DAY-TRADING RISK DISCLOSURE STATEMENT

FINRA RULE 2270

Before engaging in a day-trading strategy, it's crucial to consider the following points. For the purpose of this notice, a "day trading strategy" refers to an overarching trading strategy marked by the regular transmission of intra-day orders by a customer to execute both purchase and sale transactions in the same security or securities.

Day trading can be extremely risky and is generally not suitable for individuals with limited resources, limited investment or trading experience, and low risk tolerance. You should be prepared to lose all funds used for day trading. Specifically, you should not fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds earmarked for purposes such as education or home ownership, or funds needed for living expenses. Certain evidence suggests that an investment of less than $50,000 may significantly hinder a day trader's ability to profit. However, an investment of $50,000 or more does not guarantee success.

You should exercise caution with claims of large profits from day trading. Be skeptical of advertisements or statements that emphasize potential large profits through day trading, as it can also lead to significant and immediate financial losses.

Day trading requires an in-depth understanding of securities markets, trading techniques, and strategies. As a day trader seeking profits, you must compete with professional, licensed traders employed by securities firms. Therefore, it's recommended that you have relevant experience before engaging in day trading.

Day trading also necessitates knowledge of a firm's operations. Familiarize yourself 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 situation can arise 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, the higher the probability of encountering problems when executing a transaction. Apart from regular market risks, you may incur losses due to system failures.

Day trading can generate substantial commissions, even when the per-trade cost is low. Day trading involves aggressive trading, and typically, you will pay commissions on every trade. The total daily commissions that you incur can augment your losses or significantly reduce your earnings. For instance, if 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 could result in losses beyond your initial investment. When you day trade with borrowed funds, you could lose more than the funds you originally risked. A decline in the value of purchased securities may require you to provide additional funds to the firm to avoid the forced sale of those securities or others in your account. Short selling as part of your day trading strategy may also lead to extraordinary losses, as you may need to purchase a stock at a very high price to cover a short position.