



## CUSTOMER INFORMATION BROCHURE

Volant Securities, LLC is a member of the Financial Industry Regulatory Authority ("FINRA"), several securities exchanges, and the Securities Investor Protection Corporation ("SIPC"), and may perform, as agent, certain execution and clearing functions for your introducing brokerage firm. These services are performed under a contract, known as a Fully Disclosed Clearing Agreement (the "Clearing Agreement") between Volant Securities, LLC and your introducing brokerage firm. This brochure has been prepared to explain some of the basic procedures for customers of an introducing brokerage firm using the facilities of Volant. In this brochure, "Volant", "we", "us" or "our" refers to Volant Securities, LLC, and "Introducing Broker" refers to the introducing brokerage firm that utilizes Volant to perform execution and/or clearing services on its behalf and with whom you have an account. In addition, "you", "your" and "customer" refer to each person that signed the account application and any other actual or beneficial owners of property of such account.

Volant's role is limited to execution and/or clearing for your Introducing Broker. Volant nor its employees provide investment, tax, legal, or trading advice, nor does Volant advise you or your Introducing Broker on any matters pertaining to the suitability of an order, offer an opinion, judgement, or other types of information pertaining to the nature, value, potential, or suitability of any particular investment, or review the appropriateness of the investment advice or transactions entered by you, or your Introducing Broker on your behalf.

The content of this brochure is not exhaustive of all facts of your account. If you have any questions, consult with your Introducing Broker.

**RELATIONSHIP WITH YOUR INTRODUCING BROKER:** It is essential that you understand your account and relationship with Volant before you start using your account. Make sure that you understand the Customer Agreement, this Customer Information Brochure, and the other documents and disclosures provided to you.

We are carrying your account as a clearing broker-dealer pursuant to the Clearing Agreement referenced in the opening paragraph of this brochure. Employees and other representatives of your Introducing Broker are not our employees or agents, and also are not permitted to contractually bind us or make any representations to you on our behalf. Volant does not control, audit, or otherwise supervise the activities of your Introducing Broker. Volant relies on your Introducing Broker and its employees and representatives to give us instructions concerning your account. Until receipt of written notice from you to the contrary, we will continue to accept such instructions from your Introducing Broker (without inquiry or investigation). Volant does not undertake responsibilities for reviewing the appropriateness of transactions entered by your Introducing Broker and Volant also has no responsibility or liability for any acts or omissions of your Introducing Broker or its employees or other representatives.

**SUPERVISION AND SUITABILITY:** We are not responsible for the review and supervision of, nor the suitability of any investment you make. Your Introducing Broker is responsible for ensuring that all transactions in and all activities relating to all of your accounts, including any discretionary accounts, will be in compliance with all applicable laws, rules and regulations of the United States, applicable states, governmental agencies, securities exchanges and FINRA, including any laws relating to your Introducing Broker's fiduciary responsibilities to you, if any, either under the Employee Retirement Income Security Act of 1974 or otherwise.

**OPENING, APPROVING AND MONITORING CUSTOMER ACCOUNTS:** Before an account can be opened, you must provide your Introducing Broker with certain information including your name and address, social security number or tax identification number (see section on Backup Withholding), citizenship, age, occupation, bank reference or other brokerage reference, and a general idea of your financial situation. Your Introducing Broker is responsible for obtaining and verifying all information necessary for your account to be opened. Your Introducing Broker dealer is responsible for obtaining all documents related to your accounts and for the timely transmission to us of all required documents. Your Introducing Broker may also be responsible for learning and documenting all facts relating to you and your investment objectives to reasonably ensure compliance with all applicable rules and regulations. Each of your accounts approved by a principal at your Introducing Broker and opened with us will be subject to our acceptance. We reserve the right to withhold acceptance of or to reject, for any reason, any account or any transaction for any account and to terminate any account that we have previously accepted.

**THE USA PATRIOT ACT:** Your Introducing Broker and/or Volant use automated systems and staff to help fight the funding of terrorism and money laundering activities. The USA Patriot Act requires brokerage firms to maintain comprehensive anti-money laundering programs. A portion of these requirements requires your Introducing Broker and Volant to obtain, record, and verify information that identifies each

person who opens an account and also requires that your Introducing Broker and Volant monitor compliance with the USA Patriot Act. What this means to 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. Persons designated by the United States Office of Foreign Asset Control (OFAC) as Specially Designated Nationals, residents of restricted countries or employees of foreign governments or their agents may not open accounts at Volant.

**MAINTENANCE OF BOOKS AND RECORDS AND CUSTODY:** Pursuant to the Clearing Agreement, Volant is responsible for maintaining books and records detailing certain transactions in your account, preparing confirmations and statements of the purchases and sales of securities and other property, and related activity.

When we act as custodian of the securities in your account, we may hold the securities in your name or may cause such securities to be registered in our name or our nominee name or in the names of nominees of any depository we use. We will perform the services required in connection with acting as custodian for securities in your account, such as: (i) collection and payment of dividends; (ii) prompt handling of tenders or exchanges submitted by your Introducing Broker for your account; (iii) prompt handling of exercises rights and warrants or redemptions of the same and, (iv) delivery of applicable proxy materials and other shareholder communications. Further, upon instruction from your Introducing Broker, we will make transfers of securities or accounts as may be requested.

**CLEARING AND SETTLEMENT OF TRANSACTIONS:** During the term of the Clearing Agreement, we will clear transactions on a fully disclosed basis for your account that your Introducing Broker introduces to us and that we accept as provided in the Clearing Agreement. We may refuse to clear any transaction if we in good faith determine that we should.

All executed transactions are settled with the understanding that you are obligated to deliver to us the appropriate securities or the necessary funds by no later than the settlement date.

**RECEIPT, DELIVERY, AND SAFEGUARDING OF FUNDS AND SECURITIES:** Acting on behalf of your Introducing Broker, Volant will receive and deliver funds and securities in connection with transactions for your account. Your Introducing Broker is responsible for advising you of your obligations to deliver funds or securities in connection with each such transaction and for your failure to fulfill such obligations. We are responsible for the safeguarding of funds and securities delivered to and accepted by us, subject to our count and verification. However, we are not responsible for funds or securities delivered by you to your Introducing Broker, its employees or other representatives until such funds or securities are physically delivered to us in good form and are accepted by us or deposited in bank accounts maintained in our name.

**MONITORING YOUR ACCOUNT; TRADE CONFIRMATIONS AND STATEMENTS:** You will receive a written trade confirmation of every transaction executed for your Account. This trade confirmation contains information concerning your transaction, such as the quantity and name of the security, net cost or proceeds, commission, and any taxes and fees, and whether the trade is a principal or agency transaction. The trade

confirmation contains the complete terms of the trade. Should you have any questions concerning your trade confirmation, do not hesitate to contact your Introducing Broker. Should the confirmation be delayed for any reason, you are still obligated to meet your commitment to pay or deliver the security by the settlement date of the transaction. **Confirmations are presumed to be accurate unless you specifically notify us in writing within five (5) business days of when a confirmation is sent to you.**

While we make every effort to transmit reports of transactions accurately, errors do occasionally occur, especially during periods of heavy volume. If you find an error on your confirmation, you should notify your Introducing Broker immediately so that corrective action may be taken, if any. We cannot be held responsible for the price as reported to you if your order was executed at another price. Furthermore, we cannot be held responsible for reports of transactions, which have not, in fact, occurred. As soon as an error is discovered, we will correct information reported to you as expeditiously as possible.

It is important that you retain your trade confirmations for tax reporting purposes. Your sale confirmations should be retained along with the corresponding purchase confirmations, as evidence of the gain or loss on that particular transaction that you reported for tax purposes.

We will prepare and send to you monthly or quarterly statements of account. Account values and totals are based on priced securities. We may be unable to price all securities in your account. For municipal securities and some other securities, prices are approximate (not actual market price), are provided only as a general guide and do not necessarily reflect actual market prices. For current prices, please contact your Introducing Broker. Your statement also reflects any dividends or interest payments that we have credited on the securities in your account and if you have a margin account with us in which there is a debit balance, the interest charged to that account also appears on your statement. Statements are presumed to be accurate unless you specifically notify us in writing within five (5) business days of when a statement is sent to you.

We are required by law to report dividends and interest credited to you to the Internal Revenue Service. Therefore, you should retain these statements for tax purposes. You will also receive a Form 1099 from us confirming the income and sales proceeds reported to the Internal Revenue Service.

**CASH ACCOUNT:** In this type of account, there is no extension of credit made in connection with any purchase, you pay in full for any security that you purchase. Regulation T and certain SEC rules make it necessary to settle the purchase or sale of securities usually on the second business day after the transaction (the settlement date). When a security is purchased for your account, we must pay the selling broker-dealer on the settlement date, and when a security is sold for your account, we must deliver the security on the settlement date. You and your Introducing Broker are responsible for compliance with Regulation T. When you buy a security, we must receive prompt payment by Automated Clearing House ("ACH") transfer, or wire payable to Volant Securities, LLC. Your Introducing Broker is able to tell you the exact amount that is due shortly after the purchase. We will deliver a trade confirmation of the transaction to you as soon as possible. Since purchases must be paid for within two business days, you should not await the arrival of the trade confirmation before payment. In the event that payment for securities is not received promptly, Regulation T requires that your securities be liquidated. You will be responsible for any resulting deficiency or loss.

In general, when you sell a security that is not in your account, it is essential that you deliver the security to us promptly. The proceeds of a sale cannot be paid to you until the settlement date and then only if we have received your security in good deliverable form. If we do not receive the security that you sold by the settlement date, your Introducing Broker is required to purchase the securities in the open market within a reasonable amount of time. You will be responsible for any resulting deficiency or loss.

**MARGIN ACCOUNT:** One of the services we may provide to customers

of your Introducing Broker is to permit you to maintain a margin account and purchase securities on credit. A margin account involves an extension of credit in connection with the purchase of a security. Margin is the amount which you pay when you use our credit to purchase a security. At the time you open a margin account, you must provide your Introducing Broker with the information usually obtained for all other accounts as well as a signed Margin Supplement, which includes a consent to loan securities that enables us to pledge or lend securities carried for your account.

Margin requirements are twofold. First, there is an initial margin requirement at the time of purchase; thereafter, there is a minimum margin equity that must be maintained in your account. In most cases, the minimum amount due for initial purchases is established by the Federal Reserve Board in accordance with Regulation T. This requirement is expressed as a percentage of the purchase price and it may change from time to time. For example, if the margin requirement is 50%, you are only required to deposit half of the purchase amount due. The balance due on the purchase will be loaned to you by us, and your account will be debited this amount. You are required to pay interest on the debit balance as on any other loan. Not all securities are eligible for margin. You should confirm with your Introducing Broker prior to any transaction that securities you intend to purchase may be used as collateral for a margin loan.

The securities, which you buy on margin, are held by us and are collateral for your debt. Although we retain your securities as collateral, you receive credit for all dividends or interest, and you may direct your Introducing Broker to sell or vote your stock, as you wish, so long as your account is in good order. The settlement date for purchase and sale of most securities made in margin accounts is two business days following the transaction.

In addition to the initial margin requirements of the Federal Reserve Board, the SEC requires a customer opening a margin account to have a minimum initial equity of \$2,000 in such margin account. For example, if your initial purchase of securities costs \$2,400, you will have to deposit \$2,000 rather than the \$1,200 required by the Federal Reserve Board (assuming the Regulation T requirement is 50%).

The SEC also sets minimum margin maintenance requirements. If the equity in your account falls below the minimum margin requirement due to a decline in the market value of the securities in your account, it will be necessary for you to deposit additional marginable securities or make a cash payment to reduce your loan balance. For other types of securities, such as bonds, there may be a somewhat higher or lower maintenance requirement, depending on the security. We may, at our discretion, also require a higher margin or maintenance if we deem it necessary for any reason, such as a case where a security is volatile, illiquid or where there is a concentration in a particular security or type of security. **In accordance with the terms of the Margin Supplement, maintenance requirements may change at any time without notice.**

If your equity falls below our maintenance requirements as they may be changed from time to time, or such earlier time as we may determine, you may receive a notice of a margin call requiring you to deposit additional cash or collateral. If you fail to meet a margin call, we may liquidate securities positions in your account in order to satisfy the requirements of the call. Market conditions often make it impractical for us to send you or your Introducing Broker notice of a margin call as the volatility of the market may require immediate action on our part. In such cases, failure to send such notice will not affect its validity. Furthermore, prior notices of a margin call should not be construed as a waiver of our right to take immediate action in your account to protect our interest at some future date, without giving notice of a margin call. The foregoing procedures are followed in substantially all cases; however, a decision as to whether to make a margin call and whether to sell the securities of a customer who does not respond promptly to a margin call may be made on an individual basis, taking into account the circumstances of the individual customer, market conditions, the size of the debit balance and other factors. Volant, at its own discretion, may choose not to extend margin to you and may set margin requirements above exchange or regulatory minimums at its discretion.

A short sale is a transaction in which you sell a security that you do not own. We borrow the security on your behalf for delivery to the purchaser. The credit that appears on your statement due to a short sale (including a sale against the box, which is a short sale with securities held long in your

account) is offset by a debit of a like amount since we have to provide collateral for the borrowed security. The credit generated by any short sale does not reduce your debit balance or increase your credit balance for the purpose of computing interest. It should always be remembered that the credit generated by your short position will be reduced substantially or possibly lost altogether when you cover your short position by purchasing the security. There are special margin requirements on a short sale. SEC rules presently require maintenance margin on a short sale to be the greater of 30% of the short market value of the security or \$5.00 per share when it sells at \$5.00 or higher, and a higher percentage for securities selling below that price.

If the security that you sold short appreciates in market price over the selling price, interest will be charged on the appreciation in value. If the security that you sold short depreciates in market price, interest on any debit balance in your account will be reduced in relation to the depreciation in value. The daily closing price is used to determine any appreciation or depreciation of the security sold short (this practice is known as marking-to-the-market). It is important that you understand the nature of the debit balance in your account and how it is computed. A debit balance represents money which we have loaned to you. As previously noted, when you purchase securities on margin, you must pay the amount of money required by Regulation T and the balance of the purchase price is loaned to you by us. It is this loan portion which is called the debit balance and upon which interest is charged. Each additional purchase made on margin increases your debit balance, as do other charges which are assessed against your account (including interest charges).

Every security in each of your accounts is collateral for any debit balance in any of your accounts carried by us. All securities which we may at any time be carrying for you or which may be in our possession are subject to a first lien for the discharge of your indebtedness and other obligations to us, without regard to our having made advances in connection with such securities and without regard to the number of accounts you have with us. This lien is equal to the amount of money or other obligations that you owe us. In enforcing this lien, we may, at our discretion, select the securities to be sold in your accounts to reduce or entirely liquidate any debit balance in your accounts.

At the time of opening of each margin account, your Introducing Broker will provide us with a properly executed Margin Supplement. Until your Introducing Broker has provided us with this agreement, we may, in our sole discretion, rebook any transaction as a cash transaction, liquidate your account or take any other action we may deem necessary. Your Introducing Broker is responsible for assuring that you make payment of all initial margin requirements and of all amounts necessary to meet subsequent maintenance calls in each of your accounts to ensure compliance with Federal Reserve Regulation T and our rules. Your Introducing Broker may collect such payments on our behalf, or you may make them directly to us. Your Introducing Broker is responsible for advising you of any changes in our margin requirements, and for your payment of any additional margin necessary to ensure compliance with any increased requirements.

**INTEREST ON CASH BALANCES:** If you carry a cash balance in your account, we may pay interest on free credit balances carried by your account. The rate that is paid on free credit balances is set by your Introducing Broker. Current interest rates are available from your Introducing Broker.

**INTEREST CHARGES IN MARGIN ACCOUNTS:** The annual rate of interest which we charge on your average net debit balance is determined by your Introducing Broker. Contact your Introducing Broker directly with questions regarding the interest rate your account is subject to.

**HOW INTEREST IS CALCULATED:** Interest on margin accounts is computed on a daily basis on the net debit balances. An offsetting credit balance in a cash account serves to reduce this total. Short market value in the form of short securities positions serve to increase this total. The normal interest period begins on the 1st day of the month and end on the last day of the month. Interest is computed by multiplying the daily debit balance by the interest rate (1/360 of the annual interest rate)

for each day in the monthly period.

If during any interest period there is a change in interest rates applicable to your account, interest charges will apply beginning on the first effective day of the new rate.

The monthly or quarterly statement discloses the daily ending balance on any date there is an entry in your account, the average rate of interest charged, and the amount of interest charged for the period.

**MAINTENANCE OF BOOKS AND RECORDS:** We are responsible for maintaining stock records and other records on a basis consistent with generally accepted practices in the securities industry and will maintain copies of such records in accordance with FINRA and SEC guidelines for record retention, in effect from time to time.

Whenever we have been instructed to act as custodian of the securities in any of your accounts, or to hold such securities in safekeeping, we may hold the securities in your name or may cause such securities to be registered in our name or our nominee name or in the names of nominees of any depository we use. We will perform the services required in connection with acting as custodian for securities in your accounts, such as: (i) collection and payment of dividends; (ii) transmittal and handling (through your Introducing Broker) of tenders or exchanges pursuant to tender offers and exchange offers; (iii) transmittal of proxy materials and other shareholder communications; and (iv) handling of exercises or expirations of rights and warrants or redemptions. Upon instruction from your Introducing Broker, we will make such transfers of securities or accounts as may be requested.

You and your Introducing Broker are responsible for determining if any securities held in your accounts are deemed restricted securities or control stock as defined by the rules of the SEC and that orders executed for such securities are in compliance with applicable laws, rules and regulations.

**BACKUP WITHHOLDING:** Volant must generally withhold a percentage of taxable interest, dividends and proceeds from the sale of securities. You are responsible for providing your Introducing Broker with the correct taxpayer identification number. This is referred to as backup withholding. For most individual taxpayers, the taxpayer's identification number is their social security number.

To prevent backup withholding on these payments, be sure that you have completed and returned to us a New Account Application/Customer Account Agreement, which includes the W-9 Form, to notify us of the correct taxpayer identification number and to properly certify that you are not subject to backup withholding under Section 3406(a)(1)(c) of the Internal Revenue Code of 1986, as amended (the Code). If you are not a US person and are exempt from this withholding, you must complete and return to us an appropriate W-8.

**OPTIONS ACCOUNTS:** When you open an options account you will be required to sign an Option Agreement in which you acknowledge your understanding of the risks involved in dealing in options. You will be required to provide financial information and a statement of your investment objectives. If your financial situation or your investment objectives change, you should notify your Introducing Broker immediately.

Before purchasing or selling (writing) an option, you should be aware of the risks involved. You should familiarize yourself with the index or the business and financial condition of the issuer of the underlying security and decide whether the option transaction is appropriate taking into consideration, among other things, your financial situation, investment objectives and tax considerations. Both the purchase and sale (writing) of put and call options involve a high degree of risk and are not suitable for all investors. You should not purchase an option unless you are able to sustain a total loss of the premium (cost of the option) and the other costs of purchasing the option, and you should not sell (write) an option unless you either own the underlying security or are willing and able to assume the substantial risks inherent in writing naked options.

When you purchase an option, you must pay the full premium, as an option purchase cannot be margined at Volant. There are, however, special margin requirements governing the sale of options, which you should



familiarize yourself with before commencing an option writing program. We have very stringent rules regarding short options. Complete details on these rules and the margin requirements for options are available to you through your Introducing Broker. Volant, at its discretion, may limit the trading of options.

When you purchase an option, we must pay the selling broker-dealer the day after the transaction; therefore, your payment is due on that date. Your Introducing Broker has the ability to tell you the amount you owe on the trade date of the transaction.

Since option contracts are traded for a specified period of time and have no value upon expiration, you must advise your Introducing Broker if you wish to close your position, or you may exercise the option prior to the expiration date. When you own an option that is about to expire in-the-money, we may, in our sole discretion and without notification to you, exercise the option and liquidate the underlying security. This is in no way to be construed as an obligation on our part to sell or exercise such options on your behalf.

Where the term option is used, this reflects all options including, but not limited to, index options.

#### **ALLOCATION OF OPTIONS EXERCISE ASSIGNMENT NOTICES:**

When we receive an exercise notice from the Options Clearing Corporation, we randomly assign the notice to customers who are writers of an identical option contract. Exercise assignment notices for option contracts are allocated among customer short positions pursuant to an automatic, random procedure, which randomly selects from among all customer short options positions, including positions established on the day of assignment, those contracts which are subject to exercise. All short American options positions are liable for assignment at any time. A more detailed description of our random allocation procedure is available upon request. If, for example, an exercise notice is assigned to your account, you must deliver the underlying security to us in the case of a call, and you must deposit cash with us in the case of a put sufficient to properly margin the security within a stated period of time.

**BULK SEGREGATION AND CALLABLE SECURITIES:** Securities are maintained in our custody for your benefit under a method known as bulk segregation. Under this method, securities are not specifically assigned to each security account, but are held in bulk for all customer positions. You enjoy all rights and privileges of beneficial ownership under the bulk segregation system, and you may, for a fee, request possession of your securities at any time. It should also be noted that we are a member of various clearing facilities such as NSCC/DTCC, and portions of the securities held in safekeeping by us are on deposit in bulk segregation form with such depositories.

Certain bonds and stocks ("Callable Securities") under our control are callable by the issuer for redemption on or after a certain date. According to the terms of the issue, the issuer may at times call only a portion of a certain issue. In the event of a partial early redemption of callable securities, we will choose the securities to be redeemed on a fair and impartial basis. Specifically, allocation will be made using a random selection method. Therefore, it is possible that a customer owning such an issue may have all, part or none of the customer's holdings redeemed. You have the right to withdraw fully paid securities from us at any time prior to a partial call and also to withdraw excess margin securities provided that your account is not subject to a restriction, or otherwise, and provided such withdrawal will not cause your account to be under margined.

**HOLDING AND SAFEGUARDING YOUR FUNDS AND SECURITIES:** If you leave your securities on deposit with us, they will be deposited with NSCC/DTCC or other bank or clearing agency. Unless you give instructions to the contrary, we will hold your securities in your account in street name.

Notwithstanding anything in the Clearing Agreement to the contrary, we will not be responsible for the safeguarding of funds withdrawn by your Introducing Broker or your Introducing Broker's employees pursuant to any draft issuing authority that we may grant your Introducing Broker and its employees.

**ACCESS EQUALS DELIVERY:** We have adopted the Access Equals

Delivery ("AED") model that permits securities issuers and their intermediaries to satisfy their prospectus delivery requirements by making their prospectus available online on the Internet. To obtain electronic copies of notices, offering documents, and other information for available products please visit the websites listed in the Terms and Conditions section of your trade confirmation. Printed copies of the final prospectus related to your transactions may also be available upon request.

**BUSINESS CONTINUITY PLAN:** As a fully disclosed and omnibus clearing firm, we have developed a Disaster Recovery ("D/R") Plan to reasonably ensure business continuity. In our capacity as a clearing firm, we provide a variety of services that require the provision of continual technological and operational support to your Introducing Broker. In connection with accomplishing business continuity, we have established multiple regions/datacenters, which are replicated between each other in real time. Either regions site has the resources in place to operate and maintain business critical processes in the event that our offices cannot be occupied due to, for example, a natural disaster or a terrorist attack, whether or not such event affects only us or is regional in scope. The D/R Plan contemplates restoration of certain critical processes within a twenty-four-hour time span. Please note that the specifics of our D/R Plan are subject to modification. To obtain a copy of the most current D/R Plan visit our website link at: <https://www.VolantSecurities.com>.

**COMMISSIONS AND OTHER FEES:** Your Introducing Broker will establish the commissions to be charged to you on securities transactions, as reflected on your trade confirmation. You should consult your Introducing Broker for details of its commission charges. We reserve the right to charge interest: (1) on payments to you before the settlement date on securities sold; (2) on payments to you for securities sold where good delivery of securities has not been made; and (3) when payment has not been received from you on or before the settlement date of securities purchased. We also may charge an annual maintenance fee and other fees as agreed upon with your Introducing Broker or as independently established by us. All of the above commissions and other fees are subject to change without notice. We encourage you to understand all of the fees that we charge and the fees that your Introducing Broker charges.

**PRIVACY POLICY:** We are carrying your account as a clearing broker-dealer by arrangement with your Introducing Broker. We understand that privacy is an important issue for customers of introducing brokerage firms and it is our policy to respect the privacy of all customer accounts that we maintain as clearing broker-dealer and to protect the security and confidentiality of non-public personal information relating to those customer accounts. Please note that this policy applies to former customers as well as current customers. For your reference, this policy has been posted to our website at [www.volantsecurities.com](http://www.volantsecurities.com). For more information relating to our privacy policy, please contact Volant Securities, LLC at 425 S. Financial Place, Suite 910B, Chicago, IL 60605, Attn: Compliance Department.

**FINRA INVESTOR EDUCATION AND PROTECTION PROGRAM:** The following information is provided to you in connection with the FINRA Investor Education and Protection Program. You may obtain an investor brochure describing the program by calling the FINRA Brokercheck Help Line; 1-800-289-9999. You may also obtain the investor brochure information at the FINRA web address: [www.finra.org](http://www.finra.org). To request an informational brochure, inquire about your Introducing Broker or file a complaint, visit their website at [www.finra.org](http://www.finra.org) or call (301) 590-6500.

**TRUSTED CONTACT:** A trusted contact person is someone that you tell your Introducing Broker or Volant to contact if it is suspected that you may be subject to financial exploitation or if questions about your mental or physical well-being arise. Under FINRA Rule 4512, Volant is required to disclose to you that Volant or an associated person of Volant is authorized to contact the trusted contact person and disclose information about your account to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by FINRA Rule 2165.

**EXECUTION OF ORDERS/ERRONEOUS REPORTS:** Your Introducing Broker may execute orders to buy or sell securities or may forward your orders to Volant for execution. Stock and option exchanges have rules governing erroneous reports of executions. The price at which an order is

executed will be binding, notwithstanding that an erroneous report may have been rendered or no report was received from an exchange. Also, a report will not be binding if an order was not actually executed but was reported in error. In addition, if Volant has not promptly advised you of the status of any order placed by you, you shall promptly, but in no event later than 24 hours after an order has been placed, contact your Introducing Broker to verify your Account status. Your failure to contact your Introducing Broker shall relieve Volant of any responsibility or liability with respect to such order. All orders shall only be good for the day such orders are placed, unless specified by you to be good till cancelled orders ("GTC"). Any GTC order placed by you will not be cancelled by Volant unless you specifically request cancellation. Volant shall not be held responsible for delays in the transmission or execution of orders due to a breakdown, delay in or failure of transmission or communication facilities, or for any other cause beyond Volant's control.

**CANCELLATION REQUESTS; LATE AND CORRECTED REPORTS:**

When you place a request to cancel an order, the cancellation of that order is not guaranteed. Your order will only be canceled if your request is received and acknowledged in the marketplace before your order is executed. During market hours, it is rarely possible to cancel a market order. Do not assume that any order has been executed or cancelled until you have received the proper notice (e.g.; a trade confirmation or acknowledgement of a cancelled order) from either your Introducing Broker or Volant, depending upon which party is routing and/or executing your orders.

Please be advised that your Introducing Broker and Volant may, from time to time, receive late reports from exchanges and market makers reporting the status of transactions. Accordingly, you may be subject to late reports related orders that were previously unreported to you as being expired, cancelled or executed. Further, any reporting or posting errors, including errors in execution prices, will be corrected to reflect what actually occurred in the marketplace.

**SHORT SALES AND BORROWS:** To the extent that we accept short sale orders for your account for clearing, your Introducing Broker is responsible for informing us of the entity that you or the Introducing Broker has determined that securities are available for borrow, so that in

turn, we may deliver the borrowed securities to the buyer or buyer's agent that purchased the securities you sold short. If we are unable to deliver the securities to the buyer or buyer's agent because the shares are subject to transfer restrictions or otherwise not in good deliverable form, you authorize us, at our discretion, to make separate borrow arrangements or to buy in such securities or other property in order to make delivery. You are fully responsible for all losses and expenses we may sustain because we are unable to borrow or buy in such securities.

**PAYMENT FOR ORDER FLOW:** Payment for order flow is compensation paid to a broker-dealer by another broker-dealer in return for directing customer orders for execution. Such remuneration is considered compensation to broker-dealer that directs such orders and the source and amount in connection with your transaction may be disclosed upon your request. This compensation may include non-cash items such as reciprocal arrangements, discounts, rebates or reductions or credits against fees that would otherwise be payable in full by your Introducing Broker and/or Volant. Order routing statistics required under SEC rules are available on the internet at [www.volantsecurities.com](http://www.volantsecurities.com).

**INACTIVE ACCOUNTS AND ABANDONED PROPERTY:** If your Account has not initiated any trading activity during a consecutive twelve (12) month period, we may consider your Account to be "inactive" and may assess a monthly inactive fee for continued safekeeping of your Account. During the period that your Account is considered "inactive", your Introducing Broker should make a diligent effort to locate you based upon the contact information you provided. If your Account continues to remain inactive for an extended period of time, your Account(s) may be considered abandoned or unclaimed property pursuant to state law. If such determination is made, we will report your Account to the state and it will be subject to the state and it will be subject to the state's escheatment process, whereby the state becomes the owner of the Account.

**CONCLUSION:** The discussion in this brochure is not exhaustive of all facts of your account. If you have any questions, we urge you to consult with your Introducing Broker, as well as your accountant, lawyer and other advisers concerning your account and securities trading in general.