



## **ACCOUNT TERMS AND CONDITIONS**

The account is offered through Velocity Clearing, LLC ("Velocity" or the "Firm"), a Delaware company, registered broker dealer with the U.S. Securities Exchange Commission and member of FINRA and SIPC. Please read this document carefully to ensure you fully understand certain risks, terms and conditions associated with maintaining an account with the Firm.

### **ARBITRATION AGREEMENT**

**YOU ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:**

- ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
- ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
- THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
- THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.
- THE PANEL OF ARBITRATORS MAY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
- THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
- THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

**YOU AGREE THAT ANY AND ALL CONTROVERSIES THAT MAY ARISE BETWEEN YOU AND VELOCITY, ITS OFFICERS, OWNERS, AFFILIATES, DIRECTORS, AGENTS OR EMPLOYEES CONCERNING ANY ACCOUNT, TRANSACTION, DISPUTE, OR THE CONSTRUCTION, PERFORMANCE, OR BREACH OF THIS OR ANY OTHER AGREEMENT BETWEEN US PERTAINING TO SECURITIES AND OTHER PROPERTY, WHETHER ENTERED INTO PRIOR, ON OR SUBSEQUENT TO THE DATE HEREOF, SHALL BE DETERMINED BY ARBITRATION. YOU AND VELOCITY CLEARING LLC AGREE THAT THE BENEFIT OF THIS ARBITRATION AGREEMENT SHALL INURE TO ANY VELOCITY CLEARING LLC AFFILIATE(S) NAMED IN CONNECTION WITH ANY SUCH VELOCITY CLEARING LLC CLAIM. ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED PURSUANT TO THE FEDERAL ARBITRATION ACT AND THE LAWS OF THE STATE OF CALIFORNIA. ANY CONTROVERSY BETWEEN YOU AND YOUR BROKER SHALL BE SUBMITTED TO ARBITRATION BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC ("FINRA") AND SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF FINRA IN EFFECT AT THE TIME WHEN THE ARBITRATION IS COMMENCED. THE AWARD OF THE ARBITRATORS, OR OF THE MAJORITY OF THEM, SHALL BE FINAL, AND**



JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED AND ENFORCED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION. NO PERSONS SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (I) THE CLASS CERTIFICATION IS DENIED, OR (II) THE CLASS IS DECERTIFIED, OR (III) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

YOU UNDERSTAND THAT ANY COMPLAINTS SHOULD BE DIRECTED TO THE YOUR BROKER'S MAIN ADDRESS 1301 ROUTE 36 SUITE 109, HAZLET, NJ, 07730 ATTENTION: COMPLIANCE.

### **EXTENDED HOURS TRADING**

You should consider the following points before engaging in trading outside of regular market hours.

**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 with greater liquidity it is easier for investors to buy or sell securities, and as a result investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

**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 in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

**Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

**Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hour trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

**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.

**Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.



**Should you decide to engage in trading outside of normal market hours (9:30 AM to 4:00 PM Eastern Time), you understand the risks disclosed above and acknowledge the Firm and its affiliates are not responsible for losses sustained due to trading outside of normal market hours, including any inability to enter an order, cancel an order, execute a trade or close a position.**

#### PRIVACY POLICY

Your relationship with the Firm is based on trust and confidence. We recognize our obligation to keep information about you secure and confidential. It is important for you to know that we do not sell your information to anyone. We restrict access to non-public personal information about you to those representatives and employees who need to know that information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards to guard your non-public personal information. This notice describes how we handle your financial information that we collect while conducting our business. We collect information about you (such as your name, address, social security number, assets and income) from our discussions with you, and from documents that you may deliver to us in the course of providing services to you. We may use this information to open an account for you or to process a transaction for your account. In order to service your account and effect your transactions, we may provide your personal information to firms (such as a mutual fund company or custodial broker-dealer) that assist us in servicing your account and have a need for such information, as permitted by law. We may also disclose such information to FINRA, the Securities & Exchange Commission, or any other regulatory agencies that oversee our business activities.

#### PAYMENT FOR ORDER FLOW

The Securities and Exchange Commission ("SEC") requires all registered broker-dealers to disclose their policies regarding receipt of "payment for order flow." The Commission defines "payment for order flow" as "any monetary payments, services, property, or other benefits that result in remuneration, compensation, or consideration to a broker or dealer from any broker or dealer, national securities exchange, registered securities association, or exchange member in return for the routing of customer orders by such broker or dealer to any broker or dealer, national securities exchange, registered securities association, or exchange member in return for the routing of customer orders by such broker or dealer to any broker or dealer, national securities exchange, registered securities association, or exchange member for execution, including but not limited to research, clearance, custody, products or services, reciprocal agreements for the provision of order flow adjustment of a broker or dealer's unfavorable trading errors, effort to participate as underwriter in public offerings, stock loans or shared interest accrued thereon, discounts, rebates, or any other reductions of or credits against any fee to, or expense or other financial obligation of, the broker or dealer routing a customer order that exceeds that fee, expense or other financial obligation."

The Firm generally does not negotiate payment for order flow. However, the Firm transacts business on the varying market venues and as such is subject to the standard schedule of transaction fees for broker-dealers of those Exchanges and ECN's. Those transaction fee schedules may include payment of rebates for certain order types. In the course of transacting business, the Firm may be the recipient of said rebates. The Firm's clients self-direct their orders to the respective market venues. The Firm may, nevertheless, receive benefits that fall within the above definition of "payment for order flow."

#### BROKER CHECK

Please note that FINRA posts useful information regarding any member firm or associated registered person on its website at [www.finra.org](http://www.finra.org). Additionally, in response to a written inquiry, electronic inquiry (@finra.org) or telephonic inquiry via a toll-free telephone listing (1-800-289- 9999), it will release certain information contained in its files regarding the employment and disciplinary history of such firms and persons, including information regarding past and present employment information with FINRA



members; all final disciplinary actions taken by federal, state, or foreign securities agencies or self-regulatory organizations that relate to securities or commodities transactions. This resource is available to all members of the investing public.

#### **SIPC INFORMATION**

The Firm is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC is the first line of defense in the event a brokerage firm fails owing customer's cash and securities that are missing from customer accounts. You may obtain information about SIPC, including the SIPC brochure, by accessing the SIPC website at: [www.sipc.org](http://www.sipc.org) or by calling: (202) 371-8300.

#### **BUSINESS CONTINUTIY PLAN SUMMARY**

The Firm has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with the following business continuity plan information.

**Contacting Us-** If after a significant business disruption you cannot contact us as you usually do at 201-706-7157, you should call our toll free number 201-706-7157 which will be routed to an office location that has not been disrupted. You may also go to our web site <https://velocityclearing.io/>.

**Our Business Continuity Plan-** We plan 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 customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses: data backup 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.

**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 24 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 72 business hours. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site <https://velocityclearing.io/> or our customer emergency number, (201) 706-7157. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities.

If you would like more information on our business continuity plan or have questions, you can contact us at (201) 706-7157.

#### **FEES**

You will be responsible for terminal software charges, data fees, and taxes when applicable, as well as ECN, ATS or exchange fees, trading-related regulatory fees, and hard to borrow and short interest



charges when applicable. The Firm, at its sole discretion, may mark up any of all these fees as a source of income in addition to the commissions you pay on a per transaction basis.

### **MARGIN**

It is important that you fully understand the risks involved in trading securities on margin.

The Firm can force the liquidation of long or short positions in your margin account without contacting you. You are not entitled to choose which securities or other assets in your account are liquidated. The Firm can increase its "house" margin requirements at any time and is not required to provide you advance written notice. Furthermore, you are not entitled to an extension of time on a margin call. You will also be responsible for any short fall in the account after any such liquidation.

### **TERMS**

The account agreement is accompanied with an Electronic Trading Agreement, Margin Agreement, Day Trading Risk Disclosure Statement & Acknowledgements, and Margin Disclosure Statement. Contact us immediately if you do not agree with any of the terms or conditions disclosed within these disclosures and agreements, or with the terms and condition contained herein.

### **TAPED CONVERSATIONS**

CLIENT HEREBY AGREES THAT CONVERSATIONS MAY BE TAPE RECORDED AND CLIENT WAIVES OBJECTION TO THE ADMISSIBILITY OF SUCH RECORDINGS IN A DISPUTE CONCERNING CLIENTS ACCOUNT(S).