

Customer Identification Program Notice

Important Information You Need to Know About Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify and record information that identifies each person or entity who opens an account. This notice is designed to answer some questions about Clear Street LLC s (Clear Street” or, the Firm”) Customer Identification Program.

What types of information will I need to provide?

When you open an account, Clear Street is required to collect information from you which includes but is not limited to: full legal name; date of birth; residential address; and government issued identification number, such as a driver s license or U.S. passport; non-U.S. passport number and country of issuance; alien identification card number; or other government-issued identification showing nationality, residence and a photograph of you.

You will also need to provide other identifying documents and additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives and risk tolerance so that Clear Street can comply with U.S. Department of the Treasury, U.S. Securities and Exchange Commission (SEC”), and rules of the Financial Industry Regulatory Authority, Inc. (“FINRA”).

A corporation, partnership, trust or other legal entity is required to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government-issued business license, authorized traders, a partnership agreement or a trust agreement. Certain legal entities will also be required to provide information and identifying documents for its beneficial owners and control person(s), as well as a list of personnel authorized to act on its behalf.

What happens if I don’t provide the information requested or my identity can’t be verified?

Clear Street may not be able to open an account or carry out transactions for you. If Clear Street has already opened an account for you, we may have to close it. You will be responsible for any losses or damages (including, but not limited to, lost opportunities) that may result if your account is restricted or closed.

Prohibited Accounts - Section 311 Notice

Pursuant to U.S. regulations issued under Section 311 of the USA PATRIOT Act, 31 CFR 103.193, Clear Street is prohibited from establishing, maintaining, administering or managing correspondent accounts for, or on behalf of: Al-Huda Bank; Bank of Dandong; Burma; Bitzlato; CIBanco S.A., Institucion de Banca Multiple; Commercial Bank of Syria (Includes Syrian Lebanese Commercial Bank); Democratic People's Republic of Korea; FBME Bank Ltd.; Huione Group; Institucion de Banca Multiple (InterCam); Islamic Republic of Iran; PM2BTC, and Vector Casa de Bolsa, S.A. de C.V. (Vector) For Exchange; or other foreign jurisdictions, institutions, classes of transactions or types of accounts which are identified as a "primary money laundering concern" under the USA PATRIOT Act.

Regulations also require us to notify you that you may not provide any of the aforementioned entities or their subsidiaries with access to the account(s) that you hold with us. If we become aware that one of these entities or any of their subsidiaries is indirectly using the account that you hold with us, we will be required to take appropriate steps to prevent such access including, where necessary, terminating your account(s). Updated Section 311 Special Measures can be found [here](#).

Prohibited Accounts – US Department of the Treasury OFAC

The Office of Foreign Assets Control (OFAC) maintains lists of individuals, entities and targeted countries; Specially Designated Nationals and Blocked Persons List (SDN), Foreign Sanctions Evaders (FSE) List and the Sectoral Sanctions Identifications (SSI) List which U.S. persons and entities are generally prohibited from doing business with. Clear Street may not establish, maintain, administer or manage an account for, or on behalf of individuals or entities identified on OFAC Lists. More information concerning OFAC lists are available [here](#).

Important Information

Notice Regarding Privacy and Confidentiality of Electronic Communications

Clear Street archives electronic communications pursuant to regulatory requirements and monitors and reviews the content of electronic communications. Clear Street utilizes third party vendors in the conduct of its business, including third party vendors who provide cloud-based electronic storage solutions. Client information, including personally identifying information, is retained in cloud-based storage solutions provided by these vendors. Data which is stored in these solutions is encrypted in transit and at rest. Please see [Clear Street's Privacy Policy](#) for additional information.

No investment, legal or tax advice provided

Clear Street does not provide investment, legal or tax advice. No one associated with Clear Street is authorized to render such advice. You should not rely upon any such advice, if given. The Firm explicitly disclaims any responsibility for product suitability or its clients' investment decisions. Please refer to our Form CRS for information about the types of accounts we offer and the services that we provide. Form CRS is available on [FINRA BrokerCheck](#) by clicking on the button titled Relationship Summary.

Confidential Information and Use of Trade Data

Clear Street has established policies and procedures for handling confidential information that we believe are reasonably designed to protect such information from improper use or disclosure. Clear Street's procedures include the implementation of technology controls, systems access approval processes, periodic access reviews, training and procedures related to employee trading in personal accounts. Access to client confidential data is generally granted using role-based entitlements, rather than individual permissions. These role-based entitlements allow, for example, all members of a given sales team or trading desk, including trade support and client service personnel, to have access to orders and trades being handled and executed by the team or desk.

Personnel in shared services or support functions require access to confidential information across business lines and trading desks to perform their job functions successfully. These shared services functions include members of our parent company's Board Risk Committee as well as personnel assigned to Legal and Compliance, Finance, Operations, Risk Management, Engineering, and Product Management teams. As such, all personnel in shared services have reasonably broad access to confidential information including client positions, account equity, trades and risk metrics.

Clear Street's policies prohibit employees from sharing confidential information with other employees who are not permitted to see this information based on their role and from using confidential information improperly. Clear Street uses what it believes are reasonable efforts to maintain the confidentiality of client information described above, however, our entitlements and information barriers should not be interpreted as a guarantee as lapses can and do happen from time to time.

Clear Street may share or use order and execution data ("trade data") for bona-fide business purposes. For example, the Firm disseminates aggregated trade data to "trade advertisement" vendors. Trade data is anonymized when it is distributed externally for trade advertisement purposes. Clients may elect to opt out of having their trade data included in Clear Street's advertised volume by sending an email to Support@clearstreet.io. At times, Clear Street may share order and/or trade information to find contra-side liquidity. Typically, when shopping or advertising an order, the client's identity is anonymized.

This disclosure is intended to illustrate how the Firm uses trade data but does not describe every aspect of how the Firm may use trade data for its business purposes. Please contact your Clear Street Representative if you have questions. Please notify your sales representative in writing if you wish to request any alternative handling of your data. Your sales representative in consultation with Supervisory personnel will assess whether your request can be accommodated, or alternative arrangements can be made. The Firm may not be able to accommodate certain requests, and we will inform you if that is the case.

Customer Complaints

Any complaints relating to your account should be directed to the Firm's Compliance Department at:

Clear Street LLC
4 World Trade Center
150 Greenwich Street
45th Floor
New York, NY 10007
Attention: Compliance Department

Or by email to: CSCompliance@clearstreet.io

FINRA BrokerCheck

Clear Street is a member of FINRA, which provides investors with a free tool called BrokerCheck that you can utilize to research the professional backgrounds of current and former FINRA-registered brokerage firms and personnel. The telephone number for BrokerCheck is 800-289-9999 and the

website address is <https://brokercheck.finra.org>. You may access information about Clear Street by using BrokerCheck's "firm" search tool. Clear Street's CRD number is 288933.

Futures Customers

Clear Street is registered as a Futures Commission Merchant ("FCM") with the National Futures Association ("NFA"). Information about the Firm is available on the [NFA BASIC system](#).

Statement of Financial Condition: FINRA Rule 2261

Clear Street's Statement of Financial Condition is available to the Firm's customers. If you would like to request a copy, please submit a written request to: Clear Street LLC, Compliance Department, 4 World Trade Center, 150 Greenwich Street, 45th Floor, New York, NY 10007. The Statement of Financial Condition is also posted on the Firm's public website at www.clearstreet.io.

SIPC Coverage

Clear Street is a member of the Securities Investor Protection Corporation ([SIPC](#)). SIPC currently protects the securities in customer accounts up to a maximum of \$500,000.00, no more than \$250,000.00 of which may be cash. Money fund balances and repurchase/reverse repurchase transactions are excluded from this protection.

SIPC is not the same as or a substitute for FDIC deposit insurance and it does not protect against declines in the market value of your securities. Any oral communication regarding your account should be re-confirmed in writing in order to protect your rights, including your rights under the Securities Investor Protection Act ([SIPA](#)). You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC at www.sipc.org or at (202) 371-8300. SIPC does not protect the account of a broker dealer or bank when acting for itself rather than its customers.

Margin Disclosure Statement: FINRA Rule 2264

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from Clear Street. If you choose to borrow funds from Clear Street, you will open a margin account. The securities purchased are collateral for the loan made to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan and as a result, Clear Street can take action, such as issue a margin call and/or liquidate securities in your account, in order to maintain the required equity in your account.

It is important that you fully understand the risks associated with 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 Clear Street in order to avoid the forced sale of those securities or other securities in your account.
- Clear Street can force the sale of securities in your account. If the equity in your account falls below the maintenance margin requirements under the law, or Clear Street's higher "house" margin requirements, Clear Street can liquidate the securities in your account to cover the margin deficiency. You will be responsible for any shortfall in the account after such actions are taken.
- Clear Street can liquidate securities without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Clear Street will attempt to notify you of margin calls, but we are not required to do so. Even if we have contacted you and provided a specific date by which you can meet a margin call, Clear Street can still take necessary steps to protect its financial interest, including by immediately liquidating 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, Clear Street has the right to decide which securities to liquidate to protect its interests.
- Clear Street can increase its "house" maintenance requirement at any time and is not required to provide you with advance notice. Changes in our policy often take effect immediately and may result in the issuance of a margin call. Your failure to satisfy the call may cause Clear Street to liquidate securities in your account.
- 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.
- The IRS requires broker-dealers to treat dividend payments on loaned securities as a "substitute payment" in lieu of a dividend. A substitute payment is not a qualified dividend.
- Industry regulations may limit, in whole or part, your ability to exercise voting rights of securities that have been lent or pledged to others. You may receive proxy materials indicating voting rights for a fewer number of share than are in your account, or you may not receive proxy materials.

Cash Investment Options

Clear Street has entered into a selling agreement with BNY Mellon Securities Corporation (BNYMSC”) to allow clients to purchase shares in the Dreyfus Treasury Securities Cash Management Money Market Mutual Fund (DARXX”). By purchasing shares in DARXX with excess free credit balances, clients may have the opportunity to earn a higher yield than excess cash balances would typically earn in a Clear Street account.

If you elect to provide standing instructions to Clear Street to invest excess cash balances in DARXX, your investments in DARXX will earn dividends based on the interest and income realized by the fund’s underlying investments. The rates of return will vary, and generally be higher than, the interest rate available on free credit balances held in your Clear Street account(s). However, there is no guarantee that the rate of return or yield will equal or exceed rates of return or yields available at other financial institutions or invested in other similar products. Yields fluctuate, and past performance is no guarantee of future results.

An investment in a money market mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency but is protected by SIPC coverage. Although money market mutual funds typically seek to preserve the value of an investment at \$1.00 per share, there can be no assurance that this will occur, and it is possible to lose money should the fund value per share fall below \$1.00 per share.

To the extent legally permissible, Clear Street receives compensation from BNYMSC under its selling agreement, up to 0.10%, annualized, of the value of your assets invested in the fund.

Payment for Order Flow Disclosure

Clear Street may receive remuneration for routing client directed or choosing to transmit non-directed orders to a particular broker-dealer or market center. Clear Street routes orders to market centers including national securities exchanges, alternative trading systems, electronic communications networks and other broker-dealers that offer credits for certain types of orders while assessing fees for other types of orders. In some cases, the credits offered by a market center will exceed the charges assessed such that a market center makes a payment to Clear Street in relation to orders transmitted to such market center. Such remuneration is considered compensation to Clear Street and the source and amount of any compensation will be disclosed upon written request.

Order Routing

SEC Rule 606 (“Rule 606”) requires all broker-dealers that route orders in equity and option securities to make publicly available quarterly reports that present a general overview of their routing practices

related to held, non-directed customer orders. The reports must identify the significant venues to which customer orders were routed for execution during the applicable quarter and disclose the material aspects of the broker-dealer's relationships with such venues. Clear Street makes this routing information available on its website [here](#) in compliance with Rule 606.

In addition, Rule 606 requires broker-dealers to notify customers of their ability to receive, free of charge, information concerning the routing of the customer's orders for execution. In accordance with SEC Rule 606(b), upon request from a customer, Clear Street will provide a report on its handling of the customer's orders in NMS securities that were submitted to Clear Street for execution for the prior six months. Specifically, customers may request the identity of the venue to which the identified orders were routed, whether the orders were directed or non-directed and the time of any resulting transactions. Please contact support@clearstreet.io to request information regarding the routing of your individual orders.

Net Trading

Clear Street makes certain routing options available to clients that involve third party broker-dealers that execute trades on a net basis. When executing a net trade, the executing broker accumulates a position in a principal account to fill your order and then executes your order at a price(s) that is typically above its average accumulation cost in the case of a buy order or below its average accumulation cost in the case of a sell order or which may involve a payment for order flow arrangement with an executing market center. The difference between the executing broker's average cost to accumulate a position to fill your order and the price reported to you and the consolidated tape is compensation to the executing broker for executing your order. The amount of this compensation is not disclosed on your trade confirmation or other report. Please contact your Sales Representative to discuss routing options that involve net trading.

Not Held Order Handling

Unless otherwise approved by Clear Street, all non-directed client orders, including Immediate Or Cancel ("IOC") orders and those delivered electronically, will be accepted and handled as not held orders, which allows the Firm to exercise a certain degree of price and time discretion when executing the order consistent with the Firm's duty of best execution. Clear Street does not accept non-directed held orders without prior approval.

FINRA 5320 Compliance

FINRA Rule 5320 ("Rule 5320") generally prohibits a broker-dealer from trading for its own account on terms that would satisfy a customer order. Rule 5320 provides certain exemptions that Clear Street

relies upon, such as an exemption for not held orders which give Clear Street time and price discretion. Clear Street may trade in its own account prior to the completion of the client order when handling not held orders. Additionally, Rule 5320 permits a broker-dealer to trade for its own account while in possession of certain large sized orders (orders of 10,000 shares or more and have a value of \$100,000 or more) for an institutional account (as that term is defined in FINRA Rule 4512(c)), provided that the broker-dealer provides clear and comprehensive written disclosure at account opening and annually thereafter. Additionally, the broker-dealer is required to provide its institutional accounts with the opportunity to opt into the protections of Rule 5320 with respect to all or a portion of its order(s). You may opt in to the protections of Rule 5320 by contacting the Compliance Department at CSCompliance@clearstreet.io.

If you do not opt into the Rule 5320 protections with respect to all or a portion of your order(s), Clear Street may reasonably conclude that you have consented to the Firm trading a security on the same side of the market for its own account at a price that would satisfy your order, as described above. Even when a customer has opted in to the FINRA Rule 5320 protections, Clear Street may seek and the client may provide consent to trade along on an order-by-order basis.

FINRA Rule 5270 Disclosure

FINRA Rule 5270 (“Rule 5270”) prohibits a broker-dealer from executing orders to buy or sell certain securities or related financial instruments when it has Material, Non-Public Information (“MNPI”) concerning an imminent block transaction in those securities, related financial instruments, or securities underlying the related financial instruments, prior to the time information concerning the block transaction has been made publicly available or has otherwise become stale or obsolete. Rule 5270 permits certain exceptions to the foregoing prohibition, including transactions that are undertaken to fulfill or facilitate the execution of a client block order.

Clear Street may rely on exceptions to Rule 5270 while executing block orders for its clients. In connection with the handling of a client’s block order, we may engage in hedging, offsetting, liquidating, facilitating, or positioning transactions (“risk-mitigating transactions”) that may occur at the same time or in advance of this order. Such activities may have an impact on market prices. Beyond these risk-mitigating transactions, Clear Street will generally refrain from conduct that could disadvantage or harm the execution of client’s orders or that would place the Firm’s financial interests ahead of clients. Unless a client informs Clear Street otherwise in writing (“opt out”), the Firm will conclude that the client understands that we may engage in risk-mitigating transactions in connection with the client’s orders and consents to our handling block transactions in the above-described manner.

Clearly Erroneous Transactions

If FINRA, another Self-Regulatory Organization (“SRO”), any other applicable regulatory body or any execution venue to which a client order has been routed determines that a previously executed trade is “clearly erroneous” or should otherwise be cancelled, Clear Street will be required to cancel the trade and will not be able to honor the executed price or other terms associated with that trade, including, as applicable, any price commitment. Clear Street maintains sole discretion in the determination of whether to file Clearly Erroneous Petitions with SROs on behalf of orders handled by the Firm.

In addition, Clear Street reserves the right in its sole discretion to adjust, cancel, correct or take any other appropriate action when it deems a transaction to be erroneous in nature, even if such transaction would not be subject to modification or cancellation pursuant to the various clearly erroneous rules referenced above.

Fractional Share Trading

Clear Street’s fractional share trading functionality enables clients to buy and sell fractional share quantities and dollar amounts of certain securities (“**Fractional Trading**”). Fractional Trading has certain limitations that you should understand before utilizing this service.

a) Order Execution and Trading

Orders to buy or sell may be entered using either a fractional share quantity (e.g., 2.525 shares) or a dollar value (e.g., \$250.00). Share quantities can be specified to six decimal places (.000001). Dollar-value orders will be converted into share quantities for execution, again, to three decimal places. When converting dollar-value orders into share quantities, the share quantities will be rounded down. The actual amount of an executed dollar-value trade may differ negligibly from the requested amount.

Your ability to buy or sell a security using Fractional Trading may be more restrictive than when buying or selling whole shares. For various reasons, trading in fractional shares may be illiquid. Additionally, Fractional Trading supports market and limit orders only for fractional share quantities of a security that are good for that day’s trading session, or in the case of an order entered outside of market hours, until the close of the next trading session. Fractional Trading of securities is also subject to exchange-imposed trading halts; if trading does not resume, your order will be canceled. You can generally trade exchange-listed National Market System (“**NMS**”) stocks using the Fractional Trading functionality, though certain NMS stocks may not be made available.

Clear Street will execute the whole share component of any order as either principal or agent, which will be disclosed to you on your trade confirmation. Clear Street may execute the fractional share component of any order as principal or riskless principal against its principal account. When trading

as principal for its own account, Clear Street may make a profit or incur a loss on each trade. All orders with a fractional share component will be marked “Not Held,” which gives Clear Street the time and price discretion to “work” your order without being held to the security’s current quote.

To change an order, you must first cancel it and then submit a new one (there is no cancel/replace functionality).

Clear Street may, from time to time, be required to correct or adjust trades executed in amounts that either exceed or fall short of the requested amount.

b) Shareholder Rights

You cannot vote or take any discretionary or voluntary action with respect to any fractional share position. Where permissible, Clear Street may round fractional shares up to one (1) share to facilitate the delivery of a prospectus to you. Clear Street may, if circumstances permit, pass dividends along to you in proportion to your ownership interest.

c) Distributable Interests

Clear Street support payments that are equal to or greater than \$0.01 per share; smaller payment amounts will not be distributed to you. Clear Street rounds down/up using standard mathematical rounding (e.g., 1.3 cents would be rounded down to 1 cent, and 1.6 cents would be rounded up to 2 cents).

d) Tax Treatment

You agree that you are the owner of the fractional shares you purchase and you are solely responsible for any necessary tax filings relating to such shares.

e) Transfer of Fractional Positions

The Automated Customer Account Transfer System does not support fractional positions; you may only sell and transfer the cash proceeds of your sale.

Commission Sharing

The Firm from time to time may enter into an arrangement with other broker-dealers whereby the entities may share in commissions/markups/markdowns charged on certain transactions. Details are available upon request.

Extended Hours Trading Risk Disclosure Statement: FINRA Rule 2265

Clients should be aware of the following risks when submitting orders for execution in the pre-market and post-market sessions:

1. **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 greater liquidity makes it easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for the securities purchased or sold. There may be lower liquidity in extended hours as compared with regular market hours. As a result, your order may be only partially executed, or not at all or you may receive an inferior price in the extended hours trading session.
2. **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 during regular market hours. As a result, your order may only be partially executed or not executed at all, or you may receive an inferior price in extended hours than you would during regular hours.
3. **Risk of Changing Prices**: The prices of securities traded in extended hours may not reflect the prices either at the end of regular market hours, or upon commencement of trading the following business day. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.
4. **Risk of Unlinked Markets**: Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a different price in one extended hours trading system than you would in another extended hours trading system.
5. **Risk of News Announcements**: Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
6. **Risk of Wider Spreads**: The spread refers to the difference between the price you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours may result in wider than normal spreads in the extended hours session.

7. Risk that the Current Underlying Index Value or Intraday Indicative Value (“IIV”) is Unavailable: For certain Derivative Securities Products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

In addition to all the risks specified above for trading in the pre-market and post-market sessions, clients enabled for the overnight (8PM – 4 AM) trading session should be aware of the following additional risks when submitting orders for execution in the overnight trading session:

1. Between 8 PM and 4 AM (“Overnight Hours”), Clear Street provides enabled clients with access to multiple alternative trading systems (“Overnight ATSs”). These Overnight ATSs may have very limited liquidity and high volatility. Additionally, the Overnight ATSs are not required to publicly display prices, and trades are reported to the FINRA Trade Reporting Facilities on a delayed basis.
2. Orders transmitted for execution during Overnight Hours are not price protected. As such, orders may be executed by market centers at inferior prices to those available at other market centers.
3. Trading during Overnight Hours may be subject to additional operational issues including but not limited to additional delays in execution and lower overall service levels (due to differences in staffing and/or technology) as compared to trading during normal market hours.
4. Not all securities may be available for execution during Overnight Hours, and Clear Street may suspend access to one or more Overnight ATS at any time without notice.

Day Trading Clients

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 suddenly 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 \$111,360.00 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 a stock at a very high price in order to cover a short position.

Minimum Equity Requirement. Pattern day trading rules require that a pattern day trader have deposited in his or her account minimum equity of \$25,000 on any day in which the customer day trades. The required minimum equity must be in the account prior to any day trading activities. If the customer meets the pattern day trading criteria and does not have the minimum equity in his or

her account, the firm will issue an equity deficiency call and will only allow the entry of closing orders. This call is separate and distinct from the day trading margin call.

Day Trading Margin Calls. In the event a day trading customer exceeds his or her trading buying power, firms are required to issue a day trading margin call to pattern day traders that exceed their day trading buying power. Customers have five business days to deposit funds to meet this day trading margin call. The day trading account is restricted to day trading power of two times maintenance margin excess, beginning on the trading day after the day trading buying power is exceeded until the earlier of when the call is met or five business days. If the day trading margin call is not met by the fifth business day, the account must be further restricted to trading only on a cash basis for 90 days or until the call is met.

Two Day Holding Period Requirement. The rule requires that funds used to meet the day trading minimum equity requirement or to meet a day trading margin call must remain in the customer's account for two business days.

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 Advisors Act of 1940, as amended or as a "Broker" or "Dealer" under the Securities Exchange Act of 1934, as amended. Such activities may also trigger state registration requirements.

ETF/ETN Clients

Clients should consider the investment objectives, risks, and charges and expenses of Exchange Traded Funds ("ETFs") and Exchange Traded Notes ("ETNs") carefully before investing. Each U.S. listed ETF and ETN has filed a registration statement (including a prospectus) with the SEC which contains important information about the ETF or ETN as applicable. Before you invest in an ETF or ETN, you should obtain and read the prospectus in the registration statement and other documents the issuer has filed with the SEC (or other relevant international regulatory body) carefully for more complete information about the product. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov or by requesting via email to CScompliance@clearstreet.io.

ETFs are redeemable only in creation unit sizes and may not be individually redeemed; are redeemable only through authorized participants; and are redeemable on an "in kind" basis. The public trading price of a redeemable lot of an ETF may be different from its net asset value. ETFs can trade at a discount or premium to the net asset value. Leveraged and inverse ETFs have unique risks, including leverage, derivatives, complex investment strategies and compounding risk. Designed for intraday trading, they require active monitoring and management and are not suitable for all investors.

For more information, please consult the SEC's Alert on Leveraged and Inverse ETFs [here](#). There is always a fundamental risk of declining stock prices, which can cause losses to your investment.

REGULATION SHO

Under Rule 204 of Regulation SHO, Clear Street is required to close out all fail to deliver positions in equity securities by borrowing or purchasing securities of like kind and quantity by no later than 9:30am on T+2 for short sales and T+4 for long sales. If the fail to deliver position is not closed out by the applicable close out date, Clear Street will place the security in the penalty box and will not accept short sale orders unless a pre-borrow or bona-fide arrangement to pre-borrow the shares has been entered into. The security can be removed from penalty only after the purchase of securities to cover the fail to deliver position has cleared and settled at the registered clearing agency.

When you enter an order to sell a security long,” you represent to us that you own the security being sold without restriction and that you will deliver it to us by the settlement date. Failure to deliver the security position by the settlement date may result in the purchase of like securities for your account as necessary to complete the sale transaction (buy-in”) or the borrow of securities to satisfy delivery requirements. If such a purchase/borrow is made, you may not be given notice of the purchase/borrow and you assume any transaction risk and costs, including any market losses, associated with the purchase/borrow.

If you hold a short position(s) in your account at Clear Street, you will incur short interest charges on that short position which are separate and unrelated to any locate fees you incur to enter the short sale order. Short interest charges are dependent upon various factors such as the size of your short position, the price of the underlying security, the number of days between settlement of the short sale transaction and settlement of the buy to cover transaction, and the short interest rate. The short interest rate is variable and may change from day to day without notice.

Increases in the short interest rate may be extreme, especially when there is considerable volatility in a given security. You can get the short interest rate for a given symbol on a specific date by contacting your Clear Street representative. However, the rate provided to you will only be applicable for that given date, at that particular time, and may change the following day or even later the same day. In the event that an exchange or regulator halts a stock in which you hold a short position, you will continue to accrue short interest fees until the stock resumes trading regardless of the length of time that the stock is halted. Clear Street may restrict the amount of assets that can be withdrawn from the account in situations where the account is holding a short position in a halted stock.

If you hold a short position in your account, you should be aware that Clear Street, at its sole discretion and to comply with applicable exchange, SRO and SEC rules, may buy in some or all of the shares necessary to cover your short position at any time, including on the trade date in which your short position is established, and at any time or date thereafter. By entering into a short position, you agree that you take full financial and market risk, including the risk that you may incur losses as a result of a buy in of your short position.

Reg SHO – Options Exercises and Assignments

Assignment Allocation Methodology: Clear Street utilizes a random allocation methodology for assigning options assignment notices as permitted by FINRA Rule 2360. This methodology sequences accounts and then assigns sequential numbers to each account based on the number of short contracts held in the account. The allocation algorithm then generates a random number which serves as the starting point for allocation of exercise notices. The algorithm then assigns exercise notices from the starting number sequentially until all exercise notices have been assigned.

Exercises: If you expect to exercise an option that will result in a short position in an equity security, you must request and receive a locate prior to the exercise of the option. If a locate cannot be provided, you cannot exercise the option or, if exercised, you will need to purchase sufficient shares to cover the short position created by the exercise-on-exercise date.

Assignments: If you are assigned on an options contract that results in a short position in an equity security, you are required to obtain a locate on the trade date immediately following the assignment (Assignment Date+1). If a locate cannot be provided, the short position must be covered by the close of business on Assignment Date+1. If the short position is not covered, Clear Street will close out the position on Assignment Date+2. Clear Street in its sole discretion may execute the buy in using a market on open order. If a buy-in occurs, you will bear the risk of any loss as a result of the buy-in.

Risk of Options Trading

Options involve risk and are not suitable for all investors. Options trading is considered speculative and may result in the loss of a portion of or all of your initial investment and/or funds in excess of the principal invested. Prior to buying or selling an option, you should read “Characteristics and Risks of Standardized Options,” which is known as the Options Disclosure Document (ODD”). All clients must receive a copy of the ODD prior to conducting any options trades. Hard copies of the ODD can be obtained by contacting your representative or support@clearstreet.io. Electronic copies of the ODD and any supplements are provided with Clear Street’s Options Account Forms provided to clients interested in opening an options account and available [here](#).

Marking Requirements Related to Options Trading

When engaging in options trading, please be aware of the following options exchange rules:

- Option exchange rules require all options orders to be marked with the appropriate account origin code, such as Customer, Broker-Dealer, Professional Customer, or Firm. Therefore, you must ensure your options orders are marked with the correct account origin code when routing options orders to the Firm.

- A Professional customer is any person or entity that is not a broker or dealer in securities and who places more than 390 options orders per day on average during a calendar month. Professional customer orders are not treated with the same marketplace advantages given to public customer orders. Clear Street will designate your options orders as Professional orders if the Firm determines you meet the requirements of a Professional customer. Once you meet the standard for a Professional customer, all of your options orders will be marked as Professional for the quarter following the month in which the threshold was exceeded.
- If by your own determination, you are to be deemed a Professional customer, you must notify us by email to support@clearstreet.io in writing so that the Firm can properly document your designation and appropriately mark your options orders as Professional.
- Option exchange rules require all options orders to be marked as either opening (buy/sell to open) or closing (buy/sell to close) transactions. Therefore, you must ensure your options orders are marked appropriately when routing options orders to the Firm.

Special Statement for Writing Uncovered Options

You should be aware that there are special risks associated with writing uncovered options which expose you to potentially serious risk of loss. Therefore, this type of strategy may not be appropriate for all investors:

- **The potential loss of uncovered call writing is unlimited.** The writer of an uncovered call is in an extremely risky position and may incur large losses if the price of the underlying instrument increases above the exercise price.
- **The risk of writing uncovered put options is substantial.** The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.
- **The use of margin may accelerate the velocity of potential losses and may require additional capital to cover any and all margining requirements.** If you are unable to meet the margin call, Clear Street may liquidate stock or options positions in your account with or without prior notice, in accordance with the Firm's margin agreement.
- **Uncovered options writing may be suitable for only the most 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.

- For straddle and strangle writing, where the investor writes both a put and a call on the same underlying instrument, the potential for loss is unlimited.
- The writer of American-style options is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to assignment only during the exercise period, normally the expiration date.
- Because of the importance of tax considerations to all options transactions, you should consult with a tax advisor as to how taxes affect the outcome of contemplated options transactions.

You should not enter into options transactions until you have read and understood the risk disclosure document titled "Characteristics and Risks of Standardized Options." To obtain a copy of the Options Disclosure contact us at support@clearstreet.io or click [here](#).

Zero Day to Expiration ("0DTE") Options

0DTE options are contracts that expire on the same day as purchased. These options contracts may be tied to the price of indexes, ETFs or single stocks. Prior to the close of regular trading hours (4:00pm EST), Clear Street will evaluate whether an 0DTE option has the potential to be in-the-money (i.e. when the market price of the underlying security is above the strike price of a call or below the strike price of a put). If your account does not have sufficient funds or shares of the underlying security to meet the potential purchase or delivery obligation upon the exercise of the in-the-money option, Clear Street will liquidate your option position **prior** to the close of trading. Liquidation of the option position may result in potential losses or limited profit potential. You should closely monitor your account when trading 0DTE options and take appropriate action if you do not have sufficient funds or securities to meet your obligations on in-the-money 0DTE options.

Allocation Procedures for Partial Redemptions or Calls

Customers may hold securities in their accounts at Clear Street that are called or redeemed by the issuer prior to maturity. When these securities are subject to a partial redemption or call, Clear Street will be informed by a third party such as the issuer of the security or a depository (such as Depository Trust Company) of the total number of units for the specific security held by Clear Street that are to be redeemed or called. Clear Street then applies an impartial and random lottery to determine the accounts and quantities that are redeemed or called for each account that holds such security.

Clear Street applies the impartial lottery such that each of its customers' securities positions of equal size or denomination has an equal chance of being selected for redemption or call. However, if Clear Street determines that the partial call or redemption is favorable to the called parties, it will exclude its

own accounts and the accounts of any of its associated persons from eligibility for the lottery unless and until all other customers' securities positions have been fully redeemed or called under the lottery.

If Clear Street determines that the partial call or redemption is unfavorable to the called parties, it will not exclude its own accounts and the accounts of any of its associated persons from eligibility for the lottery.

Clear Street will determine that the partial redemption or call is made on terms that are favorable to called parties if, as of the close of business on the date of measurement, the clean market price (excluding any accrued interest) of the securities is less than the redemption or call price of the securities.

The application of the impartial lottery may result in a percentage of your securities positions being redeemed or called that differs from the percentage of the overall issue that is redeemed or called, and which may also differ from the percentage being redeemed or called from other customers.

Clear Street makes these allocation procedures available on its public website [here](#). Customers may request a hard copy by emailing cscompliance@clearstreet.io.

Restricted Securities

Restricted securities are securities acquired in unregistered, private sales from the issuing company or from an affiliate of the issuer. Investors typically receive restricted securities through private placement offerings, Regulation D offerings, employee stock benefit plans, as compensation for professional services or in exchange for providing seed money or start-up capital to the issuer.

Control securities are those held by an affiliate of the issuing company. An affiliate is a person, such as an executive officer, a director or large shareholder or another individual in a control relationship with the issuer. Control means the power to direct the management and policies of the issuer whether through the ownership of voting securities, by contract or otherwise. If you buy securities from a controlling person or affiliate, you acquire restricted securities, even if they were not restricted when owned by the affiliate.

You acknowledge and agree that you will not place an order to sell any restricted securities subject to Rule 144 or 145(d) under the Securities Act of 1933, as amended, or any other securities transactions requiring a "Broker's Representation Letter," unless you first notify Clear Street regarding the status of such securities and furnish Clear Street with any documentation (including opinions of legal counsel, if requested) Clear Street deems necessary to permit legal transfer of such securities to Clear Street in order to clear and settle your transaction(s). You are responsible for any costs and expenses associated with compliance or failure to comply with the requirements of Rules 144 and 145(d). Furthermore, you recognize and acknowledge that even if all necessary documentation is provided to

Clear Street in a timely manner, there may be delays in processing securities transactions subject to Rule 144 or 145(d).

As with all transactions, Clear Street reserves the right to refuse to accept orders and may cancel trades to the extent that we are able to if we suspect the transaction involves the sale of restricted securities and you have not informed Clear Street of the nature of the transaction(s) in advance and provided sufficient information to help us ensure that we can handle the transaction(s) in compliance with applicable regulations.

Cost Basis Reporting

Section 403 of the Energy Improvement and Extension Act of 2008 amended the Internal Revenue Code to mandate that every broker required to file a return with the IRS reporting gross proceeds from the sale of a covered security additionally report a customer's adjusted basis in the security and whether any gain or loss on the sale is classified as short-term or long-term. A security is a covered security and therefore subject to the cost basis reporting requirements if it is acquired after its corresponding applicable date. For equity securities, the applicable date is January 1, 2011. Brokers therefore are not required to report basis for any securities acquired before 2011. Clear Street utilizes the FIFO (First In First Out) methodology for calculating adjusted cost basis. If you wish to elect a different methodology, please contact Clear Street at CSCCompliance@clearstreet.io or your introducing firm.

For our Canadian Clients

Pursuant to the international dealer registration exemption in NI 31-103 (the "Exemption"), Clear Street wishes to inform you of the following:

1. It is not registered as a dealer in any of the following provinces: Ontario, British Columbia, Quebec, Alberta and Nova Scotia. In these provinces, the Firm is trading with you, its client, in reliance upon an exemption from the dealer registration requirement under NI 31-103.
2. The Firm's principal place of business is located in New York, U.S.A.
3. There may be difficulty enforcing legal rights against the Firm because all or substantially all of its assets may be situated outside of Canada.
4. The name and address of its agent for service of process in each of the provinces is listed below:

<u>Nova Scotia</u> Stewart McKelvey Queen's Marque 600-1741 Lower Water Street Halifax, Nova Scotia B3J 0J23 Attention: Charles Reach	<u>Quebec</u> Borden Ladner Gervais LLP 1000 De La Gauchetriere Street West Suite 900 Montreal, QC, Canada H3B 5H4 Attention: Christian Faribault
<u>British Columbia</u> Borden Ladner Gervais LLP 1200 Waterfront Centre 200 Burrard Street PO Box 48600 Vancouver, BC V7X1T2 Attention: Michael Waters	<u>Ontario</u> Borden Ladner Gervais LLP Bay Adelaide Centre, East Tower 22 Adelaide St W Toronto, ON Canada M5H 4E3 Attention: Matthew Williams
<u>Alberta</u> Borden Ladner Gervais LLP Centennial Place, East Tower 520 3rd Avenue SW Calgary, Alberta T2P OR3 Attention: Jonathan Doll	

Please note that if you are a client domiciled in Canada, when Clear Street trades with you it does so in reliance upon the Exemption from the dealer registration requirement under NI 31-103 (as such Exemption may be amended and restated from time to time). Pursuant to the Exemption, Clear Street is only permitted to trade “foreign securities” with “permitted clients” (as defined in NI 31-103) domiciled in Canada. A foreign security is a security issued by an issuer incorporated, formed or created under the laws of a foreign (i.e., non-Canadian) jurisdiction or a security issued by a government of a foreign jurisdiction. This serves to put you on notice that you should only place orders with Clear Street for foreign securities in accordance with the Exemption.

Business Continuity Plan Summary

Clear Street has developed a Business Continuity Plan (“BCP”) regarding how the Firm will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, Clear Street will have to be flexible in responding to actual events as they occur. With that in mind, the Firm is providing you with this information on the business continuity plan.

Contacting Us

If after a significant business disruption you cannot contact us as you usually do at support@clearstreet.io or [+1 646-813-2535](tel:+16468132535), you should call our alternate number at [646-845-0036](tel:6468450036). If possible, we publish information about a business outage on our public website: www.clearstreet.io.

Our Business Continuity Plan

Clear Street plans 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 clients and investors to transact business. In short, the business continuity plan is designed to permit the 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.

Clear Street replicates data from our office to the cloud. All critical data is replicated across multiple database servers and backed up daily cloud-based WORM format backup archives. Backup archives are maintained for five years or the required regulatory retention period, whichever is longer. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our objective is to restore our own operations and be able to restore all

existing data in one business day. Your communications with us may be disrupted until such time as our data is restored.

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 4 business hours. 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 within 1 business day. In either situation, we plan to continue in business, transfer operations to our alternative if necessary, and notify you through our website or through any other means available. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our client's prompt access to their records on file with us at the time of the disruption.

A copy of Clear Street's BCP disclosure can also be found on our website: www.clearstreet.io. For more information, or if you have questions about our business continuity planning, you can contact us via email at support@clearstreet.io or call 646.813.2535.