

BRIGHT TRADING, LLC
4850 Harrison Dr.
Las Vegas, NV 89121
(702) 739-1393 – Voice
(702) 739-1398 – Fax

ADDITIONAL INFORMATION

1. You can access the electronic version of the FORM U-4 online from the following website <http://www.finra.org/web/groups/industry/@ip/@comp/@regis/documents/appsupportdocs/p015112.pdf>. You need to print out the Form U-4, fill in information requested and submit to the Firm. Make sure you sign page 15 and if necessary page 16 before you submit to the firm. If you reside in a state requiring registration, please include an additional original signed copy of page 15. Additional instructions on how to fill out the Electronic Form U-4 can be found at <http://www.finra.org/web/groups/industry/@ip/@comp/@regis/documents/appsupportdocs/p015111.pdf>. If you did not answer yes to any of the disclosure questions, you will only need to submit the first 16 pages of the Form.
2. We will need a copy of your social security card or a social insurance card (Canadians). If you do not have a social security number or a social insurance number we will need a Form W-8BEN. Please go to www.irs.gov to download the form. Form needs to be filed directly with the corporate office.
3. If you will be trading in Nevada, please ask for a Child Support Form that is requested for registration by the State of Nevada.
4. If you will be trading in Colorado, please make sure you receive the Affidavit to complete your registration.
5. New traders are required to send in a check to Bright Trading, LLC in the amount of \$2,000. All registration/licensing fees will be deducted from that amount. Details of the specific fees are shown below. Any remaining balance will be applied to your trading account or if you decide not to join the firm the balance will be remitted back to you upon written notice.
 - A. Bright Trading, LLC- \$100.00 processing fee.
 - B. Chicago Stock Exchange - \$500 if filed between January 1 through March 31
\$375 if filed between April 1 through June 30
\$250 if filed between July 1 through September 30
\$125 if filed between October 1 through December 31
 - C. FINRA (formally known as the NASD) – \$60 SIE exam and \$60 Series 57 Examination fee and/or \$245 Series 7 Examination fee for any state requiring registration. See item G for list of states.
 - D. FINRA - \$100 Web CRD filing fee plus \$110 for each DRP page, if any.
 - E. FINRA - \$44.50 Fingerprint processing fee
 - F. The following states require additional examinations:
 - a. Series 63 in Massachusetts, Michigan, Missouri, Nebraska, Nevada, Texas and Virginia; \$96 fee.
 - b. See www.stocktrading.com (Steps To Join) for proper Exams for your State.
 - G. State Registration fee – This only applies to traders in Colorado, Nevada, New Jersey, and Texas.
 1. Colorado - \$16
 2. Nevada - \$125 plus additional \$1,000 NV state processing fee
 3. New Jersey - \$60
 4. Texas - \$35
6. When you have the entire U-4 package completed, please mail it to our compliance officer with a check.
7. If you already have a Series 57 examination, you must fund your trading account within 90 days of application. Individuals taking the SIE, Series 57 (and 7 and 63 if required) examination (s) must fund trading account within 90 days of completing all necessary exams. Individuals not funding their trading account within their 90 day window will be charged a \$100 per month inactivity fee after the 90 day period.

Diane Anderson
380 Merion Road
Merion Station, PA 19066
(610) 668-6407
Email: dianeanderson@brighttrading.net

BRIGHT TRADING, LLC

A PROFESSIONAL EQUITIES TRADING ORGANIZATION

TRADER REGISTRATION PACKET CHECK LIST

NAME _____

OFFICE _____

Please be sure to submit all of the following forms. Details regarding how to complete these forms can be found on the instruction sheets. Incomplete or missing forms will delay the registration process.

U-4 Form _____

If you need to take the Securities Industry Essentials ("SIE"), Series 57, 7, or 63 examinations, please indicate on this form.

Fingerprint Card _____

Please be sure that the following information is included on the fingerprint card:

- Signature of person fingerprinted, Last name, first name, middle, aliases, date, signature of official, citizenship, personal data, SS# _____ (Do not enter your SIN if Canadian)
- Reason Fingerprinted—"SEC Rule 17f-2" _____

Employment History/Verification Form _____ (Did you include contact names and telephone numbers?)

Annual Compliance Certification Form _____

LLC Operating Agreement and Addendum B _____

- 2 completed copies of Addendum B enclosed (Note re signature page: Bright Trading fills out and signs at top of page, Trader completes and signs at bottom of page "Agreed and Acknowledged, etc...") _____
- Trader keeps signed copy of Operating Agreement _____

CHECK _____

- Check for \$2000 made out to Bright Trading, LLC. If you have wired funds to Bright Trading, LLC bank account, please send a note with your paperwork so that the funds can be verified. Paperwork can not be submitted to Web CRD for processing until either check received or funds verified.

New Trader Information Sheet _____

- A copy of this form should also be retained and faxed to Joyce in Las Vegas when you wire funds.

When you complete your paperwork, please mail the forms to the following address:

**Diane Anderson
380 Merion Road
Merion Station, PA 19066
(610) 668-6407**

BRIGHT TRADING, LLC

A PROFESSIONAL EQUITIES TRADING ORGANIZATION

Trader Registration Checklist

Page 2

New Trader Orientation Form _____

- **This form is to be completed in the trading office with the manager. Trader to keep form and schedule time with manager to complete orientation.** A copy of this document must be faxed to Las Vegas along with the New Trader Information sheet before Head Office will assign a Redi log-in. Original must be mailed to Las Vegas for trader's file.



Bright Trading, LLC *Professional Equities Trading*

Instructions for completion of electronic Form U-4

Download Form U-4 from the following website:

<http://www.finra.org/sites/default/files/form-u4.pdf>

You will need to print out the Form and enter your information manually.

Enter your name and social security number on top of page. The firm's CRD number is 34702.

1. General Information

Enter your first, middle and last names. If you do not have a middle name, leave field blank. If you use a suffix such as Jr., Sr., complete the suffix field. Enter employment date as the date you signed the limited liability agreement, not the date that you plan to start trading. We will keep internal records as to track your start date. Enter Firm CRD number as 34702 and firm name as Bright Trading, LLC. Leave Firm Billing code and Individual CRD number blank. Enter your social security number. Answer the question "Do you have an independent contractor relationship with the above named firm?" as "no". You will be a member of a limited liability company. Enter your expected office of employment address. If you plan on trading remotely, list your home address as the office of employment and mark off "Private Residence Check Box".

2. Fingerprint Information

Mark off the box entitled "By selecting this option, I represent that I am submitting, have submitted, or promptly will submit to the appropriate SRO a fingerprint card as required under applicable SRO rule". Leave Fingerprint card barcode blank.

3. Registration with Unaffiliated Firms

Mark off "no" to questions A. and B. as to whether you will maintain registration with either a non-affiliated broker dealer or investment advisor. If you are planning on maintaining dual registration with another firm, please contact the Las Vegas office to see if the relationship would be permissible.

4. SRO Registrations



Bright Trading, LLC *Professional Equities Trading*

Mark off the Registration Category of "TD" – Proprietary Trader (S57) under the CHX heading.

5. Jurisdiction Registrations

Leave this section blank. CHX is not enabled to allow for electronic registration with the states.

6. Registration Requests with Affiliated Firms

Mark off "no". The Firm does not have any affiliated firms.

7. Examination Requests

Mark off the appropriate exam such as the Series 57 or SIE. Leave blank if you already have a valid Series 57 or SIE.

8. Professional Designations

Mark off field any professional designations that you may have or leave field blank.

9. Identifying Information/Name Change

Please enter your First Name, Last Name, Date of Birth, Gender, Height (ft), Height (inches), Weight (lbs), Hair color and Eye Color. These are all mandatory fields. Enter your Middle Name if you have one.

10. Other Names

All names that you have used or have been known by since the age of 18 must be listed.

11. Residential History

You current address is mandatory and a minimum of 5 years of residential history must be provided. From, To, Street Address 1, City, State or Country and Postal Code are mandatory fields. You cannot have a gap of more than 3 months between history records.

12. Employment History



Bright Trading, LLC *Professional Equities Trading*

You must enter Bright Trading as the first employment. Enter the current month and year in the “From” field and leave “present” in the “To” field. In employment history, a minimum of 10 years of employment must be provided. You need to account for the entire 10 year period. If you were a student enter the name and location of school and indicate student under position held. If you were traveling or unemployed during the past 10 years enter that information under name of Firm as well as in the position held field. All fields must be completed on each employment record. There may not be gaps of more than 3 months.

13. Other Business

Either “Yes” or “No” must be marked off for other business not already listed under the employment history. If you answer yes, you must provide the requested information. This includes the name of the business, your position, start date, approximate number of hours devoted to other business and how much time is spent during trading hours. You must also include a brief description of nature of business.

14. Disclosure Questions

Read each disclosure question carefully and respond either “Yes” or “No”. For each “Yes” response, a corresponding Disclosure Reporting Page (DRP) must be provided.

If you have no disclosures go to Question 15A. and sign and date.

If you do have disclosures, read the following instructions or call Diane Anderson at 610-668-6407 for additional help.

<http://www.finra.org/sites/default/files/AppSupportDoc/p015111.pdf>

10/03/2018 revised

BRIGHT TRADING, INC.

A PROFESSIONAL EQUITIES TRADING ORGANIZATION

Instructions for Completing Package B, New Trader Orientation Form and Addendum to Operating Agreement

Package B: Trader must fill out the following forms:

- Employment History—Trader must account for the past three years. He or she must provide a telephone number and contact person or department for each position so we can verify employment as per U-4 registration requirements
- Disclosure of Personal and Household Accounts – There is an explanation attached to this form.
- Outside Business Activities – An explanation is attached to this form.

New Trader Orientation Form:

- The COO and Trader must sign and date on page 3 of the form after completing the orientation process.

Addendum—TRADER MUST FILL IN THE FOLLOWING INFORMATION ON TWO COPIES OF THE ADDENDUM.

- Page 1 – Fill in name
- Page 3 – Trader must fill in name, social security number, home address, Email address and home telephone number on both copies, and one copy will be sent back to Trader for his/her files.

EMPLOYMENT HISTORY FOR PAST THREE YEARS

TRADER NAME: _____

OFFICE: _____

[illegible]

Bright Trading, LLC
Personal and Household Account Listing

Trader Name: _____

Acronym: _____

Name on Account:
Firm Carrying Account
Firm Address:
Account Number:

Name on Account:
Firm Carrying Account
Firm Address:
Account Number:

Name on Account:
Firm Carrying Account
Firm Address:
Account Number:

I hereby attest that this is a true and correct record of all personal and household securities or commodities accounts maintained by either myself or a household member. For purposes of this document, household accounts will mean members of my immediate family (spouse, dependent children, and dependent relatives) as well as trusts, companies or funds effectively controlled by myself or members of my immediate family.

Signature:	Date:
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Bright Trading, LLC.

Disclosure of Outside Business Activities

Trader Name:_____

Acronym (If applicable):_____

Branch Office:_____

Description of Outside Business Activity:

Trader Signature:_____ **Date:**_____

Approved By:_____ **Date:** _____

SECOND AMENDED AND RESTATED
OPERATING AGREEMENT

OF

BRIGHT TRADING, LLC

August 1, 2010

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SECOND AMENDED AND RESTATED OPERATING AGREEMENT

OF

BRIGHT TRADING, LLC

This SECOND AMENDED AND RESTATED OPERATING AGREEMENT of BRIGHT TRADING, LLC (the “Company”) is entered into and shall be effective as of the 1st day of August, 2010 by and among Bright Trading, Inc., a Nevada corporation, and those other Persons who are Members (as defined herein).

ARTICLE I THE COMPANY

1.1 Formation and Continuation.

(a) The Company was formed as a Nevada limited liability company effective as of July 31, 2000 pursuant to, and in accordance with, the provisions of the Act (as defined herein).

(b) Pursuant to that certain Contribution Agreement dated as of August 31, 2000 (the “Contribution Agreement”), Bright Trading Inc. and certain of the Members admitted to the Company as of August 31, 2000, contributed the assets described in the Contribution Agreement. The Company continued the broker/dealer business formerly conducted by Bright Trading Inc., assuming those assets contributed pursuant to the Contribution Agreement and all of the liabilities of Bright Trading, Inc., provided, however, that Bright Trading, Inc. retained certain trade names, trademarks, the goodwill associated therewith and other certain intangible assets not specifically contributed pursuant to the Contribution Agreement.

(c) Prior to the date hereof, the Company was governed by that certain Amended and Restated Operating Agreement dated January 1, 2006, which is hereby superceded and replaced; provided, however, that each Class B Member addendum executed pursuant to such agreement, in effect as of the date hereof, shall remain in full force and effect and serve as an addendum to this Agreement except to the extent modified by this Agreement or otherwise in a writing dated the same date or a subsequent date to this Agreement. To the extent of any conflict with any Class B Member’s applicable Addendum in effect as of the date hereof, the provisions of this Agreement will supersede the terms of such Addendum.

1.2 Name. The name of the Company shall be “BRIGHT TRADING, LLC” and all business of the Company shall be conducted in such name in accordance with that certain License Agreement entered into between the Company and Bright Trading, Inc., except as the Manager (as defined herein) may otherwise determine.

1.3 Purposes and Powers of the Company. The purpose of the Company shall be to engage in the business of a registered broker-dealer engaging in proprietary securities trading activities. The Company shall have the power to do any and all acts and things necessary, appropriate, advisable or convenient for the furtherance and accomplishment of the purposes of

the Company, including, without limitation, to engage in any kind of activity and to enter into and perform obligations of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company, so long as said activity and obligations may be lawfully engaged in or performed by a limited liability company under the Act.

1.4 Place of Business. The principal place of business of the Company shall be located at 4850 Harrison Drive, Las Vegas, NV 89121, or such place within the United States as the Manager may determine in its sole discretion. The Manager may, in its sole discretion, establish and maintain such other offices and additional places of business of the Company, either within or without the State of Nevada, as it deems appropriate.

1.5 Registered Office and Registered Agent. The street address of the initial registered office of the Company shall be 4850 Harrison Drive, Las Vegas, Nevada, 89121, and the Company's registered agent at such address shall be Robert Bright.

1.6 Term. The term of the Company shall continue until the winding up and liquidation of the Company and completion of its business following a Liquidating Event, as provided in Article XI hereof.

1.7 Statutory Compliance. The Company shall exist under and be governed by, and this Agreement shall be construed in accordance with, the applicable laws of the State of Nevada. The Manager shall make all filings and disclosures required by, and shall otherwise comply with, all such laws. The Manager shall execute and file in the appropriate records any assumed or fictitious name certificates and other documents and instruments as may be necessary or appropriate with respect to the formation of, and conduct of business by, the Company.

1.8 Title to Property. All Property (as defined herein) shall be owned by the Company as an entity and no Member shall have any ownership interest in such Property in its individual name or right, and each Member's interest in the Company shall be personal property for all purposes. The Company shall hold all of its Property in the name of the Company and not in the name of any Member.

1.9 Payments of Individual Obligations. The Members shall use the Company's credit and assets solely for the benefit of the Company and no asset of the Company shall be transferred or encumbered for or in payment of any individual obligation of a Member.

1.10 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

(a) "Act" means the Nevada Limited Liability Company Act, as set forth in the Nevada Revised Statutes, §§ 86.022 et. Seq., as amended from time to time (or any corresponding provisions of succeeding law).

(b) "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Period, after giving effect to the following adjustments:

(i) credit to such Capital Account of any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) debit to such Capital Account of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(c) “Agreement” means this Second Amended and Restated Operating Agreement, each addendum for Class B Members executed by the Manager and the respective Class B Member and any exhibits thereto, all as amended from time to time. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” and “hereunder” refer to this Agreement as a whole, unless the context otherwise requires.

(d) “Bankruptcy” means, with respect to any Person,

(i) the filing of an application by the Person for, or a consent to, the appointment of a trustee of the Person’s assets;

(ii) the filing by the Person of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing the Person’s inability to pay debts as they come due;

(iii) a general assignment by such Person for the benefit of creditors;

(iv) the filing by the Person of an answer admitting the material allegations of, or the Person’s consenting to, or defaulting in answering a bankruptcy petition filed against the Person in any bankruptcy proceeding; or

(v) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating the Person bankrupt or appointing a trustee, custodian, receiver or liquidator of such Person’s assets, which order, judgment or decree continues unstayed and in effect for any period of 60 days.

(e) “Business Day” means any weekday of the year on which national securities exchanges are not required or authorized to close in New York, New York.

(f) “Capital Account” means, with respect to any Member, the Capital Account maintained in accordance with the following provisions:

(i) to each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.3 or Section 3.4 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any Property distributed to such Member;

(ii) to each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 3.3 or Section 3.4 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company; and

(iii) in determining the amount of any liability for purposes of Sections 1.10(t)(i) and 1.10(t)(ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Manager shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or the Members), are computed in order to comply with such Regulations, the Manager may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Article XI hereof upon the dissolution of the Company. The Manager also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

(g) "Capital Contributions" means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Company with respect to the Interest held by such Member pursuant to the terms of this Agreement.

(h) "Class A Interest" means, as to a Class A Member, the Member's interest in the Profits and Losses of the Company allocable to the Class A Member(s).

(i) "Class A Member" means a Person owning a Class A Interest, the rights and obligations of which are further described in Section 2.3 hereof. Class A Member(s)

include Bright Trading, Inc., and any other Person who has become a Manager pursuant to the terms of this Agreement, as long as such Person has not ceased to be a Class A Member pursuant to the terms of this Agreement.

(j) “Class B Interest” means, as to any Class B Member, the Class B Member’s interest in the Profits and Losses obtained in connection with the Class B Member’s activities.

(k) “Class B Member” means a Person owning a Class B Interest, the rights and obligations of which are further described in Section 2.4 hereof.

(l) “Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(m) “Contribution Agreement” means that agreement described in Section 1.1 above.

(n) “Company” means the limited liability company formed under the Act and continued by this Agreement and the company continuing the business of this Company in the event of dissolution as herein provided.

(o) “Company Minimum Gain” has the meaning ascribed to “partnership minimum gain” in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(p) “Depreciation” means, for each Fiscal Period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deductions for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

(q) “Disability” means the physical or mental incapacity or disability to continue in the Member’s current capacity, as determined in the Manager’s reasonable discretion.

(r) “Examining Authority” means the Securities and Exchange Commission, any other government body or agency with regulatory authority over the Company and any self-regulatory organization designated by a government authority as an examining authority of the Company. As of the date hereof, the Chicago Stock Exchange, Inc. is the Company’s “designated examining authority” serving as the Company’s principal Examining Authority.

(s) “Fiscal Period” means (i) any twelve (12) month period commencing on January 1 and ending on December 31, or (ii) any portion of the period described in clause (i) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Article III hereof. A new Fiscal Period shall begin on the admission of a new Class A Member.

(t) “Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Manager;

(ii) the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values as of the following times: (a) the admission of an additional Member pursuant to Article IX hereof; (b) the distribution by the Company to a Member of more than a *de minimis* amount of Property as consideration for an Interest in the Company; and (c) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(iii) the Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the Manager; and

(iv) the Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Sections 1.10(ff)(vi) and 3.2(d) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section 1.10(t)(iv) to the extent the Manager determines that an adjustment pursuant to Section 1.10(t)(ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section 1.10(t)(iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section 1.10(t)(i), Section 1.10(t)(ii) or Section 1.10(t)(iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

(u) “Interest” means an ownership interest in the Company and, if applicable, voting rights, and any and all benefits to which the holder of such interest may be entitled as provided in this Agreement, together with all obligations of such holder to comply with the terms and provisions of this Agreement.

(v) “Liquidating Event” has the meaning set forth in Section 11.1.

(w) “Manager” means Bright Trading, Inc. or any Person appointed as a Manager pursuant to Section 5.3 of this Agreement and who shall have all of the rights and powers which may be possessed by a “manager” (as that term is defined in the Act) under the Act.

(x) “Member Nonrecourse Debt” has the meaning ascribed to “partner nonrecourse debt” as set forth in Regulations Section 1.704-2(b)(4) and shall include any Nonrecourse Liability of a Member.

(y) “Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

(z) “Member Nonrecourse Deductions” has the meaning ascribed to “partner nonrecourse deductions” as set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

(aa) “Members” means those Persons who are Members as of the date hereof, executing this Agreement as Class A Members, Class B Members, and any other Person who becomes a Member pursuant to the terms hereof. “Member” means any one of the Members.

(bb) “Net Capital Rule” means, collectively, Rule 15c3-1 promulgated pursuant to the Securities Exchange Act of 1934, as amended, and any similar rule regulating the amount of capital the Company must maintain that is promulgated by a self-regulatory organization of which the Company is a member or to the rules of which it is subject.

(cc) “Nonrecourse Deductions” has the meaning set forth in Regulations Section 1.704-2(b)(1).

(dd) “Nonrecourse Liability” has the meaning set forth in Regulations Section 1.704-2(b)(3).

(ee) “Person” means any individual, partnership, limited liability company, corporation, trust or other entity.

(ff) “Profits” and “Losses” means, for each Fiscal Period, an amount equal to the Company’s taxable income or loss for such Fiscal Period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.10(ff) shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this Section 1.10(ff) shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 1.10(t)(ii) or Section 1.10(t)(iii) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(v) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Period or other period, computed in accordance with Section 1.10(p) hereof;

(vi) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) notwithstanding any other provision of this Section 1.10(ff), any items which are specifically allocated pursuant to Section 3.4 hereof shall not be taken into account in computing Profits or Losses.

(gg) "Property" means the Company's ownership interest in limited liability companies or limited partnerships, and all other real and personal property, tangible or intangible, acquired by the Company.

(hh) “Regulations” means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

(ii) “Regulatory Allocations” has the meaning set forth in Section 3.4.

(jj) “Transfer” means, as a noun, any voluntary or involuntary transfer, sale, pledge or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge or otherwise dispose of.

ARTICLE II MEMBERS AND CAPITAL CONTRIBUTIONS

2.1 Members. The names, addresses and classes of each of the Members are set forth in the records of the Company.

2.2 Classes of Members. The Company initially shall have two classes of Members identified as Class A Members and Class B Members. The Manager may designate additional classes of Members.

2.3 Class A Members. Class A Members are allocated revenues and Profits and Losses based upon their Class A Interest. Class A Members shall have voting and all management rights in the Company. The Class A Members shall vote for and elect the Manager of the Company, which Manager may be a Class A Member. A Class A Member also may own a Class B Interest with respect to the Member’s designated trading activities and such Interests shall be treated as a Class B Interest, including being reflected separately on the books and records of the Company.

2.4 Class B Members.

(a) Class B Members are those Members who may or may not initially contribute capital to the Company and shall devote business time and effort to the Company’s activities.

(b) With respect to each Class B Member, the Class B Member shall have percentage interest only with respect to those designated activities engaged in by such Class B Member as such is determined by agreement between the Manager and the Class B Member and such interest shall be the basis for that Class B Member’s Class B Interest. .

(i) With respect to allocations to each Class B Member pursuant to Sections 3.2(a)(ii)(A) and 3.2(c)(i)(B), a Class B Member shall not be allocated greater than 80% of the applicable Profits from his or her designated trading activities.

(ii) Notwithstanding that each Class B Member has a specified percentage interest only in designated trading activities and that the Company intends to allocate Profits and Losses in accordance therewith, due to the trading and investment activities of the Company and its Members participating in such activities, each Member is at risk of being allocated Losses in excess of the amounts intended to be allocated in accordance with the Member's percentage interests. By way of example and without limiting the foregoing, in the event a Class B Member's designated activities incurred losses in excess of the amount allocable to the Class B Member participating in such designated activity and the Class B Member's Capital Account balance was zero, excess Losses would be allocated to the Class A Members and then the Class B Members not participating in such designated activity and who have no Class B Interest in such activity, and as a result the Class B Members would be allocated more than their anticipated proportionate share of Losses.

(c) Notwithstanding any amounts that may be allocated to a Class B Member's Capital Account for tax, accounting or other purposes, no Class B Member shall be deemed, or in any way be treated as having a Class A Interest in the Company. Class B Members shall have no management or voting rights.

(d) Each Class B Member:

(i) acknowledges and understands:

(A) that the Company, as a registered broker-dealer, is not considered a "customer" pursuant to the Securities Investor Protection Act of 1940 ("SIPA") or certain provisions of the federal securities laws, such as Exchange Act Rule 15c3-3, and therefore may not be entitled to certain protections afforded to "customers" of broker-dealers which subjects the Company to a greater risk of loss of Company assets held at other broker-dealers, including any clearing brokers; and

(B) that the Members are not "customers" of the Company and are not treated as a customer for any purposes, financial or otherwise and will not be afforded the protections of customers of broker-dealers, including coverage provided by SIPA;

(C) the Class B Member's trading activities will be conducted in an Account assigned pursuant to the Addendum; expenses incurred in connection with trading the Account are determined in the Manager's discretion and the Company's actual cost of the expense items may be less than charged to the Member's Account. The deduction of expense items from the Account reduces the Profits allocated to the Class B Member with respect to his or her designated trading activities and the Class A Members obtain the Profits from the differences in the expense items; and

(D) there is a risk of losing the Class B Member's Capital Contributions and accrued amounts in the Class B Member's Capital Account, and that a partial or complete loss may occur due to various risks inherent in the Company's business and due to the trading and investment activities of the other Members. The Class B Member is able to bear the risk of loss of the Member's capital in the Company. The Class B Member's financial condition is such that he or she has no need for liquidity with respect to his or her capital in the Company.

(ii) represents and warrants:

(A) the Class B Member's Capital Contributions are his or her funds and not the funds of any other Person and the Class B Member has fully disclosed to the Company the source of funds with respect to the Class B Member's Capital Contributions; and

(B) the Class B Member has had an opportunity to secure independent tax, accounting, legal and other counsel and the Class B Member is not relying on the Company, the Manager or any other Member for advice.

2.5 Capital Contributions. As of the effective date of this Agreement, each of the Members has those Capital Account balances set forth on the records of the Company. Except as may be required in any agreement or addendum admitting a Member, no further Capital Contributions are required from any Member. Subject to the consent of the Manager, any Member may make Capital Contributions.

2.6 Other Matters.

(a) Amounts reflected in a Member's Capital Account shall be available as capital of the Company and subject to all the risks of its business.

(b) Except as otherwise provided in this Agreement, no Member shall demand or receive a return of his or its Capital Contributions. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive Property other than cash except as may be specifically provided herein.

(c) No Member shall receive any interest, salary or drawing with respect to his Capital Contributions or his Capital Account or for services rendered on behalf of the Company or otherwise in his capacity as Member except as otherwise provided in this Agreement.

(d) No Member shall, either directly or indirectly, take any action to require partition or appraisal of the Company or of any of its assets or properties or cause the sale of any Property, and notwithstanding any provisions of applicable law to the contrary, each Member (and his legal representatives, successors or assigns) hereby

irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to his Interest, or with respect to any assets or Property of the Company, except as expressly provided in this Agreement.

ARTICLE III ALLOCATIONS

3.1 Separate Accounting. The Company shall account for the revenues from each Class B Member's activity separate and apart from the revenues for each other Class B Member and the Company's other activities. Profits and Losses obtained with respect to each Class B Member's activity shall be allocated between the Class B Member and the other Members of the Company in accordance with the Class B Member's applicable addendum and as set forth in this Article III. The Company shall make a monthly interim allocation of Profits and Losses among the Class B Members. At the end of each Fiscal Period, the Company shall adjust the monthly allocation made to the Class B Members, if necessary, to account for actual amounts and estimated amounts of expenses. Items of revenue which are not directly attributable to Class B Members' activities shall be allocated by the Manager at its discretion.

3.2 Fiscal Period Allocations

(a) Monthly Profits Allocations. The Company shall make an interim allocation of Profits among the Members as follows:

(i) First, Profits for each month shall be allocated among the Members proportionally until the aggregate amount of Profits allocated to any particular Member pursuant to this Section 3.2(a) is equal to the aggregate amount of Losses allocated to that particular Member pursuant to Section 3.2(b) (allocated in inverse order in which such Losses were allocated);

(ii) Second, all remaining Profits for each month shall be allocated among the Members,

(A) First, to each Class B Member, 80% to the Class B Member (or such other lesser percentage provided such percentages set forth in the applicable addendum for such Class B Member shall meet the requirements set forth in Section 2.4(b)(i)).

(B) Second, the balance shall be allocated to the Class A Members in proportion to their Class A Interests.

Each Class B Member acknowledges that amounts allocated to the Capital Account for such Class B Member pursuant to this Section 3.2(a) and Section 3.2(c), is subject to diminution or elimination as a result of trading losses in subsequent months.

(b) Monthly Losses Allocations. The Company shall make an interim allocation of Losses among the Members as follows:

(i) First, to each Class B Member 100% to the Class B Member (or such lesser percentage set forth in any applicable addendum) until the Capital Account of the particular Class B Member has been reduced to zero; and

(ii) Second, the balance shall be allocated to the Class A Members in proportion to their Class A Interests.

(iii) Third, the balance shall be allocated in equal shares among the Class B Members without regard to the size of their Capital Accounts; provided, however, that (1) no such allocation shall exceed the limit of a Class B Member's Capital Account; and (2) any amount that cannot be allocated because of (1) shall be allocated among all remaining Class B Members as aforesaid.

(c) Fiscal Period Allocations. At the end of each Fiscal Period, the Company shall adjust the allocations made pursuant to Sections 3.2(a) and (b), if necessary, to account for actual amounts and estimated amounts of expenses and then allocate Profits and Losses as follows:

(i) Profits for each Fiscal Period shall be allocated as follows:

(A) First, among the Members proportionally until the aggregate amount of Profits allocated to any particular Member pursuant to this Section 3.2(c)(i)(A) is equal to the aggregate Losses allocated to that particular Member pursuant to Section 3.2(c)(ii) (allocated in inverse order in which such Losses were allocated);

(B) Second, to each Class B Member, 80% to the Class B Member (or such other lesser percentage provided such percentages set forth in the applicable addendum for such Class B Member shall meet the requirements set forth in Section 2.4(b)(i)).

(C) Thereafter, the balance shall be allocated to the Class A Members in proportion to their Class A Interests.

(ii) Losses for each Fiscal Period shall be allocated as follows:

(A) First, to each Class B Member 100% to the Class B Member (or such lesser percentage set forth in any applicable addendum) until the Capital Account of the particular Class B Member has been reduced to zero; and

(B) Second, the balance shall be allocated to the Class A Members in proportion to their Class A Interests.

(C) Third, the balance shall be allocated in equal shares among the Class B Members without regard to the size of their Capital Accounts; provided, however, that (1) no such allocation shall exceed the limit of a Class B Member's Capital Account; and (2) any amount that cannot be allocated because of (1) shall be allocated among all remaining Class B Members as aforesaid.

(iii) Losses allocated pursuant to Section 3.2(c)(ii) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Period. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 3.2(c)(ii) hereof, the limitation set forth in this Section 3.2(c)(iii) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)(d).

3.3 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Article III, if there is a net decrease in Company Minimum Gain during any Fiscal Period, each Member shall be specially allocated items of Company income and gain for such Fiscal Period (and, if necessary, subsequent Fiscal Periods) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 3.3(a) is intended to comply with the minimum gain chargeback requirement in such Section of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Article III, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Period (and, if necessary, subsequent Fiscal Periods) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections

1.704-2(i)(4) and 1.704-2(j)(2). This Section 3.3(b) is intended to comply with the minimum gain chargeback requirement in such Sections of the Regulations and shall be interpreted consistently therewith.

(c) **Qualified Income Offset.** In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5), or Section 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 3.3(c) shall be made only if and to the extent that such Member would have Adjusted Capital Account Deficit after all other allocations provided for this Article III have been tentatively made as if this Section 3.3(c) were not in the Agreement.

(d) **Code Section 754 Adjustment.** To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts, as a result of a distribution to a Member in complete liquidation of his Interest, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specifically allocated to the Members in accordance with their Interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(e) **Nonrecourse Deductions.** Nonrecourse Deductions for any Fiscal Period or other period shall be specially allocated among the Members in proportion to their Class A Interests.

(f) **Member Nonrecourse Deductions.** Any Member Nonrecourse Deductions for any Fiscal Period or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

3.4 Curative Allocations. The allocations set forth in Sections 3.2(b), 3.3(a), 3.3(b), 3.3(c), 3.3(d), 3.3(e) and 3.3(f) hereof (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 3.4. Therefore, notwithstanding any other provision of this Article III (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member’s Capital Account balance is, to the

extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 3.2. In exercising its discretion under this Section 3.4, the Manager shall take into account future Regulatory Allocations under Sections 3.3(a) and 3.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 3.3(e) and 3.3(f).

3.5 Other Allocation Rules.

(a) The Members are aware of the income tax consequences of the allocations made by this Article III and hereby agree to be bound by the provisions of this Article III in reporting their shares of Company income and loss for income tax purposes.

(b) Except as otherwise specifically provided herein, for purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Manager using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Class A Members' interests in Company Profits are in proportion to their Class A Interests.

(d) To the extent permitted by Regulations Section 1.704-2(h)(2), the Manager shall endeavor not to treat distributions of cash as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt.

3.6 Tax Allocations; Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with Section 1.10(t)(i) hereof).

In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 1.10(t)(ii) hereof, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Manager in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 3.6 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Person's Capital

Account or share of Profits, Losses, other items or distributions pursuant to any provisions of this Agreement.

ARTICLE IV DISTRIBUTIONS

4.1 Distributions. At such times and in such amounts as the Manager in its discretion determines appropriate, cash available for distribution shall be distributed in the following order of priority:

(a) First, to each Class B Member, an amount determined in the discretion of the Manager pursuant to the provisions set forth in the Class B Member's applicable addendum to this Agreement. Profits distributed to Class B Members are subject to recoupment in subsequent periods within the Fiscal Period where there is a loss in such subsequent period within the Fiscal Period.

(b) Second, to the Class A Member(s), an amount sufficient to enable each Member to pay such Member's portion of the federal and state income taxes attributable to the income of the Company. The calculation of each Member's portion of the income taxes attributable to the income of the Company shall be equal to the product of (i) such Member's distributive share of taxable income for the Fiscal Period for which the distribution is made, multiplied by (ii) the combined maximum federal and the highest applicable state individual income tax rates for such Fiscal Period. Such distributions shall be timed during the year to correspond to the timing of estimated tax payments. Notwithstanding anything in the foregoing to the contrary, the Manager may postpone any payment to a Member if such payment shall violate any laws or any provision of any rules, regulations or orders of any governmental agency, self-regulatory authority, institution or court to which the Company is subject, including, without limitation, the Net Capital Rule.

(c) Thereafter, to the Class A Member(s) in proportion to the allocations made to such Members pursuant to Section 3.2 of this Agreement.

4.2 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any federal, foreign, state or local tax law with respect to any payment or distribution to the Members shall be treated as amounts distributed to the Members pursuant to this Article IV for all purposes under this Agreement. The Manager is authorized to withhold from distributions to the Members and to pay over to any federal, foreign, state or local government any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, foreign, state or local law and shall allocate such amounts to the Members with respect to which such amount was withheld.

ARTICLE V
ACTIVITIES AND MANAGEMENT OF THE COMPANY

5.1 General. Except as otherwise provided in this Agreement, all determinations, decisions, approvals and actions affecting the Company and its business and affairs shall be determined, made, approved or authorized only by the Manager. The Company shall engage in those activities necessary and incidental to the purpose of the Company and in furtherance thereof, the Company shall engage in trading activities under the direction of the Manager.

5.2 Authority of the Manager. Except as otherwise provided in this Agreement, the Manager shall have the full, exclusive and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company, and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, the right and power to:

(a) acquire by purchase, lease or otherwise any property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(b) make expenditures and incur obligations in the ordinary course of the Company's business;

(c) execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the conduct of the business and the affairs of the Company;

(d) on behalf of the Company, hire, direct and fire officers and other employees, and contract for the services of independent contractors, such as lawyers and accountants, and delegate such responsibilities to such Persons as the Manager deems necessary or appropriate;

(e) agree to the payment to such Persons hired or engaged pursuant to clause (d), including without limitation, any Member, such salaries, bonuses, fees, guaranteed payments and other compensation as the Manager deems appropriate;

(f) to the extent funds are available therefor, pay with Company funds all debts and other obligations of the Company;

(g) make any and all elections for federal, foreign, state and local tax purposes including, without limitation, any election, if permitted by applicable law: (i) to adjust the basis of Property pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state or local law, in connection with transfers of Interests in the Company and Company distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, foreign, state or local tax returns; (iii) to the extent provided in Code Sections 6221

through 6231, to represent the Company and the Members before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company and the Members in their capacity as such and to file any tax returns and to execute any agreements or other documents relating to or affecting such tax matters, including agreements or documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company and the Members; and (iv) to designate the person who shall act as the “Tax Matters Partner” under the Code and in any similar capacity under foreign, state or local law; and

(h) take, or refrain from taking, all other actions not expressly proscribed or expressly limited by this Agreement as may be necessary or appropriate to accomplish the purposes of the Company.

5.3 Removal or Withdrawal of Manager.

(a) The Manager may be not be removed other than by unanimous vote of the Class A Member(s).

(b) The Manager shall automatically be deemed to have withdrawn as Manager in the event of the Manager’s Bankruptcy. The Manager may voluntarily withdraw as Manager at any time upon thirty days written notice to the Members.

(c) If the Manager withdraws or is removed from the Company as “manager,” the withdrawn or removed Manager shall not have any right to participate in the management of the Company. The Company shall have the option, but not the obligation, to terminate the interest of the withdrawn or removed Manager in Company Profits, Losses, distributions and capital by payment of an amount equal to the then present fair market value of the Manager’s Class A Interest determined by agreement of the Manager and the Company (each in its sole discretion). If the Manager and the Company cannot reach agreement, the Manager shall retain all its economic rights under this Agreement.

(d) Upon the withdrawal or removal of the Manager, the Class A Member(s) may elect a successor to act as Manager and in the event no successor is elected to serve as Manager, the Company shall dissolve and liquidate in accordance with Article XI.

5.4 Right to Rely on Manager.

(a) Any person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Manager as to:

(i) the identity of any Member;

(ii) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Manager or which are in any manner germane to the affairs of the Company;

(iii) the Persons who are authorized to execute and deliver any instrument or document of the Company; or

(iv) any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.

(b) The signature of a designee of the Manager shall be necessary and sufficient to convey title to any Property or to execute any promissory notes, trust deeds, mortgages or other instruments of hypothecation, and all of the Members agree that a copy of this Agreement may be shown to the appropriate parties in order to confirm the same, and further agree that the signature of a designee of the Manager shall be sufficient to execute any documents necessary to effectuate this or any other provision of this Agreement.

5.5 Duties and Obligations of Manager.

(a) The Manager shall cause the Company to conduct its business and operations separate and apart from those of any Member, including, without limitation: (i) segregating Company assets and not allowing funds or other assets of the Company to be commingled with the funds or other assets of, held by or registered in the name of, any Member; (ii) maintaining books and financial records of the Company separate from the books and financial records of any Member, and observing all Company procedures and formalities; (iii) causing the Company to pay its liabilities from assets of the Company; and (iv) causing the Company to conduct its dealings with third parties in its own name and as a separate and independent entity.

(b) The Manager shall take all actions which may be necessary or appropriate (i) for the continuation of the Company's valid existence as a limited liability company under the laws of the State of Nevada and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Members or to enable the Company to conduct the business in which it is engaged and (ii) for the accomplishment of the purposes of the Company.

(c) The Manager shall be under a fiduciary duty to conduct the affairs of the Company in the best interests of the Company and the Members for their exclusive benefit.

5.6 Indemnification of the Manager. The Company shall indemnify and hold harmless the Manager and any of its officers, directors, managers, employees and agents from and against all losses, costs, damages, penalties, claims and expenses, including reasonable attorneys' fees, suffered or sustained by such indemnified parties by reason of any acts, omissions or alleged acts or omissions arising out of such indemnified parties' activities on behalf of the Company or in furtherance of the interests of the Company, including without limitation any judgment, award or settlement incurred in connection with the defense of any actual or threatened action, proceeding or claim. Notwithstanding anything in this Agreement to

the contrary, such indemnified parties shall not be indemnified for any liability or damage arising from any action by such indemnified parties constituting bad faith, willful misconduct or gross negligence.

5.7 Reimbursement of Expenses. The Manager may charge the Company, and shall be reimbursed, for any reasonable direct expenses incurred in connection with the Company's business. Without limiting the generality of the foregoing, the Manager may be reimbursed for the administrative services incurred by the Manager necessary to the prudent operation of the Company including, without limitation, salaries of employees of the Manager involved in the operations of the Company. Notwithstanding the foregoing, no Member shall be reimbursed for such expenses unless (i) the Manager has authorized such Member to incur such expenditures on behalf of the Company and (ii) until such Member has presented to the Manager evidence of such expenditures which is satisfactory to the Manager in its sole discretion.

ARTICLE VI ACCOUNTING; BOOKS AND RECORDS

6.1 Accounting. The Company shall maintain at its principal place of business separate books of account for the Company which shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the operation of the Company business. The Company shall use generally accepted accounting principles in preparation of its annual reports and for tax purposes as the Manager shall determine and shall keep its books accordingly.

6.2 Books and Records: Inspection; Restricted Access to Information. The Members understand that the Act require certain records be kept and Section 18-305 of the Act provides for a member's right of access to this Agreement and certain related information. Notwithstanding the foregoing, each Member acknowledges and agrees to the following:

(a) Class A Members shall have access to all of the Company's books and records, and at the Member's sole expense, shall have the right, at any time upon five Business Days notice to the Manager, to examine, copy and audit the Company's books and records during normal business hours for any purpose reasonably related to that Person's standing as a Member of the Company.

(b) Class B Members shall have access to only those of the Company's books and records that are directly related to that Person's standing as a Class B Member of the Company and each Class B Member hereby acknowledges that such books and records are only those related to calculating the Class B Member's share of Profits and Losses. Each Class B Member, at the Member's sole expense, shall have the right, at any time upon five Business Days notice to the Manager, to examine copy and audit those of the Company's books and records made available to the Class B Member by the Manager during normal business hours for any purpose reasonably related to that Person's standing as a Class B Member of the Company.

(c) Each Member shall protect the confidentiality of each addendum to which he or she has access.

(d) Members shall not have access to addenda to which they are not a signatory, nor to any other documents designated as confidential by the Manager. Notwithstanding the foregoing, the Manager shall have the right to keep confidential, for such period of time as the Manager deems reasonable, any information which the Manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Manager in good faith believes is not in the best interests of the Company or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential.

Each Member hereby agrees that the foregoing restrictions are for the mutual benefit of all of the Members and the Company; these restrictions on access to information are reasonable; and nothing herein is unduly restrictive of any Member's ability to determine the respective rights and obligations of such Member.

6.3. Annual Reports and Member's Tax Returns. No later than the March 1st following the end of each calendar year of the Company or such later date as the Class A Members may unanimously agree, the Manager shall provide each Member with a copy of the Schedule K-1 to the Form 1065 required to be filed by the Company with the Internal Revenue Service (or such other comparable form at any time hereafter required to be so filed), showing such Member's share of the Company's taxable income for such year. Each Member shall report on the Member's income tax return the allocations to the Member of Company profits, losses, deductions and credits reflected on the Schedule K-1 prepared by the Company.

6.4 Banking. Funds of the Company may be deposited in the Company's name, in such bank account or accounts as the Manager may establish. Withdrawals of funds from Company accounts shall be made on such signature or signatures as the Manager may approve from time to time.

ARTICLE VII RIGHTS AND RESPONSIBILITIES OF THE MEMBERS

7.1 Authority and Activities. A Member (other than a Manager) shall have only such authority to bind the Company, and shall perform only such duties with respect to the business and activities of the Company, as shall be granted or assigned the Member by the Manager; provided, however, that nothing herein shall be construed to restrict any Member's authority to engage in trading activities on behalf of the Company in accordance with the trading strategies and guidelines established by the Manager. Members may engage in other activities; provided, however, that the Member must promptly notify the Manager of any activities involving transactions in, or otherwise relating to, securities, options, futures or commodities products. No Member shall have any interest in or rights with respect to the properties or assets of any other Member by virtue of holding an Interest in the Company.

7.2 Indemnification by Members. Any Member who acts in contravention of the provisions of Section 7.1, engages in any criminal or fraudulent conduct (including, without limitation, theft or embezzlement), or otherwise engages in conduct in connection with the Company or the Members that is reckless, grossly negligent or not in good faith shall personally indemnify and hold harmless the Company and the other Members against all losses, costs, damages, penalties, claims and expenses, including reasonable attorneys' fees, sustained by the Company by reason of such action. Except as provided in the preceding sentence, no Member shall be liable, responsible or accountable in damages or otherwise to the Company for any action taken or not taken within the scope of such Member's authority.

7.3 Indemnification of Members. Except for actions for which a Member is obligated under Section 7.2 to indemnify the Company, the Company shall indemnify and hold harmless each Member from and against all losses, costs, damages, penalties, claims and expenses, including reasonable attorneys' fees, suffered or sustained by such Member (other than losses allocated to the Member pursuant to Article III) by reason of any acts, omissions or alleged acts or omissions arising out of such Member's activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to, any judgment, award or settlement incurred in connection with the defense of any actual or threatened action, proceeding or claim.

7.4 Right of Set Off. To secure the indemnification obligations of each Member under Section 7.2 or under any other provision of this Agreement, the Company shall have a right of set off against the Member's Capital Account and his right to distributions under this Agreement.

ARTICLE VIII METHOD OF VOTING AND MEMBER MEETINGS

8.1 General. Except as otherwise set forth herein, the Manager shall take all actions and make all decisions without requiring the approval of the Members. Class A Members shall vote upon any actions and decisions requiring the approval of the Members. Notwithstanding anything to the contrary herein, Class B Members shall not have any voting rights.

8.2 Meetings. The Manager may call a meeting to consider approval of an action or decision under Section 13.1(b) of this Agreement by delivering to each Member notice of the time and purpose of such meeting at least ten (10) Business Days before the day of such meeting. A Member may waive the requirement of notice of a meeting either by attending such meeting or executing a written waiver before or after such meeting. Any such meeting shall be held during the Company's normal business hours at its principal place of business unless all of the other Members consent in writing or by their attendance at such meeting to its being held at another location or time.

8.3 Vote by Proxy. A Member may vote (or execute a written consent) by proxy given to any other Member. Any such proxy must be in writing and must identify the specific meeting or matter to which the proxy applies or state that it applies to all matters (subject to specified reservations, if any) coming before the Company for approval under any provision of this Agreement prior to a specified date (which shall not be later than eleven (11) months after

the date on which such proxy is given). Any such proxy shall be revocable at any time by giving written notice to the Company and shall not be effective at any meeting at which the Member giving such proxy is in attendance.

8.4 Records. The Company shall maintain permanent records of all actions taken by the Members pursuant to any provision of this Agreement, including minutes of all Company meetings, copies of all actions taken by consent of the Members, and copies of all proxies pursuant to which one Member votes or executes a consent on behalf of another.

ARTICLE IX ADMISSION, WITHDRAWAL AND REMOVAL OF MEMBERS

9.1 Admission of Additional Members. The Company may, at such times and on such terms and conditions as determined by the Manager in its sole discretion, offer and sell additional Interests to any Member or any third party. No Person shall be admitted as a Member unless such Person executes, acknowledges and delivers such instruments as the Manager deems necessary or advisable to effect the admission of such Person as a Member, including, without limitation, the written acceptance and adoption of this Agreement. The records of the Company shall be amended from time to time to reflect any sale of additional Interests and the admission of any additional Members.

9.2 Withdrawal and Removal of Members; Payment Therefore.

(a) Any Member admitted to the Company, after remaining a Member for one year, may voluntarily withdraw from the Company upon 30 days advance written notice to, and the consent of, the Manager, not to be unreasonably withheld. In the event any Member voluntarily withdraws from the Company, the Manager, in its sole discretion, may determine to remove the Class B Member effective as of a date sooner than the date set forth in the Member's withdrawal notice. Upon a determination by the Manager in its sole discretion, a Member shall be deemed to have withdrawn from the Company as of the Business Day immediately preceding the date of the Member's Bankruptcy, death, Disability or the entry of a court ordered transfer of such Member's Interest or any portion thereof (e.g., divorce). Members must notify the Company in writing of any Bankruptcy, Disability or entry of court ordered transfer of such Member's Interest or portion thereof, immediately upon the happening any event which could give rise to such event.

(b) The Company, in the sole discretion of the Manager, may remove any Member at any time.

(c) Pending the termination of a Member's Interest on the effective date (as determined by the Manager in the event of the removal of a Member or as designated by the Member in the event of a voluntary withdrawal), such Member or a successor in interest shall have only the rights of an assignee and shall be bound by all of the terms

and conditions of this Agreement to the same extent and on the same terms as the other Members. The withdrawal or removal of a Member shall not terminate the Company.

(d) In the event a Member withdraws or is removed from the Company, at the end of the month in which the Member is withdrawn or removed, the Member shall be entitled to payment for the Member's Interest as follows:

(i) The Company shall make allocations of profits and losses to such Member's capital account for such month (and all prior months within the Fiscal Period); and with respect to a Class B Member, subject to:

(A) year-end adjustments for expenses incurred during that period of the year during which such Member was a Member of the Company; and

(B) discounts and adjustments for volatility and risk incurred by the Company due to securities and options positions initiated by such Member and existing in the accounts of the Company at the time of the Class B Member's withdrawal or removal.

(ii) If after the allocations described in subsection 9.2(d)(i) above, such Member has a positive balance in the Member's capital account, subject to any restrictions imposed by the Examining Authority, the Company shall distribute the amount of such balance to the Member not later than 30 days after the date of withdrawal or removal.

In the event that the Manager identifies particular transactions or events which may give rise to contingent liabilities, the Company may withhold the amount of the Member's proportionate share of any such liabilities against any amounts due the withdrawing or removed Member until the amount of such liabilities has been finally determined.

(e) In any case, no distribution of the amount of a Capital Account may be made except after full compliance with Article III Rule 6(b) of the Rules of the Chicago Stock Exchange, which requires that, without prior written approval of the exchange, the Capital Contribution of any Member may not be withdrawn on less than six month's written notice of withdrawal given no sooner than six months after such contribution was first made. The Company shall notify the Chicago Stock Exchange of the receipt of any notice of withdrawal of any part of a Member's Capital Contribution or if any withdrawal is not made because it is prohibited by the Net Capital Rule.

ARTICLE X RESTRICTIONS ON TRANSFERS

10.1 No Transfers Without Consent. A Member may not Transfer all or any portion of his Interest or any rights therein to any Person or entity without the prior written consent of the Manager, which may be granted or withheld in its sole discretion.

10.2 Effectiveness of Transfer. No Transfer of an Interest shall be binding on the Company or the Members until (a) the Manager has received an original or certified copy of an instrument evidencing such Transfer; (b) the transferee has executed such certificates and other documents and has performed such acts as the Manager deems necessary to preserve the limited liability status of the Company under the laws of the jurisdictions in which the Company is doing business; and (c) if required by the Manager, the transferee has paid all expenses (including legal and filing fees) incurred by the Company in connection with the Transfer. In addition, any Transfer of an interest in the Company shall be subject to the following restrictions:

(i) no Transfer of any interest may be made except in compliance with federal and applicable state securities laws, and the Manager may require as a condition of the Transfer that the transferor furnish a legal opinion with respect to such compliance.

(ii) no Transfer of any interest in the Company shall be permitted if, in the opinion of counsel to the Company, such action would cause the Company to be treated as a “publicly traded partnership” as defined by Code Section 7704.

Any Transfer of an interest in the Company that is not in compliance with the requirements of this section and the other provisions of this Agreement shall be void and shall not bind or be recognized by the Company.

ARTICLE XI DISSOLUTION AND WINDING UP

11.1 Liquidating Events. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following (“Liquidating Events”):

(a) the Bankruptcy, removal or withdrawal of the Manager, unless within 120 days of such event a majority in number of the Class A Members elect to continue the Company and designate a successor as Manager;

(b) the decision of the Manager to dissolve, wind up and liquidate the Company; or

(c) the happening of any other event that makes it unlawful or impossible to carry on the business of the Company.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Liquidating Event. If it is determined, by a court of competent jurisdiction, that the Company has dissolved prior to the occurrence of a Liquidating Event, the Members hereby agree to continue the business of the Company without a winding up or liquidation.

11.2 Winding Up. Upon the occurrence of a Liquidating Event, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, winding up the Company's business and affairs. To the extent not inconsistent with the foregoing, all covenants and obligations in this Agreement shall continue in full force and effect until such time as the Property has been distributed pursuant to this Section 11.2 and the Company has terminated. The Manager (or any other Person elected for this purpose by the Members) shall be responsible for overseeing the winding up and liquidation of the Company, shall take full account of the Company's liabilities and Property, shall cause the Property to be liquidated as promptly as is consistent with obtaining the fair value thereof, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed in the following order:

(a) first, to the payment and discharge of all of the Company's debts and liabilities to creditors including without limitation the Members;

(b) the balance, if any, to the Members in accordance with their positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

11.3 Compliance With Certain Requirements of Regulations. In the event the Company is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article XI to the Members who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). With the approval of the Manager, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to Section 11.2(b) hereof may be:

(a) distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Managers, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 11.2(b) hereof; or

(b) withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

11.4 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article XI, in the event the Company is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, the Property shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, the Company shall be deemed to have distributed the Property in kind to the Members, who shall be deemed to have assumed and taken subject to all Company liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Members shall be deemed to have recontributed the Property in kind to the Company, which shall be deemed to have assumed, and taken the Property subject to all, such liabilities.

11.5 Rights of Members. Except as otherwise provided in this Agreement, each Member shall look solely to the assets of the Company for the return of their Capital Contributions and shall have no right or power to demand or receive property other than cash from the Company. No Member shall have priority over any other Member as to the return of his or its Capital Contributions, distributions or allocations unless otherwise provided in this Agreement.

ARTICLE XII RESTRICTIVE COVENANTS

12.1 Confidential Information. Each Member recognizes and acknowledges that he may be entrusted with or have access to confidential and proprietary information which is the property of the Company and/or its affiliates. Each Member therefore agrees that, during the time that he is a Member and at all times thereafter, he shall (i) not, without the Company's prior written consent, directly or indirectly use, copy or duplicate, or disclose or otherwise make available to any third party, any Confidential Information (as defined below) other than in the scope of Member's authority with respect to the Company or any affiliate of the Company; and (ii) take such protective measures as may be reasonably necessary to preserve the secrecy and interest of the Company in the Confidential Information. Upon ceasing to be a Member for any reason whatsoever, a Member shall promptly deliver or cause to be delivered to the Company any and all Confidential Information in his possession, custody or control. As used herein, the term "Confidential Information" shall mean all information of a confidential nature, whether tangible or intangible, in any form or medium provided, which is not generally known to the public and which relates to the business of the Company or any of its affiliates, whether information produced by the Company, third party information which the Company treats as confidential or otherwise, including, without limitation, software and enhancements thereto, know-how, techniques, systems, processes, trade secrets, manuals, confidential reports and client lists.

12.2 Non-Solicitation of Employees and Members. Unless otherwise consented to in writing by the Manager, each Member agrees that, while a Member and for one year thereafter, he shall not, directly or indirectly, whether for his account or for any other Person, (i) solicit for employment or hire, or attempt to solicit for employment or hire, any individual who is employed by (or, but for the violation of this Agreement, would have been employed by) the

Company or any affiliate of the Company; (ii) solicit any Person who has been a Member within the past one year to enter into arrangements or relationships with any Person whose activities are competitive with the business of the Company; or (iii) otherwise interfere with the relationship between any such Person and the Company or any affiliate of the Company.

12.3 Remedies. The Members agree that it is impossible to measure monetarily the damages which will accrue to the Company by reason of a Member's failure to observe any of his obligations under this Article XII. Therefore, if the Company shall institute any action or proceeding to enforce such provisions, each Member hereby waives the claim or defense that there is an adequate remedy at law and agrees in any such action or proceeding not to interpose the claim or defense that such remedy exists at law. Without limiting any other remedies that may be available to the Company, each Member hereby specifically affirms the appropriateness of injunctive or other equitable relief in any such action.

ARTICLE XIII MISCELLANEOUS

13.1 Amendments. This Agreement may be amended in accordance with the following procedures:

(a) The Manager(s), acting without the consent of any Member, may adopt any amendment:

(i) which is required to cure any ambiguity or to correct or supplement any provision which is inconsistent in any respect with any other provision hereof;

(ii) which, in the opinion of counsel for the Company, will not affect the rights, obligations or liabilities of any Member in any material respect;

(iii) which is necessary or desirable to satisfy any requirement or condition contained in any applicable statute or in any opinion, directive, order, ruling or regulation of any governmental agency; or

(iv) which is required to conform this Agreement to the requirements of the Code and Regulations, including any Regulations relating to the allocation of profits and losses among Members, and the administrative and judicial interpretations thereof.

(b) The Manager may adopt any other amendment with the approval of the Class A Member(s).

(c) The Manager shall give the Members notice of amendments to this Agreement.

13.2 Loans. The Manager and any other Member, with the approval of the Manager, may lend or advance money to the Company. If any Member shall make any loan or loans to the Company or advance money on its behalf, the amount of any such loan or advance shall not be treated as a contribution to the capital of the Company but shall be a debt due from the Company. The amount of any such loan or advance by a lending Member shall be repayable out of the Company's cash and shall bear interest at the rate agreed between the Manager and the lending Member. None of the Members shall be obligated to make any loan or advance to the Company.

13.3 Power of Attorney. Each Member constitutes and appoints the Manager as the Member's true and lawful attorney-in-fact ("Attorney-in-Fact"), and in the Member's name, place and stead, to make, execute, sign, acknowledge and file:

(a) one or more amendments to the Company's Articles of Organization filed in accordance with Section 1.1 of this Agreement;

(b) all documents (including amendments to the Articles of Organization) which the Attorney-in-Fact deems appropriate to reflect any amendment, change or modification of this Agreement adopted in accordance with Section 13.1;

(c) any and all other certificates or other instruments required to be filed by the Company under the laws of the State of Nevada or of any other state or jurisdiction, including, without limitation, any certificate or other instruments necessary in order for the Company to continue to qualify as a limited liability company under the laws of the State of Nevada;

(d) one or more applications to use an assumed name; and

(e) all other certificates, instruments and documents which the Manager may determine, in its sole discretion, are necessary or desirable to effectuate the provisions of this Agreement and the purposes of the Company.

The foregoing power of attorney is irrevocable and is coupled with an interest and, to the extent permitted by applicable law, shall survive the death or disability of a Member. It also shall survive the Transfer of an Interest, except that if the transferee is approved for admission as a Member, this power of attorney shall survive the delivery of the assignment for the sole purpose of enabling the Attorney-in-Fact to execute, acknowledge and file any documents needed to effectuate the substitution. Each Member shall be bound by any representations made by the Attorney-in-Fact acting in good faith pursuant to this power of attorney, and each Member hereby waives any and all defenses which may be available to contest negate or disaffirm the action of the Attorney-in-Fact taken in good faith under this power of attorney; provided, however, that the foregoing shall not constitute a waiver of any rights that any Member may have under applicable federal or state securities laws.

13.4 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and personally delivered or

sent by overnight courier charges prepaid, electronic mail or facsimile addressed as follows: if to the Company, to the Company at the address set forth in Section 1.4 hereof, or to such other address as the Company may from time to time specify by notice to the Members; if to a Member, to such Member at the address such Member may from time to time provide to the Company. Any such notice shall be deemed to be delivered, given and received as of the date so delivered.

13.5 Entire Agreement. This Agreement (including any applicable addendum executed pursuant hereto) contains the entire agreement among the Members with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matter provided for herein and therein.

13.6 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term and provision of this Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, legatees, legal representatives, successors, transferees and assigns.

13.7 Construction. Every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The terms of this Agreement are intended to embody the economic relationship among the Members and shall not be subject to modification by, or be conformed with, any actions by the Internal Revenue Service except as this Agreement may be explicitly so amended and except as may relate specifically to the filing of tax returns.

13.8 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

13.9 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

13.10 Variation of Pronouns. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

13.11 Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

13.12 Limitations on Benefits of this Agreement. It is the explicit intention of the Members that no person or entity other than the Members and the Company is or shall be entitled to bring any action to enforce any provision of this Agreement against any Member or the Company, and that the covenants, undertaking and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder) and the Company.

13.13 Dispute Resolution. Any dispute, controversy or claim arising out of or relating to this Agreement shall be settled by arbitration, held in Chicago, Illinois, by and subject to the rules of the Chicago Stock Exchange, Inc. The decision of any arbitrator or panel of arbitrators appointed pursuant to such rules shall be final and judgment upon any such decision rendered may be entered in any court, state or federal, having jurisdiction. Any Member who fails to prevail in a legal proceeding instituted by such Member against the Company shall pay to the Company all reasonable expenses, including attorneys' fees, incurred by the Company in the defense of such proceedings.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above set forth.

BRIGHT TRADING, INC.

By: _____
Its: _____

EXHIBIT A

Attached Hereto
Form of Class B Member Addendum

**ADDENDUM
CLASS B MEMBER**

This Addendum is entered into as of ____ day of _____, 20__, in connection with _____ (“you”) becoming a Class B Member of Bright Trading, LLC (the “Company”) pursuant to that certain Second Amended and Restated Operating Agreement dated as of August 1, 2010. Upon your execution of this Addendum, you shall become a Class B Member of the Company. By executing this Addendum below, you are acknowledging and agreeing that you have received a copy of the Company’s Second Amended and Restated Operating Agreement dated as of August 1, 2010, and that you have read it, understand it, and that you agree to abide by all terms and conditions contained therein. This Agreement shall constitute a counterpart signature page to the Operating Agreement.

Upon your receiving all required licenses and the Company’s receiving notice that you are qualified to trade on behalf of the Company, you shall contribute capital to the Company. You agree to contribute \$_____ of capital to the Company (your “base capital,” which amount may be changed by agreement of you and the Company), which capital shall be reflected as a credit to your Account and as part of your Capital Account balance as a Member of the Company.

Upon confirmation that you are qualified to trade on behalf of the Company and your contributing the amount of your required base capital, the Company shall open a trading account (the “Account”), which shall be a sub-account of the Company through which all trading activity conducted by you shall be effected and cleared. All funds and other property in the Account are the property of the Company and you will trade the Account and receive allocations and distributions as a Member of the Company based on the profits and losses in this Account as described below.

You are not a “customer” of the Company and the Company will not treat you as a customer for any purposes, financial or otherwise. You will not be afforded the protections of the Securities Investor Protection Act of 1970.

Profits and losses in the Account will be calculated after deducting all direct and indirect expenses incurred in connection with trading in the Account, which expenses shall include, but may not be limited to, finance charges for haircuts and risk, exchange, clearing and executions fees and charges, registration and testing fees. The Company from time to time will distribute expense schedules, provided, however, that such expense schedules are not intended to and may not include every item of expense incurred in connection with trading in the Account. The Company shall attempt to provide you with 30 days advance notice of any increases to expenses. Certain revenue items directly attributable to trading in the Account, including, but not limited to, interest earned on short positions carried overnight and dividends received, shall be credited to the Account prior to determining profits and losses. The Company may also pay interest on any positive Account balances and deduct interest for negative Account balances at

rates to be determined by the Company and such amounts shall be credited or deducted from the Account prior to determining profits and losses.

You will receive Confirmation and Haircut/Risk Reports on a daily basis. These reports will reflect the prior day's trades, transaction costs, daily profits and losses, as well as any open positions. You are responsible for checking these reports. Any errors must be reported to Company management prior to the opening of the market.

Profits and losses in the Account are calculated as described above and in accordance with the terms of the Operating Agreement. Losses incurred in the Account are carried forward from the previous month(s) and such losses must be made up before profits are allocated to you.

At the end of each fiscal year or at the time you withdraw or are removed as a Member of the Company, profits in the Account shall be allocated 80% to you and 20% to the Class A Members of the Company. Losses shall be allocated 100% to you.

At the discretion of the Manager of the Company, you may receive a draw against the profits earned in the Account. At the end of each fiscal year, you shall be entitled to receive a distribution of profits allocated to you (less any draws previously received by you).

In connection with the preparation of the Schedule K-1 to the Form 1065, the Company will process expense reports for legitimate expenses incurred that are not already reflected in the trading Account only for those Members who remain as Members at the end of each fiscal year.

Further confirming the terms and conditions set forth in the Operating Agreement, you hereby confirm that your trading activity and positions are subject to management review and control. The Company will at all times have final discretion as to acceptable levels of risk in the Account. Included in the risk assessment is a review of capital (haircut requirements, margin, financing and other cash requirements). You acknowledge and agree that your trading positions may need to be adjusted or closed to comply with these assessments as determined by the Company and its clearing firm.

You will not profit by, and are responsible for losses from, any trade that is in violation of the rules of any Examining Authority or other laws of the United States of America, or in violation of the Company's operating rules, regulations and procedures. You are also responsible for any fines levied against the Company and for any costs and expenses incurred by the Company for any violation of laws, regulations, rules and procedures. You agree that the Company may fine or discipline you for any violation of laws, regulations, rules and procedures. You agree to immediately close, at the market price, any positions upon discovery (whether by you or the Company) that are found to be in violation of the above-mentioned laws, regulations, rules and procedures.

Any distribution of profits or withdrawal of capital by you is subject to the applicable rules and restrictions on such distributions and withdrawals established by the Company's Examining Authorities.

This Addendum and the relationship between you and the Company may be terminated as set forth in the Company's Operating Agreement.

Bright Trading, LLC

By: Bright Trading, Inc.
Its Manager

By: _____

Print Name: _____

Print Title: _____

Agreed and acknowledged this ____ day of
_____, 20__:

(Signature)

(Print Name)

(Social Security Number)

Address: _____

Phone: _____

Email: _____

Revised
August 1, 2010

Annual Compliance Certification Form-2018

Trader Name: _____

Trader Acronym: _____

(Pursuant to the Insider Trading and Securities Fraud Enforcement Act of 1988)

I hereby certify that I fully understand and will adhere to the Insider Trading and Securities Fraud Enforcement Act of 1988.

I understand that should I obtain material non-public market or corporate information concerning a publicly traded security, it would be a violation of Exchange Rules and Federal Securities Laws for me to disclose such information to another person while such information remains material and non-public.

I will exclude from personal trading activity in stocks or options in which my firm conducts its securities activities except as described below with the prior approval of the firm's management. I will refrain from trading in any securities whereby I am in possession of any material insider information.

I am not a "customer" of the Firm and the Firm will not treat me as a customer for any purposes, financial or otherwise. I will not be afforded the protections of the Securities Investor Protection Act of 1970.

Disclosure of Outside Securities Accounts:

☐ Yes ☐ No **I have one or more personal securities accounts held at a brokerage firm outside of my current employer broker/dealer.**

The following is a complete list of securities investment accounts held by me as of **this date**.

Broker-Dealer Firm: _____ Account # _____

Broker-Dealer Firm: _____ Account # _____

As an associated person/employee of the firm, I hereby authorize my firm to request duplicate confirmations and/or statements for the above listed accounts.
(Use a separate blank page if additional space is needed.)

I hereby accept the above mentioned Insider Trading and Securities Fraud regulations and restrictions and the policies for outside securities accounts. I will provide all necessary documentation as prescribed in the firm's compliance manual and in this disclosure document.

Disclosure of Outside Business Activities

☐ Yes ☐ No **I am currently engaged in a business activity outside of Bright Trading.**

If yes, please describe:

Do you maintain a social media site for any business purpose?

☐ Yes ☐ No I currently use a social media site or maintain a website for any business purpose.

If yes, please describe and provide website address:

Do you maintain your own personal trading strategy with all investment decisions wholly independent of the trading strategies of others?

☐ Yes ☐ No I maintain my own personal trading strategy

If no, please describe:

Do you maintain an economic interest in another individual Trader's trading account?

☐ Yes ☐ No I maintain an economic interest in another individual's trading account.

If yes, please describe:

Is your Form U-4 Accurate?

☐ Yes ☐ No The most recent Form U-4 provided to me by Firm is accurate.

If no, please describe:

(Pursuant to the Bank Secrecy Act)

The Bank Secrecy Act and the regulations issued pursuant to that Act impose an obligation on a broker or dealer in securities to report any transaction that involves or aggregates to at least \$5,000 that “the broker- dealer knows, suspects, or has reason to suspect”: (i) may derive from illegal activity; (ii) is designed to evade the reporting or recordkeeping requirements of the Bank Secrecy Act(“structuring”); (iii) has no business or apparent lawful purpose or is not the sort in which the customer or associated person of the broker dealer would normally be expected to engage, and the broker-dealer knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or (iv) involve use of the broker-dealer to facilitate criminal activity.”

I hereby represent and warrant that: (i) I am not, nor is any person or entity controlling, controlled by or under common control with me, a person or entity that acts, directly or indirectly (a) in contravention of any U.S. or international laws and regulations, including anti-money laundering regulations or conventions, (b) on behalf of terrorists or terrorist organizations including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control (the list may be accessed on the web at www.treas.gov/ofac), and such list may be amended from time to time, (c) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure without prior written consent of Bright Trading, LLC or (d) for a foreign shell bank, and (ii) to the extent that I have any beneficial owners, (a) I have carried out thorough due diligence to establish the identities of such beneficial owners, and (b) based on such due diligence, I reasonably believe that no such beneficial owners are persons described in (i) above.

Name (Type or Print): _____

Trader Signature: _____ **Date** _____

Bright Trading's Authorized Signature: _____ **Date:** _____

Bright Trading, LLC

4850 Harrison Drive - Las Vegas, NV 89121

Tel: 702.739.1393 Fax: 702.739.1398

New Trader Information Sheet and Current Trader Additional Deposit Sheet

Date: / /

**Complete form & send to
Diane with Check**

**Diane Anderson
380 Merion Rd.
Merion Station, PA 19066**

***Call Las Vegas office with any
questions: Tel: 702-739-1393**

Name: _____

Address: _____

City, State, Zip _____

Revised 08/03/12

Phone: _____ - _____ - _____ Email Address _____

SS# _____ - _____ - _____ D.O.B. _____ - _____ - _____

Office and Start Date _____ / _____ - _____ - _____

BT School? Yes _____ No _____ School Date _____ - _____ - _____

Deposit: \$ _____ New _____ **Additional** _____

Referred by: IBD _____ WWW _____ TV _____ Radio _____ Newspaper _____ Other _____
(Please specify)

For Office Use Only: _____

Account: _____ Login: _____ Password: _____ LLC _____

Cash Trsf _____ Rent \$ _____ BR# _____ Prospector _____

S-7 _____ S-63 _____ Diana _____ MgrScreen _____ EMAIL _____

Bright Trading, LLC
"A Professional Equities Trading Organization"

January 2020 Update

2020 SCHEDULE OF FEES - For Independant Traders/Class B Members not on a Waiver Program

CATEGORIES	FEES (100 shares per order)	NOTES:
Per Month Rate Schedule Note: ECN Rebates or Costs are flow-through	1-199,999 Shares - .01 (back to share 1) 200K to 499K Shares = .005 (back to share 1) 500-2 Million is .004 (back to share 1) 2- 5 Million is .003 (Tier) > 5 Million is .0025 (back to share 1) > 10 Million is .00225 (back to share 1) > 20 Million is .00200 (on any shares over 20 Million) FEES (less than 100 shares per order) Odd Lot Orders are Base Rate Minimum * 100 shares	Career Traders should be targeting to do more than 200K shares per month CAS is billed at .005 rate (undert 200K results in a surcharge) Any one who does 10M in a month qualifies for a Vacation Month for the following 12 months. Rates for the Vacation Month will be maintained at your lower rate. Traders can trade odd lots on any price stock Trader will receive their lowest qualifying rate for these odd lot minimums. Odd Lots may be utilized to lower your capital per trade for robust risk management Traders are encouraged to trade 100 shares or more when possible
Interest Charges	Broker-Dealer Rate as Charged by the Clearing Firm	
Overnight Haircut for Hedged Portfolio (20% long vs. short wiggle room) Note: Above 30:1 of NLB requires special permission/pricing	1) No haircut fee up to 6:1 of Net Liquidating Balance (NLB) 2) 6-10:1 NLB = 2% per year 3) 10-15:1 NLB = 4% per year 4) 15-20:1 NLB = 6% per year 5) 20-25:1 NLB = 8% per year 6) 25-30:1 NLB =10% per year	Haircut is industry standard RISK CHARGE, it is not an "interest charge" Traders can receive a Haircut break over the weekend if VIX closes at 15 or below
Overnight Naked Long or Short (this is where you are not hedging) Note: Permission required for naked overnight positions in excess of 5:1.	1) No haircut fee up to 2:1 of Net Liquidating Balance (NLB) 2) 2 – 5:1 NLB = 1% per month 3) 5 -10:1 NLB = 1.5% per month 4) 10-15:1 NLB = 2% per month 5) 15-20:1 NLB = 2.5% per month	
Bookkeeping Charges are incurred when Stock and/or Options positions are transferred from one Sub-Account to another. Also some accounting requests.	Bookkeeping/Administrative fee: Minimum \$15,	
Wire Transfer Charges ACH Direct Deposit Checks	\$12 per transaction (as charged by clearing firm) No Charge \$4 per check	
Membership Fee	\$1500 Annual Membership Fee New Traders Joining (not in BIIP) - Charged upon Joining If Joining January - September = Pro-rated If Joining October - December = \$500 Minimum Charge Existing Traders - Charged in January	
Platforms Available (Traders Choice) Exchange Data Costs are additional Redi Platform Redi Charts (optional & additional) Real Tick FIX Connection through Real Tick (optional & additional) OmegaLaud Cloud - Automated (would require Active Tick Data Feed) OPTE Pairs Trading Engine (would require Active Tick Data Feed) Active Tick Subscription Includes charting and RTD API for spreadsheets	\$175 per month \$33 per month \$400 per month \$250 per month from \$75 - \$200 per month .001 over regular rate \$50 per month	Has various API's. Very good GUI Has various API's - More institutional Grade
Fine for not using Bright Email for Firm Business Correspondence	\$25 - Fine may be doubled for additional events.	
Annual SRO (Exchange) Fee SRO Regulatory Fee FINRA Fee	\$500 Annual (billed in January) \$75 per month Included in SRO Regulatory and Annual	Prorated when Joining Firm
Other Fees: Annual Processing fee to FINRA Securities Investor Protection Corporation (SIPC) U-5 Termination processing fee PCAOB. Public Company Accounting Oversight Board	\$45 annual renewal fee .0025 (1/4 of one percent) on Gross Profit. Calculated every 6 months. \$40 \$27 annual fee (approximate)	
Bright Innovations Internship Program (BIIP) (BIIP Waiver Program)	1-199,999 Shares - .01 (back to share 1) This will be a Surcharge over the CAS Rate CAS Rate is .005 Above 200K shares/mo Traders graduate to normal fee schedule	BIIP Traders should choose stocks between 5.00 and 200.00 in price Odd Lots may be utilized to lower your capital per idea .50 minimum charge for Odd Lots for BIIP Traders Traders are encouraged to transition to 100 shares per trade when they have skill to do so BIIP Traders will not hold overnight positions for first 3 months BIIP Traders are primarily trading long short hedged positions within a framework
Membership Fee	BIIP Traders will be \$1200 for First Year Charge upon Joining as Member of Firm If Joining January - September = Pro-rated If Joining October - December = \$400 Minimum Charge	

(For NV Only)

Pursuant to the mandates of Federal Welfare Reform legislation, the 1997 session of the Nevada Legislature passed SB356, which requires that professional and occupational licensing agencies add certain questions regarding child support to all applications for new licenses and renewals. The provisions of SB356 are effective October 1, 1997.

Accordingly, the Division will **NOT** grant or renew any license after that date unless the following statement is completed and on file. Please be advised that NRS 90.600 provides that it is a Class C felony for anyone to file a false or misleading statement with the Division.

Child Support Information

Please mark the appropriate response. (Failure to mark one of the three responses will result in denial of the application.).

_____ I am **not** subject to a court order for the support of a child.

_____ I am subject to a court order for the support of one or more children and Am in compliance with the order or am in compliance with a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order; or

_____ I am subject to a court order for the support of one or more children and Is **not** in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

Name of Applicant (printed)

Signature of Applicant

Date

Applicant's Social Security Number

PLEASE NOTE: If you are not in compliance with your child support obligations, you must submit a statement from your Local District Attorney or other child support agency to the effect that you have made arrangements to discharge such obligations.

AFFIDAVIT

I HEREBY CERTIFY THAT ALL FUNDS DEPOSITED WITH BRIGHT TRADING, LLC. NOW AND IN THE FUTURE ARE MY OWN.

Trader Name (Print)

Trader Signature

Date (mm/dd/yy)

New Trader Orientation - October 2019

Updated Quarterly for Current Traders

Manager must review with trader each item as outlined below and both the Trader and Manager must sign and date this document signifying that all the topics were discussed. A copy of this document must be sent to Las Vegas along with the New Trader Information sheet before the Head Office will assign a login. Several technologies may be available, so management will discuss Trader's needs before assigning a login as there may be third party charges for any Quote Feed/Trading Platforms. This document is subject to being updated as necessary and Traders should attend corporate meetings to be informed of new items.

- Go over the LLC Operating Agreement, along with the Addendum for Class B Members with each Trader. Be sure that Trader reads and understands the Agreement prior to trading.
- **Be sure that Trader understands that he/she will not prosper by any trade that violates any rule or exposes the firm to unreasonable risk!**
- Firm's Risk Policies:
 - Traders should be encouraged to start by making small trades until they show a proficiency in trading.
 - Traders with less than \$100,000 in equity may not have a position greater than 5,000 shares in a single equity or trade a stock valued at more than \$400 a share without prior permission. Requests are made by Trader in writing via BT email.
 - Management must be notified in writing if Trader wants to trade pre or post regular market hours.
 - Maximum aggregate position for new Traders is 10,000 shares. Requests to change this based on strategy considerations are made by via BT email.
 - **Traders may not hold an unhedged overnight position that is greater than five times the Net Liquidated Balance ("NLB") of their Sub-Account for Listed or NASDAQ/OTC Equities without prior permission.** Traders who violate this rule will not receive profits on the amount that exceeds this limit. They will, however, be responsible for any losses on the total position. **In the event a Trader has either an intra-day or end of day debit balance, open positions will be subject to takeover by Management.** Traders will not profit by positions taken over but will be responsible for any losses.
 - Traders may not hold unhedged intraday positions greater than ten times the NLB of their Sub-Account and must be down to five times the NLB by the day session market close.
 - All stocks under \$5.00 are subject to 100% margin.
 - We discourage trading stocks less than \$1.00 due to trading costs exceeding economic benefit and that these types of stocks pose more risks.
- The following are limitations for open orders during different parts of the trading day; the limitations are only permitted if the Trader is within the normal allowed overnight position leverage.
- Equity is under \$250,000:
 - Pre-market 5 times equity on buy side and 20 times equity on sell side.
 - OPG (9:30am ET opening only) 20 times equity on buy side and 40 times equity on sell side.
 - Intraday 10 times equity on buy side and 20 times equity on sell side.
 - End of Day (LMT Orders) 10 times equity on buy side and 20 times equity on sell side.
- If a Trader is permitted to trade after hours:
 - Post Market 5 times equity on buy side and 10 times equity on sell side.

- Equity is \$250,000 to \$500,000:
 Pre-Market 5 times long and 20 times short
 OPG 15 times long and 30 times short
 Intraday 10 times long and 20 times short
 End of Day 10 times long and 20 times short
 Post Market 5 times long and 10 times short
- If the Account has more than \$500,000 in equity, the Firm will set the limitation on the amount over \$500,000 on a case by case basis.
- All traders must maintain at least \$25,000 in their sub-account at GSCO to be able to trade without the following restrictions.
- A trader if below \$25,000 NLB may apply for a waiver through discussion with Chief Operating Officer and Submission of a Written Business Plan. COO will review and if approved, Trader will have permission to trade.
- There are various waiver categories available, but all are short-term and subject to the guidelines set by the COO.
- Equity falls below \$15,000 anytime, the account is on closing only.
- Equity falls below \$10,000: No trading is permitted, and no positions are allowed to be held. Trader must go flat by the day session market close if they break the \$10,000 NLB threshold intraday.
- Trader must add funds to get back above \$25,000 to retain the privileges of an independent trader or be removed from short-term waiver status.
- All Traders account balances must be maintained above \$5,000 when they are inactive for any reason.

Traders are also warned that they are not to enter orders more than 10% away from the last trade during normal business hours in Exchange traded securities since these trades are subject to cancellation under the SROs' Clearly Erroneous Transaction rules.

- Inform Trader of 3-day online school that is held a few times each year.
- **Traders must be reachable within 60 seconds.** Any Trader that cannot be reached within a minute may be subject to disciplinary action, including fines, by Management. All open positions are subject to being closed at any time by Management if the position poses a risk to the Firm.
- It is the Trader's responsibility to learn how their technology works. If using Real Tick or REDI for execution, their manager will provide orientation in addition to documentation available. Trader should practice placing orders using available test symbols. Trader should have workspace and his procedures reviewed by a manager.
- Links for excel are available. API data is available.
- Traders may not trade "odd lots" if stock price is less than \$100 per share. For below \$100 per share, all trades must be made in minimum 100 share minimum increments. "Mixed Lots" are allowed for stocks of any price. Mixed lots are by example 125 shares, 150 shares 172 shares, 253 shares. Closing of the remaining balance of less than 100 shares is always allowed.
- Manager will discuss with trader current market rules and mechanics.
- **Short Stock Sales**— When you sell a stock short, you are in fact, borrowing the stock from a lender. The lender has the right to call in the borrowed stock **at any time** possibly forcing you to cover the position in the open market on a one-day settlement. The clearing firm reserves the right to cover all Short Stock positions without notice. All equity securities are subject to a uniform locate requirement. GSCO does not publish an easy to borrow list and there is no PUBLIC POOL of stock available. Shorting of any stock requires a locate in advance of that trade. Your trading platform may provide a message telling you to locate stock, but do NOT rely on your software for that message;

the requirement is that you ALWAYS get a GOOD locate of the quantity you want to short. All traders that use Redi are enabled for Locate Manager which is one utility to procure locates. The Trader will either receive the locate or not be allowed to short the security. Locates may not be recycled during the trading day. If a Trader receives a locate for a specified number of shares, sells short that number of shares and then covers, he/she must receive another locate if he/she wants to short the security again. If you use Locate Manager, inventory is controlled and automatically decrements as you use it. Difficult securities are subject to receiving a reduced Short Sale interest rate and/or no interest at all.

- BT Firm-wide Locates: Bright Trading, LLC is combining requests by traders into a single request at designated times throughout the trading day starting at Midnight ET.
- Traders will utilize Dropbox to submit a file and receive the results back of their locate requests. Files must be named appropriately, and trader is required to use that results list with procedures to either use trading platform to decrement inventory or keep track of their inventory.
- Traders are responsible for using locate inventory correctly, and for ensuring that every sell short order has a corresponding GOOD response from locate utility.
- Using BT Firm-wide Locates is preferred.
- Traders may still use other Locate utilities.
- It is recommended that trader not request locates if he/she is not trading for that day
- Sell orders must be correctly marked either long or short. Under Firm policy, orders must be marked in accordance with the SEC's Guidelines for Reg SHO, Frequently Asked Questions. Under the guidelines, in order to determine your net position for order marking purposes, you must take into account all open sell orders. Open sell orders need to be added to open positions to determine the anticipatory net position. Any open buy orders are to be ignored. You must then mark your sell order either long or short based on the anticipatory net position. The Firm will be reviewing for compliance of Reg SHO based on order entry time. Any Trader that inadvertently violates the Short Sale rule must cover the position immediately with a Market Order. Traders will not receive any profits and will be responsible for any losses incurred from a violation of the Short Sale rules. Traders will also be charged a fee of \$100 (minimum) if he/she violates the proper marking rules. The fee will be subsequently doubled if the Trader violates the rule again within a 5-day period. Effective June 17, 2013, **if trader has marking errors in a 30-calendar day period:** First error = \$100 fine and 2-day suspension, Second error = \$200 fine and 1-week suspension. Additional errors will require a Management meeting to discuss further action.
- As we have moved away from discretionary order marking, SellAuto button is available through Real Tick and REDI GUI and API that will mark sell orders for Trader using anticipatory net position. This protects a Trader to reduce the odds of a marking error, but is not 100% guaranteed by Real Tick, REDI or Bright Trading, LLC. **The Trader is still ultimately responsible to check orders against positions and against the regulatory net position total.**
- Dividends—Traders receive dividends on stock held overnight on Ex-Dividend Date. Conversely, Traders are responsible for paying dividends on short stock held on Ex-Dividend Date. For example, if Ex-Dividend Date is 01/05/xx, then stock held from 01/04/xx (overnight) will open the next morning "Ex-Dividend"; the amount of the dividend will be deducted from the previous day's close. Dividends are paid or received on the Dividend Payment Date, usually 30 to 60 days after the Ex-Dividend Date.
 - Dividends on foreign ADR's may be subject to special withholding and taxes. Trader is required to discuss overnight holdings of dividend paying ADR's.

- Cost Structure—It is very important that you understand the cost structure. Please refer to 2019 Schedule of Fees for details. You must be aware of and understand all the different types of fees. Manager will discuss Real Tick or Redi entitlements and associated costs.
- Withdrawals: Traders may request withdrawals on 2nd and 4th Tuesday of each month by 2:00pm PST for direct deposit to their bank accounts on Wednesday. Traders should copy Manager on withdrawal requests sent by email from their BT email. Bright will be issuing Draws for those that request and are eligible on the Wednesdays following the Tuesday Request dates. If Trader's Net Liquidating Balance falls below \$15,000 for more than 30 consecutive trading days during a calendar year, there will be a withholding of 25% of the withdrawal. The withholding will be paid back, upon request, if the Trader is not profitable for that calendar year. At the end of the calendar year or at the time you withdraw from the Firm, profits will be allocated 75% to you and 25% to the Firm if the equity in your trading account fell below \$15,000 for more than 30 consecutive trading days during that calendar year. Traders are also reminded that they must keep deposits in the Firm for at least a year. Withdrawals may only be made from profits or deposits held in firm longer than one year.
- You can access the various reports from the CAS system for your assigned Sub Account. These reports include activity summaries and position reports. You are responsible for checking your reports each day. Any errors must be reported prior to the opening of the market.
 - Miscellaneous expenses, interest and dividends will appear in your Sub Account.
 - Bright Trading applies routine monthly charges on the 3rd working day of each month. GSCO applies interest (debit or credit) on the last day of the month.
 - Various entitlements and their respective charges will also appear in Sub Account.
- You must notify manager of any changes in contact information. Manager will notify Corporate.
- You must notify Compliance of any changes in household securities accounts or other outside business activities. Changes should be emailed to dianeanderson@brighttrading.pro.
- Annual Compliance Certification: Every Trader must certify initially with membership application and certify annually the following:
 1. They will adhere to the Insider Trading and Securities Fraud Enforcement Act of 1988
 2. Disclose all outside Securities Accounts
 3. Disclose and describe all outside Business Activities
 4. Disclose any Social Media you use for Business Purposes
 5. Certify that your U-4 is accurate
 6. Certify that you make independent investment decisions in your Sub Account
- Changes in physical address, mailing address, or contact phone numbers should be emailed to joyceross@brighttrading.pro and cc your manager.
- Bright Trading events calendar can be accessed on www.stocktrading.com
- It is highly recommended that you attend any corporate events such as any scheduled meeting during or after the market.
- All business communications are to be conducted through the brighttrading.pro email system. You need to set up your email address at brighttrading.pro. (Your first and last names followed by @brighttrading.pro)
Set up your email account through Office 365.
- Cyber security measures should be taken by all traders to reduce the potential for malware, unauthorized access and viruses to create mischief within your hardware, software or email.

- Regular maintenance, scanning for problems and upgrades should be conducted by each trader on all their devices.
- A document entitled "Some Guidelines for Computer Security" is available from your manager to assist you in covering some of the most common vulnerabilities.
- Bright Trading, LLC recommends that you have a separate Trading Computer on a separate internal network. Guidelines for your "Hardware and Software Set-up" will be provided from your manager.
- Traders are required to send a snapshot of their installed programs on their trading computer to the COO.

By signing below, I certify that the above information has been discussed and Trader understands all the topics covered. Furthermore, Trader is aware of and acknowledges the inherent risks in equities trading and that Bright Trading, LLC, has made no guarantees as to your financial success.

Date: _____

Traders Signature: _____

Traders Printed Name: _____

Manager/Supervisory Signature: _____

Revised October 10, 2019