

TXSE Sponsored Access Application

In order to join Texas Stock Exchange LLC (“Exchange”) as a Sponsored Participant, an Applicant and their Sponsoring Member must complete and submit all materials listed on the Application Checklist below via email to membership@txse.com.

APPLICATION CHECKLIST
☐ Sponsored Access Application, including • Sponsoring Member Consent • Sponsored Participant Agreement
☐ User Agreement
☐ IRS Form W-9 or W-8

Note: All application materials sent to the Exchange will be reviewed for completeness. All applications are deemed confidential and are handled in a secure environment. Applications may, however, be shared with other self-regulatory organizations (e.g., FINRA), as necessary, to evaluate and process the application.

The Exchange may request Applicants to submit documentation in addition to what is listed in the Application Checklist during the application review process. If you have questions on completing the application, you may direct them to Membership Services at membership@txse.com or 214-612-0389.

SPONSORING MEMBER INFORMATION			SPONSORING MEMBER BUSINESS CONTACT	
Firm:			Name:	
Address:			Email:	
City:	State:	Zip:	Phone:	
SPONSORED PARTICIPANT INFORMATION			SPONSORED PARTICIPANT BUSINESS CONTACT	
Firm:			Name:	
Address:			Email:	
City:	State:	Zip:	Phone:	
SPONSORED PARTICIPANT BILLING ADDRESS			SPONSORED PARTICIPANT BILLING CONTACT	
Firm:			Name:	
Address:			Email:	
City:	State:	Zip:	Phone:	

AUTHORIZATION	
This form is governed by all terms and conditions set forth in the Exchange Sponsored Access Application and Agreements. The Exchange provides a best effort attempt to cancel all open orders from a Member/Sponsored Participant upon a communications disconnect. There is no guarantee that the automatic cancel feature provided by the Exchange will be error free or will operate without interruption. By signing below, you agree and acknowledge that the Exchange is not liable or responsible in any way for any orders which may fail to be cancelled using the automatic cancel feature. Members may call the TXSE Trade Desk at 214-612-0388 to verbally request that all open orders be cancelled or check the status of open orders.	
Sponsoring Member Firm:	
Printed Name/Title:	Signature:

SPONSORED PARTICIPANT MARKET PARTICIPANT IDENTIFIER (MPID)
List the MPID/NSCC # that the Sponsored Participant is permitted to use: _____ / _____

TXSE Sponsoring Member Consent

We, _____, a Member of the Exchange, are hereby notifying the Exchange that we intend to be a Sponsoring Member providing access to a Sponsored Participant, as those terms are defined in Exchange Rule 1.005, by permitting the Sponsored Participant identified below to send orders directly to the Exchange using our Market Participant Identifier (MPID) or mnemonic (or the mnemonic of our clearing broker, as applicable).

We acknowledge and agree that we are responsible for all orders entered on or through the Exchange by the Sponsored Participant and any person acting on behalf of or in the name of such Sponsored Participant. We further acknowledge and agree that we must be identified on any order submitted by the Sponsored Participant as the Sponsoring Member of that order, and that any execution occurring as a result of an order entered by a Sponsored Participant shall be binding in all respects on us. Furthermore, we acknowledge and agree that as a Sponsoring Member we are responsible for all contractual and regulatory obligations arising from this Sponsored Participant relationship. Such regulatory obligations include, but are not limited to:

- compliance with SEC Rule 15c3-5, including the requirement to establish, document, and maintain a system of risk management controls and supervisory procedures that, among other things, are reasonably designed to: (i) systematically limit the financial exposure of the broker or dealer that could arise as a result of market access, and (ii) ensure compliance with all regulatory requirements applicable to market access;
- compliance with SEC Rule 15c3-5, including the requirement to maintain direct and exclusive control over the risk management controls and supervisory procedures implemented for the Sponsored Participant;
- Question and Answer 5 of “Responses to Frequently Asked Questions Concerning Risk Management Controls for Brokers or Dealers with Market Access”¹; and
- where a Sponsored Participant is an Exchange registered Market Maker, compliance with the Market Maker obligations required by applicable Exchange Rules.

We further acknowledge and agree that we are responsible for any and all actions taken by the Sponsored Participant or any person acting on behalf of or in the name of the Sponsored Participant on or through the Exchange.

In addition to Exchange Rule 11.003, we have further reviewed other provisions of the Rules of the Exchange and the terms of our User Agreement with the Exchange. The Sponsored Participant has agreed to comply with all applicable Rules of the Exchange governing the entry, execution, reporting, clearing and settling of orders in securities eligible for trading on the Exchange. While the Sponsored Participant agrees to comply with the Rules of Exchange and the terms of the Sponsoring Member Agreement with the Exchange, we understand that the Sponsoring Member still ultimately remains responsible for all orders entered on or through the Exchange by the Sponsored Participant. We further understand that we are required and agree to impose appropriate regulatory and supervisory procedures in connection with orders directed to the Exchange by the Sponsored Participant.

Sponsoring Member Name

CRD Number (if applicable)

Signature of Authorized Officer, Partner or Managing Member or Sole Proprietor

Date

Printed Name

Title

¹ See Question 5, “Responses to Frequently Asked Questions Concerning Risk Management Controls for Brokers or Dealers with Market Access”, April 15, 2015, available at: [https:// www.sec.gov/divisions/marketreg/faq-15c-5-risk-management-controls-bd.htm](https://www.sec.gov/divisions/marketreg/faq-15c-5-risk-management-controls-bd.htm). See also: “Overview of Exchange Provided Risk Management Controls and Port Level Setting Changes in relation to Market Access Rule 15c3-5” at: https://cdn.cboe.com/resources/membership/Trading_Notice_-_BD_Diligence_Requests_FINAL.pdf.

TXSE Sponsored Participant Agreement

On behalf of the Sponsored Participant, the undersigned agrees to comply with the Exchange Certificate of Formation, the Exchange User Agreement and Rules of the Exchange, and all written interpretations thereof, as if the Sponsored Participant were a Member of the Exchange. These requirements include, but shall not be limited to, the items listed below.

The Sponsored Participant:

- shall enter into and maintain a User Agreement with the Exchange;
- shall maintain, keep current and provide to the Sponsoring Member, and to the Exchange upon request, a list of Authorized Traders who may obtain access to the System on behalf of the Sponsored Participant. The Sponsored Participant shall be subject to the obligations of Exchange Rule 11.004 with respect to such Authorized Traders;
- shall familiarize its Authorized Traders with all of its obligations under Exchange Rule 11.003 and will assure that they receive appropriate training prior to any use or access to the Exchange;
- may not permit anyone other than Authorized Traders to use or obtain access to the Exchange;
- shall take reasonable security precautions to prevent unauthorized use or access to the Exchange, including unauthorized entry of information into the Exchange, or the information and data made available therein. The Sponsored Participant understands and agrees that the Sponsored Participant is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Authorized Traders, and for the trading and other consequences thereof;
- acknowledges its responsibility to establish adequate procedures and controls that permit it to effectively monitor its employees', agents' and customers' use of and access to the Exchange for compliance with the terms of this agreement; and
- shall pay when due all amounts, if any, payable to Sponsoring Member, the Exchange or any other third parties that arise from the Sponsored Participant's access to and use of the Exchange. Such amounts include, but are not limited to applicable Exchange and regulatory fees.

Authorized Acknowledgement of Sponsored Participant:

The undersigned, as a duly appointed Officer, Partner, Managing Member or Sole Proprietor of the applicant Sponsored Participant, does hereby acknowledge and agree to the terms and provisions of Exchange Rule 11.003, and shall comply with the Exchange Rules, as amended.

Sponsored Participant Name

CRD Number (if applicable)

Signature of Authorized Officer, Partner or Managing
Member or Sole Proprietor

Date

Printed Name

Title