Market Volatility Disclosure

Delays

In a volatile market, attempts to cancel an existing order and replace it with a new one may result in the execution of duplicate orders. On this occasion, customers are fully responsible for both executions of the trade and any resulting losses. In the event of high-volume trading at the market open, or intra-day might cause delays in executions and may place execution prices significantly further away from the quoted market price, or displayed at the moment the order was entered. As a result, market makers may reduce position size guarantees, or execute order manually during these times of high volatility, resulting in possible losses and delays in order executions. The use of limit orders is highly recommended in order to receive the best price and reduce the risk of having an order executed at prices that differ significantly from the prices being quoted at the time of high volatility.

Quotes

In a highly traded and volatile market, price changes and quotes may significantly differ from real time quote and the price the order is executed. At the same time the size, or number of shares available at a quoted price may change rapidly, changing the availability of a quoted price of a certain share size rapidly. These risks are enhanced and dangerous for investors that use short-term day trading strategies.

Types of Orders

The firm is required to execute market orders fully and promptly, without a regard to a specific price. Customers may receive a prompt execution of market orders, at the same time that price may differ significantly from the quoted price of that specific security. Limit orders are executed at a specified price, or better. All customers receive price protection, but there is a possibility that the order will not be executed.

In the event of an initial public offering (IPO), securities that trade in the secondary market, more specifically securities that trade at a higher price than their offering price, creating a fast market condition. When placing a market order for these “hot stocks” on their IPO, prices of the security may change so quickly that the quote does not align with the actual trading price of the stock, increasing a customer’s risk of receiving an execution drastically further away from the market price at the time of the order, as well as placing an order above or below, which the order is not to be executed, by placing a limit order.

Access

Market losses can occur in periods of volatility due to systems problems and the result of inability to place buy or sell orders. In the event of high internet traffic, customers may have difficulty accessing their online accounts, or because of systems capacity. Customers may have difficulty reaching online representatives in the event of high volatility and systems outages/ capacity limitations. While every effort is made to ensure the availability of electronic systems, the firm makes no guarantee that access can be made during periods of exceptionally high volume and volatile activity. In addition, system response and account access times may vary or service may be interrupted due to other conditions, including system performance, Internet traffic levels and other factors.