

Gatsby Risk Disclosures

This Gatsby Risk Disclosures document is intended to provide additional details regarding certain risks in reference to use of the Gatsby platform. Gatsby Digital, Inc. is not a broker-dealer or investment advisor. Securities and investments are offered through ViewTrade Securities, Inc. This document shows some, but not all of the risks associated with the Gatsby platform. Please contact support@trygatsby.com with questions.

CUSTOMER RESPONSIBILITIES

Clients must be familiar with the following responsibilities and must agree to follow all Regulatory and Exchange rules.

ACCOUNT REVIEW

It is always the client's responsibility to review their account daily, through [Apex Clearing](#) to compare the information shown there versus the information displayed on the trading software. If there is any discrepancy of any kind, including but not limited to; current equity, buying power, or positions the client must contact Gatsby prior to acting on any information that does not match. Also if you ever believe for any reason that anything is incorrect in your account, please make sure you always contact Gatsby before acting. If a client acts before contacting Gatsby to verify the validity of their account information or fails to review their account on a daily basis, any issues that arise as a result of not reviewing their information or contacting our firm in a timely manner will be solely the client's responsibility.

TRADING

Clients are solely responsible for any order placed in their account or by their user. Clients must be sure to keep their usernames and passwords secure and not allow any other party to have access to that information. Any trades placed in the client's user or account are considered valid. The client account will be responsible for any execution or cancellation on those orders, regardless of the timing of that order. Limit orders placed and left outstanding in client accounts may be executed at any time, including in pre-market or after-hours trading. Clients are responsible for cancelling any order they do not want to be executed.

It is also the client's responsibility to review all their open orders daily, especially if you are placing GTC (good till cancelled) orders. If you believe you had an order that for some reason is not showing on your software or have any other issue or problem with any order, you will need to contact Gatsby immediately. You will be responsible for this daily review of your open orders. Any issues caused by the failure to do this review and to contact Gatsby in a timely manner to resolve any discrepancies will be solely the clients responsibility. Also, please note that you

alone are responsible for any orders you place in your account and the resulting executions from those orders.

STOCK SPLITS, SYMBOL CHANGES & OPTIONS

It is the client's responsibility to notify Gatsby if they hold any stock that has either a forward or reverse stock split and/or if any stock they own has a symbol change of any kind. The client will also need to contact Gatsby if you are holding an option that has expired, been exercised, assigned or changes symbols. The trading software will not automatically adjust for these changes in all cases. The client will need to contact Gatsby and we will manually adjust their trading software to reflect these changes in the event they are not automatically updated.

SHORT SALES

The term 'short sale' means any sale of a security, which the seller does not own, or any sale, which is consummated by the delivery of a security, borrowed by, or for the account of the seller. For stocks hard to borrow, short sales must be preceded by a request to Gatsby to make sure stocks can be borrowed. We will then contact Apex Clearing' to ensure the availability of the stock. If approval is granted by APEX Stock Loan Department, Gatsby will inform you that the stock can be sold short. If approval is not received, the security in question cannot be shorted. If you short a stock that has not been located, the transaction may be cancelled and you will be responsible for any losses incurred. Short sales made on stocks not located will result in a buy-in. All trades that violate these rules will be put into a designated error account. All losses will be charged back to your account. You will not receive any profit from these trades as they are illegally gained. Repeated violations of these rules can result in your account being closed. Assuming the security in question can be shorted, the short sale must take place as 'sell short'. If the trader uses a sell to place a short sale or over-sells a position, it is possible that the trade will be executed illegally. This is a violation of FINRA and SEC rules. The trader is responsible to cover any illegal position immediately with a corresponding buy. You will be responsible for any losses from invalid short sales and any invalid gains from these trades are illegal and will be removed. These issues must be reported via email to Gatsby by the end of the trading day.

CASH ACCOUNTS

It takes 1 day for traded funds to settle in cash account for options transactions and 3 business days for traded funds to settle in cash accounts for equity transactions. When you sell an option or stock, the clearing firm will issue you buying power the following business day; however, those funds cannot be reused for at least 1 business day in the case of options, and 3 in the case of equities. If unsettled funds are used to buy a new position and you sell that new position before settlement of the original sell order, that is considered a good faith violation of free riding and withholding. Your account will be closed if you get these violations repeatedly. You must

hold new positions past settlement of the original sell trade to avoid this good faith violation. This violation can also be avoided by opening a margin account, as margin account funds can be reused before settlement without the 3-day restriction.

Options

Clients are expected to have read the [Apex Options Agreement](#) and understand the contents contained therein. Clients are responsible for and expressly confirm all the information they provided digitally during the on-boarding process, especially concerning their income, net worth and investment objectives, and are expected to advise Gatsby of any changes to such information which could be deemed to affect the suitability of their executing options transactions within account.

Options have a high degree of risk and clients have give Gatsby, in strict confidence, information to demonstrate that their account and the trading anticipated in connection therewith is not unsuitable for the client in light of their investment objectives, financial situation and needs, experience and knowledge. Clients must advise Gatsby of any changes in their investment objectives, financial situation or other circumstances that may be deemed to materially affect the suitability of executing options transactions for their account. They must also attest that they have read and reviewed the [Options Disclosure: The Characteristics and Risks of Standardized Options](#).

Clients should be aware that Gatsby does not allow for physical exercise and has the right to liquidate eligible contracts prior to their exercise date, which it is Gatsby's policy to do. In order to effectuate the auto-liquidation of in-the-money options in their account, clients agree that Gatsby may cause the Options Clearing Corporation ("OCC") or any Clearing Firm to refrain from automatically exercising in-the-money options in their account. Clients further agree that they shall be solely responsible for any costs, losses, or fees arising from or related to Gatsby's auto-liquidation of expiring in-the-money options contracts in their account. Clients acknowledge that any action taken by Gatsby pursuant to this paragraph is made pursuant to the authority and supervision of Gatsby's Registered Persons.

Clients should also aware that Gatsby currently only supports Level 2 Options trading and all approved accounts are automatically classified and entitled to conduct Level 2 Options strategies by default, as shown below.

- Level 1 Covered calls, including:
 - Covered calls sold against stocks held long in your brokerage account
 - Buy-writes (simultaneously buying a stock and writing a covered call)
 - Covered call roll-ups/roll-downs
- Level 2 All Level 1 strategies, plus:
 - Married puts

- Long calls
- Long puts
- Long straddles
- Long strangles
- Covered puts (short stock and short put position)

ILLIQUID STOCKS

Clients cannot trade in excess of 10% of the previous 20 business day average trading volume of any stock on any day regardless of the stock's price. In addition, for stocks trading below \$1 per share, clients cannot trade more than 25% of the current day's trading volume. If a client trades in excess of these restrictions, then their accounts may be subject to closure and/or interest charges during the 3-day settlement period of those trades. The interest charges will be assessed on an illiquidity requirement imposed on the clearing firm, which could be many times the value of the trade. The interest rates charged to clients who violate these restrictions will be between 15% - 25% per year, assessed at a daily rate during the trade settlement period.

ROUTING FEES

The routing fees are subject to change at anytime and can be found [here](#). If necessary, we reserve the right to charge or adjust for venue, routing, or exchange fees.

DISCLAIMER

System response, trade executions and account access may be affected by market conditions, system performance, quote delays and other factors. The risk of loss in electronic trading can be substantial. You should therefore consider whether such trading is suitable for you in light of your financial resources and circumstances. We can not and will not be held responsible for losses resulting from issues with the use of third party software quoting systems or third party order execution routing issues. We only provide our clients with the ability to connect to quoting software and order execution routes, we do not control them.

****IMPORTANT NOTICE**

The procedures and rules listed on this page are for informational purposes and may be subject to change, which may not be reflected on this page, or may be updated without notice. This is only a partial list of trader's responsibilities. Traders need to understand that they have far more responsibilities than are or can be listed here. If you have any questions about any of your responsibilities, please contact us at support@trygatsby.com.