

Electronic Trading Systems Compliance Policy

This Electronic Trading Systems Compliance Policy ("Policy"), applies to each LiquidPoint customer ("Customer") that utilizes LiquidPoint's products to enter, route and manage options orders (the "Products") and LiquidPoint's options execution services (the "Services"). This Policy may be revised by LiquidPoint from time to time and any such revisions shall be effective upon posting to this website. By utilizing the Products and Services, Customer acknowledges that Customer has read and understands this Policy and Customer agrees that its use of the Products and Services shall be at all times in accordance with this Policy. Customer further acknowledges and agrees that it shall be responsible to review this Policy for any subsequent revisions.

1. Applicable Laws and Rules.

1.1. All use of the Products and Services shall be subject to applicable laws, governmental, regulatory, self-regulatory, exchange or clearing house rules, and the customs and usages of the exchange or clearing house on or through which they are executed and cleared, as are in force from time to time ("Applicable Laws").

1.2. Additionally, Customer represents and warrants that it will comply with all applicable laws, rules and regulations in effect in connection with its use of the Products, including, without limitation, (i) applicable privacy laws and regulations; (ii) any applicable exchange or self-regulatory organization rules and regulations of which LiquidPoint, Customer, or its customers, are a member, including, without limitation, rules regarding front-running; the misuse of material, nonpublic information; unbundling of orders; electronic trading and solicited transactions; (iii) applicable anti-money laundering regulations and (iv) applicable state and federal securities laws and the rules and regulations promulgated thereunder, including, but not limited to Section 10 of, and Rule 10b-5 under, the Securities Exchange Act of 1934, as amended (collectively, "Applicable Rules").

1.3. Customer represents and warrants that it shall monitor and enforce the Applicable Laws and Applicable Rules for itself and, where applicable, its customers who use the Products and Services. If requested, Customer agrees to provide LiquidPoint, in writing, the means and methods Customer will use to ensure compliance with Applicable Laws and Applicable Rules.

2. Order Entry and Clearing.

2.1. LiquidPoint does not maintain accounts for Customers. Unless Customer domiciles all of the accounts of its users, LiquidPoint will notify Customer's Clearing Member (the broker-dealer firm that holds and carries the Customer's Account(s)), of Customer's use of the Products and Services. Customer will be responsible for accurate placement of orders using the Products. LiquidPoint's Services are predicated upon either (a) Customer's Clearing Member authorizing LiquidPoint to give up the Clearing Member's OCC account identification number for those trades executed by LiquidPoint on behalf of Customer, or (b) Customer's Clearing Member entering into a Clearing Member Trade Assignment Agreement ("CMTA"), properly executed and filed with the Options Clearing Corporation's ("OCC"), to accept trades executed by LiquidPoint on behalf of Customer.

2.2. LiquidPoint will be acting solely in the capacity of an executing broker. As an executing broker, LiquidPoint will not make any trade recommendations or advise Customers as to the appropriateness of entering any order; or maintaining, establishing, or liquidating a position. LiquidPoint also does not enter exercise advice forms on the Exchanges on behalf of Customers. LiquidPoint will, however, provide Customers with market quotations and will execute those orders sent to LiquidPoint by Customers. LiquidPoint will also provide reports to Customers and their Clearing Member on the disposition of orders executed for the Customer by LiquidPoint.

2.3. Customer will be responsible for supplying all information LiquidPoint may reasonably request concerning its use of the Products or Services. LiquidPoint may report such information to any applicable regulatory authority as it determines, in its sole discretion, to be necessary. Further, Customer acknowledges and agrees that LiquidPoint may monitor use of the Products and Services for its own purposes (and not for Customers' benefit). Customer agrees to provide LiquidPoint with physical access to its offices and/or books

and records as needed to comply with Applicable Laws and Applicable Rules. LiquidPoint may use the resulting information for internal business purposes or in accordance with Applicable Laws and Applicable Rules.

2.4. LiquidPoint reserves the right to reject any order which Customer may transmit to LiquidPoint for execution and shall promptly notify the Customer of any such rejection. Customer acknowledges and agrees that LiquidPoint's obligation to execute orders for Customer will at all times be within any limitations or restrictions set by Customer's Clearing Member, and that LiquidPoint shall be under no obligation to execute any orders which are outside of any limitations or restrictions set by Customer's Clearing Member.

3. Prohibited Activities.

3.1. The following are some examples of activities that are prohibited under Applicable Laws and Applicable Rules when utilizing the Products and Services to enter orders for automatic execution through an exchange's order routing system ("ORS"):

(a) To enter orders, at or about the same time for the same account (or for accounts with the same beneficial ownership), multiple orders in the same or similar options series for the purpose of circumventing an ORS size limitation;

(b) To 'unbundle' or split the size of an order for the purpose of circumventing an ORS size limitation;

(c) To enter, or permit the entry of, multiple orders for an account or accounts of the same beneficial owner to an exchange ORS within any time period proscribed by such exchange where such orders are on the same side of the market in an option issue ;

(d) To enter a limit order for placement on an exchange's limit order book for the purpose of effecting the execution price of an order entered into its ORS for automatic execution;

(e) The execution of orders the Customer represents as agent on an exchange through the use of orders solicited by the Customer unless the original order is first exposed to the marketplace for at least the time period as prescribed by such exchange, unless an exchange auction mechanism is used.

(f) To enter or permit the entry of limit orders into an exchange's ORS if (i) the orders are for the account or accounts of the same beneficial owner(s) and (ii) are entered in such a manner that the beneficial owner(s) effectively is operating as a market maker by holding itself out as willing to buy and sell such securities on a regular or continuous basis;

(g) The dissemination of information to third parties regarding orders submitted to an exchange once such orders have entered into an exchange "auction process" (i.e., AIM, PIP, PIM, HAL, etc.), or a pattern or practice of submitting unrelated orders that cause an early termination of any exchange auction process.

3.2. These examples do not represent all of the types of prohibited activities and Customer agrees that it shall be solely responsible to ensure that its use of the Products and Services is in compliance with the Applicable Laws and Applicable Rules when utilizing the Products and Services.

4. Customer Accounts.

4.1. Customer's account(s) shall be account(s) maintained with the Clearing Member and the Clearing Member shall be responsible to provide Customer all information and documents required by Applicable Laws and Applicable Rules.

4.2. Customer shall be deemed a customer of the Clearing Member for purposes of the financial responsibility rules (and Customer protection rules if Customer is not a broker-dealer) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and for purposes of the Securities Investor Protection Act and regulations adopted thereunder.

4.3. Responsibility for the supervision of Customer's account(s), including each of the following functions, shall be the responsibility of the Clearing Member and not LiquidPoint:

- (a) Opening, approving, and monitoring the account, including obtaining and verifying new account information;
- (b) Obtaining personal information from the customer, including investment objectives;
- (c) Reviewing the account (if a non broker-dealer) and all orders in it, which includes supervising all investment advice and recommendations given to the customer, determining that the customer is not unsuitable for the recommended transactions, and if the account is a discretionary account, supervising the exercise of such discretion.
- (d) Any extensions of credit to the Customer, determining maintenance margin, paying and charging interest and the re-hypothecation or loan of any of the Customer's margin securities;
- (e) Maintaining books and records related to Customer's account with the Clearing Member;
- (f) Receiving and delivering funds and securities;
- (g) Safeguarding funds and securities;
- (h) Preparing and transmitting necessary confirmations and account statements;
- (i) Monitoring compliance with position and exercise limits.