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

**If a customer engages in day trading, the following rules apply.**

**Definition**

Customers are considered as engaging in Pattern Day Trading if they execute four or more stock or options day-trades within a five-day period in a margin account.

**Minimum Account Equity**

If you are designated as a Pattern Day Trading customer, you must maintain at least $25,000 in account equity in order to maintain day-trading privileges.

If a call to bring the account equity to the minimum amount is issued for your account and the call is not met promptly.

- The account will be restricted to cash until the account equity is brought back to the minimum requirement or at least $25,000.
- You will not be allowed to day-trade in your account.
- You will not be allowed to open and close positions on the same business day. All opening transactions must be held until at least the following business day to avoid further restriction.

Within these restrictions, you may still trade on margin (if you maintain at least $2,000 in account equity) and utilize buying power.

**Day Trading Buying Power**

If a customer account meets or exceeds the minimum equity requirement, it may be eligible to use Day Trading Buying Power, equal to the equity in a customer’s account at the close of business of the previous day, less any maintenance margin requirement as established by Precision Securities/FINRA guidelines, multiplied by four for equity trades. Using funds in excess of your Day Trading Buying Power will result in a Day Trading Call.

These rules apply to Pattern Day Trading:

- Day Trading Buying Power so calculated can only be used intra-day.
- Positions purchased using day trading buying power must be closed by the close of the market on the same day.
- You may still hold positions past market close if their aggregate value does not exceed your regular buying power.
- Exceeding your Day Trading Buying power will result in a Day Trading Call which must be met promptly, and before you engage in further Day Trading.

Violations of these rules may result in a 90-day restriction being placed on your account. As a consequence of this restriction, you will not be able to place trades online.