relief under Title 11 of the U.S. Code or any similar law of any jurisdiction regarding reorganization, liquidation, dissolution, insolvency, or relief of debtors or of an application for a protective decree under the Securities Investor Protection Act of 1970, or (viii) IB or Clearing Agent believes that it may be unable to apply without delay, property that it is holding or expects to receive from Customer against any Obligations to IB or Clearing Agent under this Agreement or in connection with any transactions executed by IB or Clearing Agent on Customer's behalf.

**11. Remedies.** Upon the occurrence of any Event of Default, IB or Clearing Agent may, in its sole discretion and without notice to Customer, (i) cancel or otherwise liquidate any of Customer's Account(s) and any transactions executed by IB or Clearing Agent on Customer's behalf, (ii) set-off any obligation owing by IB or Clearing Agent to Customer against any Obligation of Customer, or against any Collateral, (iii) satisfy any Obligation of Customer to IB or Clearing Agent from any Collateral, (iv) sell, or be deemed to have sold, any securities, instruments, commodities or other property in any of Customer's Account(s), and (v) purchase, or be deemed to have purchased, any securities, instruments, commodities or other property, in which Customer has a short position. All purchases or sales pursuant to this Section may be effected in public or private purchases or sales in which IB or Clearing Agent may be the purchaser or seller, in each case as IB or Clearing Agent may deem appropriate in its sole discretion and at such price or prices as IB or Clearing Agent may deem satisfactory in its sole discretion. Any grace or notice period required by agreement or custom prior to exercise of such remedies may be shortened or eliminated by IB or Clearing Agent if it determines, in its sole discretion, that it is reasonable to do so under the circumstances. Customer shall be liable for all costs and expenses, including attorney's fees and expenses, as incurred in connection with the enforcement or collection by IB or Clearing Agent of its rights or claims against Customer hereunder or under any transactions.

**12. SIPC and Other Insurance Coverage.** Customer understands that IB and Clearing Agent are members of the Securities Investor Protection Corporation ("SIPC") and that SIPC currently protects the assets in each of Customer's Account(s) up to \$500,000, with a limit of \$100,000 for cash balances, which are being held for purposes of investment. Customer acknowledges that these protections do not cover fluctuations in the market value of Customer's securities. Customer represents and warrants that all credit balances in its Account(s) are being held for purposes of investment.

**13. Joint Account(s).** No one except Customer has an ownership interest in any of Customer's Account(s) unless such interest is disclosed below. If there is more than one Account holder (each, a "Joint Owner"), each Joint Owner acknowledges that it is liable, jointly and severally, for all Obligations incurred pursuant to this Agreement. Each Joint Owner further acknowledges that each has the authority, acting alone and without notice to the other(s), to deal with IB and Clearing Agent fully and completely, including, without limitation, to (i) buy, sell or otherwise deal in securities, options, assets or other property, (ii) receive confirmations, statements and communications of every kind related to their Account(s), (iii) receive and dispose of money, securities, options, assets or other property, and (iv) make agreements on behalf of their Account(s) and terminate or modify same or waive any provisions thereof, and without any obligation by IB or Clearing Agent to notify any other person. IB and Clearing Agent shall be under no obligation to inquire as to the purpose or propriety of any instruction received from any Joint Owner. In the event IB or Clearing Agent receives conflicting or inconsistent instructions from any Joint Owner(s), IB or Clearing Agent may either follow any such instructions or refrain from following any such instructions until they shall have been reconciled in writing to its satisfaction. In the event of the death of any Joint Owner that is a natural person, the surviving Joint Owner(s) shall give IB and Clearing Agent immediate written notice thereof. IB or Clearing Agent may take any such action, as it deems advisable to protect itself against tax, liability, penalty or loss. The estate of any deceased Joint Owner shall be liable and each surviving Joint Owner shall be liable, jointly and severally, for any Obligations incurred prior to receipt of written notice of such death. Unless IB and Clearing Agent are notified otherwise, IB and Clearing Agent may consider the Joint Owners to hold their Account(s) as joint tenants with rights of survivorship, and upon the death of any Joint Owner(s), the entire Account(s) shall become the property of the other Joint Owners(s) equally, without in any manner releasing the deceased Joint Owner's estate from liability.

**14. Third Party Beneficiary; Instructions.** As a condition to IB opening and maintaining the Account(s), Customer agrees that Clearing Agent shall be the beneficiary of each of Customer's representations, warranties, acknowledgments and covenants in this Agreement to the same extent as if such representations, warranties, acknowledgments and covenants were made directly by Customer to Clearing Agent, and that Clearing Agent, in its own name and for its own benefit, shall be entitled to enforce such provisions and all other rights granted to IB directly against Customer. Customer further agrees that, until receipt of written notice to the contrary, Clearing Agent may accept instructions for Customer's Account(s) from IB, without inquiry or investigation by Clearing Agent, including, without limitation, instructions with respect to the disbursement of funds and the transfer of securities.

## **15. AGREEMENT TO ARBITRATE CONTROVERSIES.**

**THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:**

- **ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.**
- **ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.**
- **THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.**
- **THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD.**
- **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**
- **THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**
- **THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.**

**CUSTOMER AGREES THAT ANY CONTROVERSY RELATING TO: (I) ANY ORDER OR TRANSACTION; (II) CUSTOMER'S ACCOUNT (S); OR (III) THIS AGREEMENT OR ANY OTHER AGREEMENT THAT CUSTOMER HAS WITH TERRA NOVA, WHETHER ENTERED INTO PRIOR, ON OR SUBSEQUENT TO THE DATE HEREOF, WILL BE SUBMITTED TO ARBITRATION CONDUCTED ONLY PURSUANT TO THE CODE OF ARBITRATION OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. ARBITRATION MUST BE INITIATED BY SERVICE UPON THE OTHER PARTY OF A WRITTEN DEMAND FOR ARBITRATION OR NOTICE OF INTENTION TO ARBITRATE. JUDGEMENT, UPON ANY AWARD RENDERED BY THE ARBITRATORS, OR OF A MAJORITY OF THEM, SHALL BE FINAL, AND MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION. NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS UNTIL: (I) THE CLASS CERTIFICATION IS DENIED; OR (II) THE CLASS IS DECERTIFIED; OR (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.**

**16. Applicable Rules and Regulations.** Customer acknowledges that this Agreement and all orders and transactions executed in Customer's Account(s) hereby incorporate and shall be subject to all applicable federal and state laws and regulations, and the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange or market and its clearinghouse (if any) where the transactions are executed.

**17. Control or Restricted Securities.** Customer acknowledges that there may be delays in connection with the processing of any securities governed by Rule 144 or 145(d) of the Securities Act of 1933, as amended, and Customer shall not hold IB or Clearing Agent liable for any losses caused directly or indirectly by such delays. Further, Customer shall advise IB of the legal status and availability of such securities prior to placing an order, and shall promptly and timely furnish IB with the necessary documents to effect transfer.

**18. Responsibility Regarding Certain Securities.** Certain securities may grant the holder(s) valuable rights that may expire unless the holder(s) takes some action. Such securities include, without limitation, options, warrants, convertible securities, bonds and securities subject to a rights plan or tender or exchange offer. Customer acknowledges that it is responsible for knowing the rights and terms of all securities in its Account(s). IB and Clearing Agent are not obligated to notify Customer of any corporate action or take any action on Customer's behalf without specific instructions from Customer.

**19. Limitations on Use of IB Services.** Customer is authorized to use materials that are made available by IB for Customer's own needs, and Customer is not authorized to sell access to any such materials or to make copies of any such materials for sale to others. Customer shall not delete copyright or other intellectual property rights notices from printouts of electronically accessed materials.

**20. Consent to Monitoring and Recording.** Customer understands that IB and Clearing Agent may monitor or tape record telephone conversations with all of their customers, including Customer, and Customer consents to such monitoring or recording.

**21. Governing Law and Assignment.** This Agreement and its enforcement shall be governed by the laws of the State of Illinois (without regard to its conflict of law provisions); shall cover individually and collectively all of Customer's Account(s) which Customer may open or reopen with IB and Clearing Agent; shall inure to the benefit of IB and Clearing Agent's successors and assigns, whether by merger, consolidation or otherwise; and shall be binding upon Customer's heirs, executors, administrators, successors and personal representatives. Customer may not assign its rights and duties hereunder without first obtaining IB and Clearing Agent's prior written consent. IB and Clearing Agent may assign their rights and duties under this Agreement and may transfer Customer's Account(s) and this Agreement to its successors and any affiliated assigns without notice, or to any other entity with prior notice to Customer.

**22. Assignment of Rights.** Customer acknowledges that any rights that IB and current and future Clearing Agent has under this Agreement (including, without limitation, the right to collect Obligations in Customer's Account(s)), may be assigned to the other, which may make such collections from Customer independently or jointly, or enforce any other rights granted to the assigning party under this Agreement.

**23. Losses Due to Extraordinary Events; Limitation of Liability.** IB and Clearing Agent shall not be liable for loss caused directly or indirectly by war, strikes, natural disasters, government restrictions, exchange or market rulings, suspensions of trading, computer or communications line failures, or delays in the transmission of orders due to a breakdown or failure of transmission facilities or other conditions beyond IB's or Clearing Agent's reasonable control. Neither IB nor Clearing Agent shall be liable in connection with the execution, clearing, handling, purchasing or selling of securities, options, assets or other property, or other action, except for willful misconduct and gross negligence on its part.

**24. Entire Agreement and Severability.** This Agreement, any addenda hereto, and the terms and conditions contained in statements and confirmations, contain the entire agreement between the parties with respect to the subject matter hereof. If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulating agency or body, such provision shall be deemed modified, or, if necessary, rescinded in order to comply with the relevant court, or regulatory or self-regulatory agency or body. The validity of the remaining provisions and conditions shall not be affected thereby, and this Agreement shall be carried out as if such invalid or unenforceable provision or condition was not contained herein. Customer acknowledges that it has entered into this Agreement and will enter into transactions in consideration of and in reliance upon the understanding that all such transactions constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, in addition to any of the other rights and obligations set forth in the Agreement, (i) Customer agrees to perform all of its obligations in respect of each such transaction, (ii) IB and Clearing Agent shall be entitled to set-off claims and apply property held by IB or Clearing Agent in respect of any such transaction or otherwise against obligations owing to IB or Clearing Agent in respect of any other such transaction or otherwise, and (iii) payments, deliveries and other transfers made by IB or Clearing Agent in respect of any such transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other such transaction, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted by IB and Clearing Agent. **Other Agreements Apply** You agree and understand that other specific disclosures, terms and conditions apply to your use of the site and your account. It is your continuing obligation to understand such terms, and you agree to be bound by such terms as are in effect at the time of your use or maintenance of your account as they apply. Such agreements include, but are not limited to:

- A. Margin Accounts
- B. Options Accounts
- C. Short Option Trading
- D. Exchange Data Use Agreements
- E. Electronic Delivery of Confirmations
- F. Terms and Risks relating to: Stop Orders, Spreads, NBBO, Expiration / Daily Assignments etc.
- G. Privacy Policy
- H. Auto-Trade Agreements

**25. Presumption of Receipt of Communications.** Communications may be sent to Customer at its address given in any account application as a mailing address, or at such other address as Customer may hereafter give IB in writing. All communications so sent, whether by mail, telegraph, messenger, electronic data communication, fax or otherwise, shall be considered delivered to Customer personally, whether or not actually received. Any communications or Account(s) assets sent to Customer by

Clearing Agent shall be sent to Customer's address of record as furnished to Clearing Agent by IB. Clearing Agent shall not be liable for any errors, discrepancies or inaccuracies in such Customer information as received from IB.

**26. SEC Rule 14b-1(c): Communication between Companies and Shareholders.** Pursuant to Rule 14b-1(c) under the Securities Exchange Act of 1934, as amended, IB and Clearing Agent will release Customer's name, address, and security positions to requesting companies in which Customer owns shares that are held in its Account(s), unless IB or Clearing Agent receives notice from Customer in writing that it objects.

**27. Modification and Waiver.** Customer agrees that IB and Clearing Agent may modify the terms of this Agreement, or any addendum hereto, at any time upon prior notice. If the modifications are unacceptable to Customer, Customer agrees to notify IB or Clearing Agent in writing within ten (10) days of such written notice. Customer further agrees that all transactions entered into after IB or Clearing Agent's initial notification shall be subject to the modifications. Under no circumstances may Customer make a modification without IB and Clearing Agent's prior written consent. Any failure by IB or Clearing Agent to insist at any time upon compliance with this Agreement or with any of its terms shall not constitute or be considered a waiver by IB or Clearing Agent of any of its rights.

**28. Binding Notice of Agreement.** Customer agrees that IB and Clearing Agent shall not be bound by any representation or agreement made by any of its employees or agents which purports to affect or diminish IB or Clearing Agent's rights under this Agreement.

**29. Accuracy of Reports.** Customer agrees to carefully review all monthly or quarterly Account statements and confirmations promptly upon receipt for accuracy and consistency with Customer's instructions and investment objectives and immediately notify IB if such documents are not received in a timely manner or are inaccurate. Notwithstanding the foregoing, if Customer is over credited with funds or securities, Customer agrees to promptly return such funds or securities upon Customer's discovery of the error or request by IB.

**30. Notice.** All notices and other communications to IB required or permitted under this Agreement shall be in writing and shall be directed to ONE PEREGRINE WAY, CEDAR FALLS, IA 50613, Phone 800-553-2575: Compliance Officer, or to such other person or address as IB shall furnish in writing. Complaints may be directed to IB at the above address or via email to [customerservice@bestdirectsecurities.com](mailto:customerservice@bestdirectsecurities.com)

**31. Termination.** Customer may terminate this Agreement or any of its Account(s) at any time upon written notice. IB or Clearing Agent may terminate this Agreement or any of Customer's Account(s) at any time for any reason. Customer shall remain responsible for all Obligations initiated or authorized by Customer, including, without limitation, any transactions, whether arising before or after termination.

**32. Headings.** The headings contained in each Section are for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such Section.

## **OPTIONS ACCOUNTS**

Customer hereby represents warrants and agrees that, with respect to trading options in its Account(s) (its "Options Accounts"):

**33. Risk Factors.** Options' trading involves a high degree of risk and is not suitable for all investors. Customer is fully aware of the risk inherent in options trading, and has determined that options' trading is suitable in light of its particular financial circumstances and investment objectives. Customer is prepared financially to undertake the risks associated with options trading, which may include a total loss of premium and transaction costs.

**34. OCC Disclosure; Applicable Rules and Regulations.** Customer shall not enter into any purchase or sale of any options contract without having received, read and fully understood the terms, conditions and risks of options trading set forth in the current disclosure document issued by the Options Clearing Corporation ("OCC") entitled the [Characteristics and Risks of Standardized Options Brochure](#). This publication refers solely to options issued by OCC. Each options transaction is subject to the rules and regulations of the OCC, the exchange or market where such transaction is executed, FINRA and various other state and federal regulatory and self-regulatory entities (collectively, the "Rules and Regulations"). Customer shall comply with all such Rules and Regulations, as well as any of IB and Clearing Agent's policies, and IB and Clearing Agent shall handle Customer's options transactions and Options Account in accordance with the Rules and Regulations.

**35. Limitations.** Acting alone or in concert with others, Customer shall not exceed the lesser of the position and exercise limits imposed by (i) the OCC or other regulatory or self-regulatory entities having jurisdiction over the exchange or markets in which option transactions are executed, and (ii) IB and Clearing Agent, in their sole discretion. IB or Clearing Agent may modify or amend any house position or exercise limits at their sole discretion and without prior notice.

**36. Cleared Funds; Customer Responsibilities.** In order to process options orders, IB and Clearing Agent require that Customer's Options Account contain "cleared funds" equal to or greater than the purchase price of the options. Notwithstanding the foregoing, Customer is responsible for all of its orders, including, without limitation, any orders IB or Clearing Agent executes to purchase options in Customer's Options Account even if the Options Account does not contain cleared funds which exceed available funds.

**37. Option Exercise and Expiration.** Customer must give notice to exercise options pursuant to IB and Clearing Agent's current requirements and time limitations. If Customer exercises a "call" option, Customer must meet the Obligations of purchasing the underlying security. If Customer exercises a "put" option, Customer agrees to release the underlying security to IB or Clearing Agent. The failure to follow these procedures may result in the option expiring worthless, even though it might have a monetary value on the expiration date. When Customer owns an option that is about to expire "in the money," IB or Clearing Agent may, in its sole discretion or in accordance with the Rules and Regulations, and without notification to Customer, close out the option. IB or Clearing Agent may take this action in order to prevent an exercise that would require the purchase or sale of the underlying security for which Customer does not have sufficient funds. This is in no way to be construed as an obligation on IB or Clearing Agent's part to sell or exercise such options on Customer's behalf.

**38. Prohibited Options Transactions.** Unless Customer receives prior authorization from IB, Customer shall not place trades that are not permissible under the option level for which Customer is approved.

**39. Uncovered Options Positions.** If any option position in Customer's Options Account becomes uncovered, IB or Clearing Agent may, without prior notice to Customer, take immediate action to cover Customer's position, and Customer shall be responsible for any resulting losses.

**40. Special Risks Associated With Uncovered Option Writing.** In the event that Customer receives authorization from IB for uncovered option writing, there are special risks associated with uncovered option writing that expose the investor to potentially significant losses, including, without limitation, the following. The writer of an uncovered call may incur large losses if the value of the underlying security exceeds the exercise price; and the writer of an uncovered put may incur large losses if the value of the underlying security declines below the exercise price. Uncovered option writing is not suitable for everyone. The strategy is only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. If the value of the underlying instrument moves against Customer as an uncovered options writer, IB or Clearing Agent may request additional margin payments. If Customer does not make such margin payments, IB or Clearing Agent may liquidate stock or options positions in any one of Customer's accounts at IB or Clearing Agent's sole discretion and without prior notice.

**41. SMA Calculations for Options Accounts.** Each business day Clearing Agent will calculate the aggregate initial margin requirement for options positions held in the account. Clearing Agent will decrease SMA by the amount of any increase in margin required and will increase SMA by the amount of any decrease in margin required as a result of this daily calculation.

**42. Random Automated Allocation Method.** Exercise assignment notices for option contracts are allocated among short option positions in accordance with a random automated method of allocation. A more detailed description of Clearing Agent's allocation method is available upon request.

## **MARGIN ACCOUNTS**

Customer hereby represents warrants and agrees that, with respect to trading on margin in its Account(s) (its "Margin Accounts"):

**43. Initial Margin and Margin Maintenance Requirements.** Customer shall at all times maintain such securities and other property in its Account(s) for margin purposes as required from time to time by Clearing Agent in its sole discretion and/or pursuant to applicable laws, rules or regulations, whichever is greater. Customer agrees to promptly satisfy all margin and maintenance calls. Customer acknowledges that Clearing Agent is not obligated to (i) request additional securities or other property for margin purposes in the event the Account(s) falls below minimum margin requirements, (ii) notify Customer of any such deficiency or (iii) allow Customer time to deposit additional securities or other property. Clearing Agent reserves the right to increase margin maintenance requirements at any time in its sole discretion.

**44. Interest Charges on Debit Balances.** Customer agrees to pay interest on all debit balances on a non-aggregated basis in any Account(s). Interest shall be computed and charged in accordance with IB and Clearing Agent's standard methods and procedures in effect from time to time. In no event, however, shall such interest rate exceed the maximum rate permitted by applicable law. Customer understands that the interest charge made to its Account(s) at the close of a charge period will be added to the opening balance for the next charge period unless paid.

**45. Pledge of Securities, Options and Other Property.** All securities and other property now or hereafter held, carried or maintained by Clearing Agent in or for any Account(s) may, from time to time and without notice to Customer, be pledged, repledged, hypothecated or re-hypothecated by Clearing Agent, either separately or in common with other securities and other property, for any amount due in any Account(s), and Clearing Agent may do so without retaining in its possession or under its control for delivery a like amount of similar securities or other property.

**46. Short Sales.** Customer agrees that any "short" sale by Customer shall be so designated to IB at the time such order is placed and Customer hereby authorizes Clearing Agent to mark any such order as being "short." Customer agrees that all short sale transactions shall be executed in a Margin Account. Customer understands that to facilitate a short sale, Clearing Agent must borrow the securities that Customer sells short. Customer agrees that if (i) market conditions change, (ii) Clearing Agent is unable to borrow the securities, (iii) the lender recalls the securities, or (iv) the provisions of FINRA Rule 11830 (Mandatory Close Out for Short Sales) become applicable, Clearing Agent may attempt to re-borrow the securities, but Customer understands that Clearing Agent may need to cover the short position in the Account on the open market at the then-current market price and market conditions. Customer understands that it will be responsible for any resulting loss or associated costs incurred by Clearing Agent in connection with "short" transactions.

**47. Loan of Securities.** Clearing Agent is authorized to lend to itself, as principal or otherwise, or to others any securities held by Clearing Agent in any Account(s), and Clearing Agent shall have no obligation to retain in its possession and control a like amount of such securities. In connection with such loans, Clearing Agent may receive and retain certain benefits (including interest on collateral posted for such loans) to which Customer shall not be entitled. In certain circumstances, such loans may limit, in whole or in part, Customer's ability to exercise voting rights of the securities lent.

**48. Margin Loans.** From time to time Clearing Agent may, at its sole discretion, make loans to Customer for the purpose of purchasing, carrying or trading in securities, options or other property ("Margin Loans"). Margin Loans will be made in a Margin Account. The minimum and maximum amount of any particular Margin Loan may be established by Clearing Agent in its sole discretion regardless of the amount of Collateral (as hereinafter defined) delivered to Clearing Agent, and Clearing Agent may change such minimum and maximum amounts from time to time without notice to Customer.

**49. Ownership of Certain Securities.** With respect to securities against which margin credit is extended to Customer: (i) Customer is not, and will not be, the beneficial owner of greater than three percent (3%) of the number of outstanding shares of any class of equity securities, and (ii) Customer does not and will not control, is not and will not be controlled by and is not and will not be under common control with, the issuer of any such securities. Customer will notify IB and Clearing Agent immediately if the foregoing representation is or becomes inaccurate.

**50. Credit Statement Policy.** Customer acknowledges that Customer has received, read and understood the disclosure statement explaining the conditions under which interest will be charged to the Account(s), how rates of interest are determined, how debit balances are determined, and the methods of computing interest.

**THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE IN SECTION 15. CUSTOMER HAS READ AND UNDERSTOOD, AND AGREES TO BE BOUND BY, SUCH PREDISPUTE ARBITRATION CLAUSE.**

**Customer understands that any alteration to this Customer Agreement shall be ineffective to relieve Customer of Customer's Obligations hereunder. This Agreement and the opening of any Account(s) including, without limitation, any Options Account(s) or Margin Account(s), shall not be effective until received and approved by IB and its Clearing Agent.**



BEST Direct Securities, LLC  
One Peregrine Way  
Cedar Falls, IA 50613  
800-553-2575  
Member FINRA & SIPC

## DISCLOSURES

### **BEST Direct Securities, LLC Anti-Money Laundering Policy**

It is the policy of BEST Direct Securities, LLC (“BDS”) to strive to prevent money laundering through inappropriate use of its facilities. BDS is committed to full compliance with all applicable laws and regulations regarding money laundering.

**Important Information About Procedures for Opening a New Account.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**What this means for you:** When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.

### **BEST Direct Securities, LLC Privacy Policy**

#### **Protecting Your Confidential Information**

We, at BEST Direct Securities, LLC (“BDS”), value our relationship with each of our customers, and we appreciate the trust that you have placed in us. We recognize that you have concerns about the confidential personal information we obtain about you throughout our relationship. Because protecting your confidential information is important to us, we have adopted a privacy policy which governs how the confidential information we obtain about you is used and maintained. We pledge to protect that information and ensure that it remains private. The information in this notice summarizes the categories of personal information that we collect about you, how that information is handled, and how we protect that information.

We do not disclose any nonpublic personal information about our customers to anyone, except as required or permitted by law. BDS does not sell personal information obtained about you to companies that are not associated with BDS for the purpose of marketing their products or services to you.

#### **Collection and Use of Personal Information**

The privacy policy set forth in this notice applies to BDS and affiliated companies of BDS. We collect nonpublic personal information about you from the following sources, solely for the purposes specified:

Information we receive from you on account applications or other forms, such as name, address, federal tax identification number, income, assets and similar information. We use this information to administer the accounts we maintain on your behalf, process transactions requested by you, respond to your inquiries, evaluate your investment needs, and identify other products and services that may interest you.

Information about your transactions with us or our affiliates, such as your account balance, transaction history and payment activity. This information is used to process transactions you request and ensure the accuracy of the records and reports we maintain that relate to your account. We may also collect various other types of data, such as transaction, site navigation and optional survey information, in connection with your use of online services we make available to you, either directly or through other entities. We use this information in order to improve the quality of the services we offer you.

Information we receive from consumer reporting agencies, such as credit relationships and credit history. We use this information to help determine your eligibility for BDS products and services, collect or report debts owed to us, and protect our rights and property.

#### **Sharing of Information Within BDS**

The information we collect relating to your transactions and experiences with BDS or any affiliate may be shared among BDS's affiliates. We may also share some or all of the information we receive about you from consumer reporting agencies, such as credit information.

### **Sharing of Information Outside BDS**

As permitted by law, we may disclose some or all of the information described above with entities that are not affiliated with BDS for the purpose of servicing your BDS accounts, improving our services, providing products and services you've requested from BDS, and informing you about products or services available from BDS that may be of interest to you. Such companies may include:

Companies that are the source or origin of financial services offered by BDS, such as banks, securities broker-dealers, mutual fund companies and insurance companies.

Nonfinancial companies, such as companies that perform services on our behalf, e.g., check printers, quote vendors, companies that prepare account statements for us, companies that assist us in communicating or marketing our services.

Others, such as independent contractors or technical system consultants who program our software, government agencies and regulators, consumer reporting agencies, and other outside entities as permitted or required by applicable laws.

### **Protecting the Confidentiality of Your Personal Information**

All BDS employees are instructed to use strict standards of care regarding the confidentiality of your nonpublic personal information as outlined in firm policies. Employees not adhering to our firm policies are subject to disciplinary action. We require outside companies and independent contractors to whom we provide customer information for marketing, servicing or processing to enter into a confidentiality agreement that restricts the use of the information to those purposes. We maintain physical, electronic and procedural safeguards that comply with applicable laws to protect your nonpublic personal information.

If you have any questions or comments about our privacy policy, please contact your BDS broker or sales representative. You may also call BDS's Chief Compliance Officer, Steven Zakrzewski, at (800) 553-2575.

## **BEST Direct Securities, LLC's Business Continuity Planning Disclosure (FINRA Rule 3510)**

BEST Direct Securities, LLC has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**Contacting Us** – If after a significant business disruption you cannot contact us as you usually do at 800-553-2575, you should go to our web site at [www.bestdirectsecurities.com](http://www.bestdirectsecurities.com). If you cannot access us through either of those means, you should contact our clearing firm, Terra Nova Financial, Inc, at [www.tnfg.com](http://www.tnfg.com) or 866-866-6546 for instructions on how you may place orders or have prompt access your funds and securities.

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

*Our clearing firm, Terra Nova Financial, Inc., backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firm has advised us that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments quickly. They have alternate facilities contracted or established in Illinois and New York to serve as recovery sites.*

**Varying Disruptions** – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within the hour. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business as quickly as possible, usually within a twenty-four hour period. In either situation, we plan to continue in business; transfer operations to our clearing firm if necessary, and notify you through our web site, [www.bestdirectsecurities.com](http://www.bestdirectsecurities.com) or by email on how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

**For more information** – If you have questions about our business continuity planning, you can contact us at (800) 553-2575.

## **CLEARING AGENT DISCLOSURE STATEMENTS**

### ***RULE 3230 DISCLOSURE***

You have opened Account(s) with an Introducing Broker Dealer (“IB”) that has a contractual arrangement with Clearing Agent, Terra Nova Financial, LLC, for the performance of clearance services. In accordance with FINRA Rule 3230, this Disclosure is intended to inform you of the allocation of responsibilities contained in that clearing agreement. It is intended to be a general disclosure, not a definitive enumeration of each and every responsibility. IB is not an affiliate or subsidiary of Clearing Agent, its parent corporation, or any of Clearing Agent’s affiliated companies; nor are its registered representatives or other employees employed by Clearing Agent, its parent corporation or affiliated companies.

You have appointed IB to act as your agent for the purpose of carrying out your directions with respect to your purchase or sale of securities. Clearing Agent has been informed that IB is authorized to open or close the Account(s), place and withdraw orders and take such other steps as are reasonable to carry out your directions. Until receipt of your written notice to the contrary, Clearing Agent may accept instructions for your Account(s) from IB without inquiry or investigation by Clearing Agent including, without limitation, instructions with respect to the disbursement of funds and the transfer of securities. Clearing Agent is not responsible or liable for any of IB acts or omissions or the acts or omissions of IB’s employees, nor is it responsible for any indirect or consequential damages under any circumstances caused by IB. As between you and Clearing Agent, you shall be responsible for any action taken by Clearing Agent in your Account(s) based upon instructions Clearing Agent received from either you or IB. In the event that you maintain a delivery versus payment Account(s), you agree to comply with FINRA Rule 11860 by furnishing your agent with instructions for the delivery or receipt of securities promptly upon receipt of confirmation (or the relevant data as to execution), which shall be no later than (i) the close of business on the second business day after execution for purchases, and (ii) the close of business on the first business day after execution for sales.

You understand that Clearing Agent does not act as investment adviser or solicit orders, that Clearing Agent does not advise you or IB on any matters pertaining to the suitability of any order, offer any opinion, judgment or other type of information pertaining to the nature, value, potential or suitability of any particular investment, or review the appropriateness of investment advice or transactions entered by IB on your behalf. You understand that Clearing Agent’s employees and agents are not authorized to give any such advice and you will not solicit or rely upon any such advice whether in connection with transactions in or for any of your Account(s) or otherwise. In the event you need any advice concerning your Account(s), you should consult and rely upon a professional who provides such advice, and not Clearing Agent. Clearing Agent neither controls, audits nor otherwise supervises the activities of IB or its registered representatives, nor does it verify information provided by IB regarding your Account(s), including any transactions therein.

IB shall at all times be exclusively responsible for:

- Opening, approving, servicing, and monitoring your Account(s), including obtaining and verifying your new account information.
- Obtaining personal information from you, including your investment objectives.
- Reviewing your Account(s) and all orders for those Account(s), which includes supervising all investment advice given to you and, if your Account is a discretionary account, supervising the exercise of such discretion.
- Accepting and arranging for execution of your transactions, and establishing procedures for reviewing and transmitting orders prior to execution.
- Determining commissions, mark-ups or other fees charged for your transactions.
- Transmitting instructions concerning your Account(s) to Clearing Agent either generally or in connection with tender or exchange offers or any other form of corporate reorganization, unless Clearing Agent accepts instructions directly from you.
- Ensuring that securities sold by you may be transferred without restriction or that transfer restrictions have been complied with.
- Complying with all laws, rules, and regulations applicable to any arrangement or understanding that IB may have: (i) to rebate to you any funds, including, without limitation, any portion of any commission, mark-up, mark-down, fee, or other charge or to pay on your behalf the cost of any service or product, or (ii) to provide research services to any fiduciary exercising investment discretion with respect to your Account(s).
- The conduct of your Account(s) and ensuring that all the transactions conducted therein are in compliance with all applicable laws, rules and regulations. Such responsibility includes, without limitation: (i) knowing all persons holding power of attorney over your Account(s); (ii) selecting, investigating, training, and supervising all personnel who open, approve, or authorize transactions in your Account(s); (iii) establishing written procedures for the conduct of your Account(s) and maintaining compliance and supervisory personnel adequate to implement such procedures; (iv) determining the suitability and legality of all transactions in your Account(s); and (v) determining the appropriateness of the frequency of trading in your Account(s).
- Receiving and delivering funds and securities (except where you either deliver funds or securities directly to Clearing Agent or you receive a check directly from Clearing Agent), and notifying you of Clearing Agent’s margin requirements.
- Supplying all documentation required by Clearing Agent. Clearing Agent at all times has the right, reasonably exercisable in its sole discretion, to refuse to accept orders for your Account(s), which right it may exercise where, for example, it has not received the necessary documentation for your Account(s).

Clearing Agent shall be responsible for the following services provided at the request of IB as contemplated by the contractual arrangement between our firms:

- Any extensions of credit to you, which includes complying with Regulation T of the Federal Reserve Board, determining maintenance margin, paying and charging interest and re-hypothecation or loan of any of your margin securities.
- Maintaining account records on your behalf with such name(s) and address (es) as provided by IB.
- Keeping custody of funds and securities (while they are in Clearing Agent’s physical possession), and segregating such funds and securities as required by applicable law.
- Preparing and transmitting to you monthly or, if appropriate, quarterly account statements. Such statements shall rely, in whole or in part, on information provided by IB.
- Both Clearing Agent and IB have the right to reject any proposed transaction.

*Unless we receive a written communication to the contrary, your understanding of and agreement with the clearing arrangement as described in this Rule 3230 Disclosure is acknowledged.*

## **CLEARING AGENT DISCLOSURE STATEMENTS**

### **MARGIN DISCLOSURE STATEMENT**

This disclosure is being provided to you by Clearing Agent in order to provide you with some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a Margin Account. Before trading stocks in a Margin Account, you should carefully review the section entitled “Margin Accounts” in the Customer Agreement provided to you. Please call IB if you have any questions or concerns with your Margin Account.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Clearing Agent. If you choose to borrow funds from Clearing Agent, IB will open a Margin Account for you with Clearing Agent. The securities purchased are the Clearing Agent's collateral supporting your loan, and, as a result, Clearing Agent can take action, such as issue a margin call and/or sell securities in your Account(s), in order to maintain the required equity in your Account(s).

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

**You can lose more funds than you deposit in the Margin Account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to Clearing Agent to avoid the forced sale of those securities or other securities in your Account(s).

**Clearing Agent can force the sale of securities in your Account(s).** If the equity in your Account(s) falls below the maintenance margin requirements under the law, or Clearing Agent's higher “house” requirements, Clearing Agent can sell the securities in your Account(s) to cover the margin deficiency. You also will be responsible for any shortfall in your Account(s) after such a sale.

**IB or Clearing Agent can sell your securities without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that a firm cannot liquidate securities in their Account(s) to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interest, including immediately selling the securities without notice to the customer.

**You are not entitled to choose which security in your Margin Account is liquidated or sold to meet a margin call.** Because the securities are collateral for the Margin Loan, IB or Clearing Agent has the right to decide which security to sell in order to protect its interests.

**Clearing Agent can increase its “house” maintenance margin requirements at any time and is not required to provide you with advance notice.** These changes in Clearing Agent's policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause Clearing Agent to liquidate or sell securities in your Account(s).

**You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

## CLEARING AGENT DISCLOSURE STATEMENTS

### DAY TRADING DISCLOSURE

You should consider the following points before engaging in a day-trading strategy. For purposes of this notice, a “day-trading strategy” means an overall trading strategy characterized by the regular transmission by a customer of intra-day orders to effect both purchase and sale transactions in the same security or securities.

**Day Trading Can Be Extremely Risky.** Day trading generally is not appropriate for someone of limited resources and limited investment or 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. Further, certain evidence indicates that an investment of less than \$50,000 will significantly impair the ability of a day trader to make a profit. Of course, an investment of \$50,000 or more will in no way guarantee success.

**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. 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 for a stock drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.

**Day trading will generate substantial commissions, even if the per trade cost is low.** Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs \$16 and an average of 29 transactions are conducted per day, an investor would need to generate an annual profit of \$111,360 just to cover commission expenses.

**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 stock at a very high price in order to cover a short position.

**Potential Registration Requirements.** Persons providing investment advice for others or managing securities accounts for others may need to register as either an “Investment Advisor” under the Investment Advisor Act of 1940 or as a “Broker” or “Dealer” under the Securities Exchange Act of 1934. Such activities may also trigger state registration requirements.

I ACKNOWLEDGE THAT I HAVE RECEIVED, READ, AND UNDERSTOOD THIS DAY TRADING ADDITIONAL RISK DISCLOSURE DOCUMENT, AND AGREE TO INDEMNIFY AND HOLD HARMLESS THE CLEARING AGENT, IB AND ITS AGENTS FOR THE RESULTS OF TRADING IN MY ACCOUNT.

## **DISCLOSURE OF CREDIT TERMS**

You will be charged interest on any credit extended to you by Clearing Agent in connection with purchasing, selling, carrying or trading in any security, or other transactions in your cash or Margin Account. This information is being provided to you as required by SEC Rule 10b-16.

Clearing Agent will determine at its discretion a Base Rate of interest upon which it will calculate the rate of interest to be charged to Margin or cash Account(s) customers. The "Base Rate" will be determined by Clearing Agent by reference to the prevailing "broker's call money rate" as appearing in financial publications. You will pay a rate of interest which can vary over the Base Rate depending upon the size of your Margin Loans, including but not limited to the size of the loan debit balance, or any uncollected cash account debits. The rate will appear on your monthly statement, which will be sent to you at the end of every month. Since the rate of interest charged is related to the broker's call money rate in effect, as well as the size of any debit balances in your Account(s), any changes in that rate or the size of the debit balance in your Account(s) will cause corresponding changes in the rate you are charged. Such changes will be made without notice to you. If your interest rate is to be increased for any other reason or any changes in the way it's calculated, at least thirty (30) days prior written notice will be given to you by Clearing Agent.

Debit balances represent money loaned to you by Clearing Agent. When you purchase securities on margin, you must deliver the appropriate collateral required by Regulation T, as well as any additional collateral required by Clearing Agent. The balance of the purchase price will be loaned to you. It is this loaned portion which creates the debit balance and upon which interest is charged. Each additional purchase likewise adds to your debit balance, as do your interest charges, unless paid, and any other incidental charges which may be assessed to your Account(s) (as examples, any charges levied by a transfer agent for transferring your securities or interest charged because of a prepayment of funds). Any sales, other than short sales, or other credits (i.e., dividends) reduce any existing debit balances.

**Interest Charges on Debit Balances:** Customer agrees to pay interest on all debit balances on a non-aggregated basis in any Account(s).

The method of computing interest will be as follows: Interest is computed on a daily basis on the net debit balance during the interest period. The interest period runs from the 16th of the prior month to the 15<sup>th</sup> of the current month, except December when it is computed through the 31st. To compute your interest, Clearing Agent will take the debit balance on the 16<sup>th</sup> day of the prior month and each day add any debits appearing on your statement and subtract any credits. This will determine the day's debit balance. Clearing Agent will then multiply each day's debit balance by the interest rate and by the fraction 1/360. The interest charged during the interest period will be the total of the daily charges so computed. Your monthly statements will show the opening and closing debit balances for the period.

### **Liens and Additional Collateral**

All collateral which Clearing Agent or its affiliates may at any time be carrying for you or which may at any time be in its or their possession or control for any purpose, including safekeeping, and any proceeds and distributions therefrom, shall be subject to a general lien and, a continuing, first-priority security interest (unless you forfeit such continuing, first-priority security interest solely as a result of your own actions) for the discharge of all of your obligations and liabilities to Clearing Agent, irrespective of whether or not Clearing Agent has made advances in connection with such securities or other property, and irrespective of the number of Account(s) you may have with Clearing Agent, or which Clearing Agent affiliate holds such collateral.

Clearing Agent shall require you to deposit additional collateral in accordance with the rules and regulations of the Federal Reserve Board and/or any other regulatory agency to whose jurisdiction Clearing Agent is subject, and Clearing Agent may also require you to deposit such additional collateral as it may determine is needed as security for your obligations.

### **Short Sales and Marking To-The-Market**

The credit that appears on your statement due to short sales (including short sales against the box) is offset by a debit of like amount as a result of the fact that Clearing Agent must borrow the same security in order to deliver it to the buying broker. This means that the credit generated by any short sale does not reduce your debit balance for the purpose of computing interest until the short position is covered.

Any short position in your Account(s) will be kept "marked-to-the-market" based on the daily composite closing price. This means that the balance maintained in the short Account(s) will be adjusted weekly to equal the current market value of the short securities. If a security has been sold short (or sold short against the box) and it increases in market price over the price of the short sale, interest will be charged on the increase in value; if its market price decreases, any interest charges will be reduced in proportion to the decrease in value.

## **FINRA REGULATION'S PUBLIC DISCLOSURE POLICY**

FINRA is a self-regulatory organization for the securities industry. The Board of Governors of FINRA has adopted a "Public Disclosure Policy" that provides investors with disciplinary information on FINRA Member Firms and their Associated Persons in response to written inquiries, electronic inquiries via the FINRA Regulation's Web Site address [www.FINRA.org](http://www.FINRA.org) or telephone inquiries via FINRA Regulation's toll-free telephone listing (1-800-289-9999).

The primary purpose of this Program is to help investors make informed choices about FINRA Member Firms and their Associated Persons when determining whether to conduct business with the firm. To obtain a free brochure describing the FINRA Public Disclosure Program you can call the toll free number listed above or log onto the FINRA Regulation Web Site.

## **ORDER ROUTING AND EXECUTION DISCLOSURE**

IB wants to advise you of two specific risks associated with online trading activities generally:

- **Fast Markets.** A fast market is a high-volume trading session marked by extreme price fluctuations and order imbalances resulting from numerous investors entering buy or sell orders for the same security simultaneously. Because of these imbalances, wide price variances in short periods of time are common. On any given day, fast markets can affect a particular security, groups of securities or the market as a whole. Fast markets can be caused by material news announcements, market developments and even trading halts taking place in less volatile securities. The ability to execute orders in fast

market conditions may be severely limited, and order execution may be delayed significantly. Furthermore, market orders entered in fast market conditions may be executed at prices that are significantly different from the prices quoted at the time the orders were entered. Please bear these factors in mind when routing market orders through IB or the Clearing Agent.

- **Use of Automated Systems.** IB and Clearing Agent utilize a variety of automated order entry and order routing systems and technologies. These systems and technologies greatly enhance our ability to transmit your orders promptly, to compare prices across markets and to minimize the likelihood of errors. However, these systems and technologies also are subject to periodic disruption, failure or interruption. While we strive to utilize systems and technologies that are reliable and to make alternative systems or technologies available to you in the event of such an occurrence, you should be aware that your ability to promptly execute your orders could be adversely affected if such disruption, failure or interruption were to occur.

### ***EXTENDED HOURS TRADING RISK DISCLOSURE***

- **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, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices of either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of the 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 an inferior price in one extended hours trading system than you would 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 the 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.

### ***PAYMENT FOR ORDER FLOW DISCLOSURE***

- On occasion, market centers, including broker-dealers, may offer compensation or other remuneration to a broker-dealer for the routing of its customers' orders to that market center for execution. This practice is generally referred to as "Payment for Order Flow."
- While customers of IB generally make their own routing decisions and route their own orders, IB does receive liquidity provider rebates on some orders that add liquidity to certain market centers. The source and nature of such compensation received will be furnished upon written request.

### ***LISTED OPTIONS TRADING ELECTRONIC ACCESS DISCLOSURE***

In order for you to have electronic access for listed option order entry, all applicable rules and regulations must be followed, and you may not engage in any conduct that would circumvent or violate such rules. The following are examples of rules that apply to listed options trading and that must be complied with. If you have any questions or concerns about the following, please contact your registered representative.

#### **(1) RESTRICTION ON COMPUTER GENERATED ORDERS:**

Every exchange with the exception of the NYSE Arca restricts the entry of computer-generated orders. (On NYSE Arca such orders are allowed but must be coded as "CG" orders so that they are not given the same handling as other order types.) Some human or "manual" intervention **MUST** be involved in the initiating of the option order prior to its entry electronically for exchange routing. Failure to comply with this obligation is viewed as a serious circumvention of the exchanges' rules; as such failure affects the specialists' ability to update their markets. We are allowed to route orders electronically to the various exchanges contingent on abiding by this rule as well as all exchange, FINRA and/or SEC rules.

#### **(2) SIMULTANEOUS BUY AND SELL LIMIT ORDERS:**

Customers are prohibited from placing simultaneous or near simultaneous buy and sell limit orders in the same option series in contravention of exchange rules. Such conduct is inappropriate and is deemed to be disruptive of an orderly market. By the placement of simultaneous or near simultaneous buy and sell limit orders which remain pending in the marketplace, customers may be deemed to be acting in the capacity of market makers in contravention of exchange rules.

When entering simultaneous buy and sell limit orders in the same security or option series, one of the orders must be canceled unless one of the orders is executed before entry of the other. Such practice is designed to prevent any appearance of maintaining a regular or continuous two-sided market, which may only be maintained by a qualified market maker.

For example:           Market Quote = 3.10 bid, 3.20 offer

Customer enters a limit order to buy @ 3.11 and sell @ 3.19. The buy order is cancelled within 10 seconds after entry of the sell order. Hence, for a period of 10 seconds there was a live bid and offer made by the same trader or account in the same option series. The exchanges are likely to consider this “making a two-sided market” in contravention of exchange and SEC rules by a party NOT registered to act as a market maker.

**(3) UNBUNDLING OF ROUND LOTS:**

It is against exchange rules for customers to un-bundle round lot marketable orders (i.e., market orders or marketable limit orders) into odd lot orders in order to effect electronic executions on the exchange through the exchange’s automatic execution facilities. This same rule applies on ALL option and securities exchanges. The exchanges consider it to be a serious violation to break up a larger order into smaller lots to take advantage of the automatic execution systems that are intended to service small lot retail customer orders.

Example: Breaking a 100-share order into two 50-share orders

The incentive for a customer to un-bundle a round lot order is that an odd lot will receive immediate execution through an automatic execution system without altering the market. Such a practice is inappropriate and in contravention of exchange rules.

**(4) 15-SECOND RULE:**

With the exception of the International Securities Exchange, all option exchanges currently restrict multiple orders on the same side of the market (i.e., buy call/sell put or sell call/buy put) entered on behalf of the same account and/or same beneficial owner within 15 seconds for the same option class.

**(5) ISE Option Rule 717 (c) (1):**

For option orders for size of less than 10 contracts, clients are prohibited from entering into the system, within 30 seconds, multiple orders by the same account and/or trader in the same option series. ISE rule 717 restricts such conduct as it is an unfair practice that forces the primary market maker to be responsible for the number of contracts necessary to post a 10-up market according to his quoting obligation when such a market was based on a customer’s order for size less than 10 contracts.

***PENNY STOCK TRADING DISCLOSURE***

The risk of loss in trading of penny stocks can be substantial. **IB generally does not provide investment advice, recommendations, tax advice or legal advice regarding the suitability of penny stocks, a particular execution venue or the profitability of a transaction or investment.**

Other persons, such as educators, newsletter writers, other broker/dealers, independent contractors or other customers, who make investment recommendations or suggestions or who provide IB with names of prospective customers, are not permitted to solicit or accept accounts or orders or to act or say anything on behalf of IB. Furthermore, IB is not responsible for the accuracy or completeness of any information or advice you may have received or receive in the future from any person not employed by IB regarding stock, stock option, commodity or commodity option trading or the risks involved in such trading, and IB is not be responsible for any loss to you resulting from any firm or individual supplying you with advice or information such as quote data, position information, etc.

**IMPORTANT INFORMATION ON PENNY STOCKS**

**Penny stocks can be very risky.** Trading in penny stocks may result in the loss of part or all of your investment. Because of significant volatility, large dealer spreads and very limited market liquidity, you understand that typically you will not be able to sell a penny stock immediately back to the dealer at the same price it sold the stock to you. In some cases, the stock may fall quickly in value. Likewise, prices often are not available.

Penny stocks are low-priced shares of small companies not traded on an exchange or quoted on NASDAQ. Generally, a penny stock is a security that:

- Is priced under five dollars;
- Is **not** traded on a national stock exchange or on NASDAQ (the NASDAQ automated quotation system for actively traded stocks);
- May be listed in the “pink sheets” or the OTC Bulletin Board;
- Is issued by a company that has less than \$5 million in net tangible assets and has been in business less than 3 years, by a company that has under \$2 million in net tangible assets and has been in business for at least three years, or by a company that has revenue of \$6 million for 3 years.