2025 Annual Disclosure Statement

This letter confirms and supersedes all previous understandings between our respective organizations with respect to the manner by which Clearpool Execution Services, LLC ("CES", "Clearpool", "we", "us" or "our") will reasonably attempt to apply the following terms and handling practices to transactions between us and you.

Privacy Policy (and Opt-Out Option)

Clearpool is a broker/dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). CES recognizes the importance of protecting the privacy of our customers and as such, we have policies in place to maintain the confidentiality and security of customer information. It is CES's general policy to restrict access to nonpublic client information to only those employees who have a need to know the information. CES may, in certain circumstances, share customer information with affiliates in order to better serve you.

CES collects information from you to service your account, process transactions, and to comply with applicable laws and regulations. CES gathers information about you in several ways: 1) Information from account opening documents and other forms needed to service your account and comply with applicable rules and regulations, including tax ID number, and specific information about your business; 2) Information about the transactions you execute through CES and its affiliates; 3) Information we receive from affiliates or reporting agencies.

CES protects your information by limiting access to those employees and affiliates who need access for appropriate business purposes including to service your account and perform required reviews. CES may also disclose customer information to companies that provide services for CES with whom we have a non-disclosure agreement. CES maintains electronic and procedural safeguards to protect the information we collect from you. Unless and until you notify CES in writing to the contrary, you shall be deemed to have consented to the disclosure of nonpublic information between CES and its affiliates, to the extent permitted by law.

Important AML Information for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account with CES, we will ask for your name, address, and any other information that will allow us to identify you. We may also ask to see other identifying documents.

Technology Disclosure

CES is not responsible for any performance or communication issues relating to any third-party technology including, but not limited to, order management or portfolio management systems.

SIPC Disclosure

CES, as a member of SIPC and pursuant to FINRA Rule 2266, discloses to new customers, and annually to all customers, that they may obtain information about SIPC, including the SIPC brochure, by contacting SIPC at the following address:

Securities Investor Protection Corporation
1667 K St. N.W., Suite 1000
Washington, D.C. 20006-1620
Tel. (202) 371-8300
Web Site: http://www.sipc.org/

Information Concerning CES's Business Continuity Plan

CES is committed to taking commercially reasonable steps to provide protection for essential activities and critical support services should significant business disruption result from events such as power outages, natural disasters, pandemics or other situations. CES has established a Business Continuity Plan intended to protect customer data while enabling continued operation of critical functions during or immediately following a disruption.

Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

The Continuity Plan is reviewed and tested annually and has been approved by Senior Management. Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternative physical location of employees; critical supplier, contractor, bank and counter-party impact; and regulatory reporting. A copy of the CES Business Continuity Plan can be obtained by contacting CES compliance at 212-531-8518. We constantly re-evaluate and improve our response to disruptive events, therefore the CES Business Continuity Plan is subject to modification without notification.

SEC Rule 15c3-5 - Market Access Risk Controls

All orders received by CES are subject to pre-trade risk management and regulatory checks prior to routing for execution. If your order triggers one of these checks/controls, we reserve the right to reject the order, or to route the order for execution on a delayed basis after additional review.

In our absolute discretion, we may limit your ability to place orders, including as to:

I. Sizes: order sizes;
II. Open Orders: Total number of open orders;
III. Exposure: Our total exposure to you;
IV. Prices: Prices at which you may submit orders; and
V. Divergence: Divergence between your order price and the prevailing market price

Additionally, Broker Dealer clients of CES are responsible for ensuring that they abide by applicable laws and rules when submitting orders to CES. Among other things, this includes establishing your own risk management policies, procedures, and/or controls and to monitor your investment positions and/or trading activities closely to comply with SEC Rule 15c3-5. Moreover, you should maintain these policies, procedures, and controls independently from any market access or risk management checks that are employed by CES. CES does not provide controls to its broker dealer clients to satisfy their obligations or compliance with the Rule.

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Order Routing Policies

Execution Quality

CES routes customer orders to various broker-dealers, exchanges or market centers based upon a number of factors. These include size of order, trading characteristics of the security, execution prices (including the opportunity for improvement), access to reliable market data, availability of efficient automatic execution processing and reduced execution costs through concessions received from broker/dealers, exchanges or market centers. The order routing policies of the firm are intended to provide customers a quality execution with an opportunity for price improvement and lower transaction costs.

Certain algorithms that utilize order aggregation technology may combine multiple customer orders in an effort to optimize liquidity opportunities, pricing discounts, or execution quality. Fills are provided on an even-split basis. In instances where a trade cannot be split, fills are provided on a round-robin basis in time priority. CES uses a variety of algorithms to route orders based on customer preferences and/or CES routing methodologies. CES will make order routing information on orders you placed through our trading system(s) available to you upon request. If you would like more information, please contact our Client Services Department at (212) 531-8500.

Orders Executed as Agent

CES does not typically trade against client orders on a Principal or Riskless Principal basis. Client orders are marked as Agent, except in very limited circumstances, when deemed necessary by CES.

All Orders Treated as Not Held

All orders routed to CES are treated as "not held" regardless of any specification to the contrary. This means CES is not held to the size and price of transactions reported to the consolidated tape or reflected in the National Best Bid and Offer ("NBBO"). Orders will be handled according to the protocols of the algorithm or execution strategy selected by the client or customer.

Average Price Reporting Disclosure

For orders filled with multiple executions, CES may reflect the volume weighted average price of those executions as the execution price.

Directed Orders

Clients may send CES orders that direct orders to an exchange or market center for routing and execution. Such orders will be routed by CES in accordance with its order routing practices, which take into account such direction on an order.

Directed orders may, depending on circumstances, be routed first to an intermediary routing broker before being routed to the venue of choice. CES elects to use an intermediary routing broker when it lacks venue membership, for economic reasons or for other reasons it deems appropriate, at its sole discretion.

Handling of Market Orders and Aggressive Marketable Limit Orders

To protect client orders from significant and rapidly changing prices, CES may simulate market orders and aggressive marketable limit orders on exchanges by establishing a price ceiling for a buy order or a price floor for a sell order at a percentage beyond the inside bid/ask. While this cap or floor is set at a level intended to balance the objective of execution certainty and minimize price risk, there exists a possibility that an execution will be delayed or may not take place. In addition, CES is required by exchanges and regulators to maintain risk controls in its systems that prevent executions at prices that might be deemed to be disruptive to an orderly market. These risk controls may cause an otherwise marketable order not to be executed or to be delayed in execution, even if the client might want the order to be executed immediately at a certain price.

Certain exchanges may impose their own price caps or bands upon market orders at levels that can be more or less restrictive than those imposed by CES, and which may similarly affect the speed and certainty of order execution.

In accordance with our regulatory obligations as a broker, CES also may reject orders exceeding certain size thresholds, based upon factors which may affect the likelihood that the order could result in market disruption.

Handling of Good-til Cancel (GTC) Orders

1. GTC Orders have a maximum life span of one year from entry date. If a GTC order is not filled or canceled within one year, it will be cancelled without notice.
2. GTC Orders that are modified will not update the order expiration date; the original order entry date will continue to determine the expiration date of the order.
3. GTC orders will be canceled automatically for a reverse stock split in accordance with FINRA Rule 5330(b).

- Brokers can set Do Not Reduce/Do Not Increase (DNR/DNI) modifiers on their order ticket for other corporate action events.
- Brokers are advised to monitor for reorgs to ensure proper order instructions.
- Brokers are advised to keep a record of their GTC orders.
    - All open orders are displayed on the Clearpool Portal.

Disclaimer for Orders at or Near the Open or Close or in Fast Market Conditions

Near the market open or close of trading or during periods of unusual market volatility, prices and available volume may change very rapidly and data feeds may fall behind and become inaccurate. Clearpool cannot guarantee that orders sent near the open or close or in periods of extreme volatility will be executed at the best posted price.

Extended Hours Trading Risks Disclosure

You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of “regular trading hours.” “Regular Trading Hours” generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time.

- Risk of Lower Liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to Regular Trading Hours. As a result, your order may only be partially executed, or not at all.

- Risk of Higher Volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during Regular Trading Hours.

- Risk of Changing Prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of Regular Trading Hours or upon the market open the next trading day. As a result, you may receive an inferior price when engaging in extended hours trading than you would during Regular Trading Hours.

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

- Risk of News Announcements. Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

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

- Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value, or IIV, are not calculated or widely disseminated during the extended trading hours, an investor who is unable to calculated implied values for certain derivative securities products in extended trading hours may be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during Regular Trading Hours or may not be trading at all. This may cause prices during extended trading hours to not reflect the prices of those securities when they open for trading.

Market Buy Orders in IPO Stocks

CES will not accept or execute held market orders, including market on open orders, to buy shares issued in an initial public offering until secondary market trading in the shares has opened. CES will accept limit or not held buy orders, if routed by a firm-sponsored algorithm, prior to open of trading on the secondary market for IPO stocks.

Clearly Erroneous or Other Cancelled Executions Disclosure

If a Self-Regulatory Organization or any other regulatory body makes the determination that an executed trade must be cancelled due to being clearly erroneous or for any other reason, CES is required to cancel that trade and will not honor any related order or executed trade, whether executed on an agency or riskless principal basis. Bona fide errors can result from human error or system issues that affect the execution of an order. Such errors can occur at CES or can occur outside of CES at an exchange, ATS or other market centers utilized by CES in connection with the execution of the order. Such errors can also result from general market volatility, communications or system breakdowns or other conditions over which CES has no control. CES reserves the right, at its sole discretion, to cancel or price-adjust any trade that is deemed by CES to have been the result of an error, including the result of any of the following, an incorrect security symbol or name, or size and/or prices that are unrelated to the market. CES also reserves the right, at its sole discretion, to cancel any execution that was affected based upon incorrect or unreliable market data. In the event that CES exercises this right, CES will use reasonable efforts to inform its clients in a timely manner.

Regulation SHO Locate Requirements

CES and its clients are expected to comply with all facets of Reg SHO.
As per Reg SHO Rule 203(b)(1), a broker or dealer may not accept a short sale order in an equity security from another person, or effect a short sale in an equity security for its own account, unless the broker or dealer has:

(i) Borrowed the security, or entered into a bona-fide arrangement to borrow the security; or
(ii) Reasonable grounds to believe that the security can be borrowed so that it can be delivered on the date delivery is due; and
(iii) Documented compliance with this paragraph (b)(1).

Non-broker dealer clients are expected to submit short sale locate information on all short sale orders routed to CES. Such orders that do not include locate information will be rejected back to the client.

Broker Dealer Exception to Reg SHO Locate Requirements

CES is reminding its Broker Dealer clients of their short sale locate requirements as per Reg SHO.

Reg SHO Rule 203(b)(2)(i) provides CES, as executing broker, with an exemption to the locate requirements of paragraph (b)(1):

(i) A broker or dealer that has accepted a short sale order from another registered broker or dealer that is required to comply with paragraph (b)(1) of this section, unless the broker or dealer relying on this exception contractually undertook responsibility for compliance with paragraph (b)(1) of this section.

Broker Dealer clients are responsible for obtaining locates and borrows for all short sale equity security orders they route to CES electronically or otherwise.
Clients are also responsible for properly order marking all equity security orders they route to CES.

Payment for Order Flow Disclosure

CES routes orders to market centers that include national securities exchanges, alternative trading systems, electronic communications networks and other broker dealers. CES accepts payment in the form of rebates from market centers that use either the "Maker-Taker" or inverted fee model. Liquidity rebates are considered payment for order flow regardless of whether they offset CES's aggregate liquidity charges from exchanges and market centers. Substantially all order flow payments received by CES relate to liquidity rebates from exchanges, which are received directly or indirectly via pass-through agreements with other broker-dealers. CES's routing decisions are based on a number of factors, including but not limited to, price, liquidity, venue reliability, cost of execution, likelihood of execution and potential for price improvement.

From time to time, the amount of rebates/credits that CES receives from a market center may exceed the amount of fees that CES is charged by such market center. Remuneration, if any, is retained by CES and is typically used to reduce overall expenses in providing services to clients.

In addition to the aforementioned liquidity rebates, CES may also receive remuneration from certain market venues, under limited circumstances. These limited arrangements are generally pursuant to an agreement between the market venue and a client/customer of CES.

Technology or Software Compensation from Market Centers Unrelated to Payment for Order Flow

CES may receive remuneration in the form of service fees for technology or software provided to a market center. The related agreements CES has in place with such market centers is separate from, and is not dependent on, CES routing client order flow to the market center. This remuneration may be in addition to payments made for order flow, as discussed above.

Retail Order Liquidity Programs

Certain U.S. securities exchanges have adopted rules related to retail order flow. Specifically, these exchanges have developed liquidity programs available only to retail orders. For these purposes, a "retail order" is defined as an agency order or a riskless principal order that originated from a natural person (and not from a trading algorithm or any other computerized methodology) and has not been changed in terms of side or price. For purposes of participation in these programs, CES will not treat Broker Dealer client orders marked as "retail orders" unless the Broker Dealer has provided CES with a completed Retail Member Organization – Broker-Dealer Customer Agreement and the client continually completes the Broker Dealer Customer Attestation annually.

Transactions in Foreign Markets

Transactions executed in foreign markets may be affected through an affiliate. If the trade is settled in a currency different from the standard settlement currency of the traded security, CES will affect the currency conversion it considers necessary to comply with your instructions. CES may affect currency transactions for its own account at rates that are different from the currency exchange rate applied to your order. Foreign-currency-denominated securities are subject to fluctuations in exchange rates that could adversely affect the value or price of a transaction.

For securities that are traded in more than one market, CES may route the customer order to the market which it believes offers more favorable execution terms. However, such transactions may incur increased transaction costs. Customers may opt out of having their orders routed to these foreign markets.

SEC Rule 10b-10 – Confirmation of Transactions

Securities and Exchange Commission ("SEC") Rule 10b-10 requires that U.S. broker-dealers provide written confirmation of securities transactions to customers at or before the completion of the transaction. Its purpose is to ensure transparency and investor protection. CES provides its customers with written confirmation of your transactions in accordance with the rule. Written confirmations contain mandatory disclosures including but not limited to date and time of the transaction; identity, price and quantity of the security purchased or sold; the capacity that CES acted; the source and amount of remuneration, and commissions.

Large Trader Reporting

SEC Rule 13h-1 Large Trader Reporting requires a person/entity that meets the definition of a Large Trader to: (1) identify itself to the SEC via filing a form 13H (2) obtain a Large Trader ID ("LTID") from the SEC, and (3) provide their LTID to all executing and clearing registered broker-dealers through which they transact in NMS securities and identify each account to which it applies. A Large Trader is defined as a person/entity whose trades in NMS equity securities and/or Listed Options for their own account or any account which they exercise discretion over that equals or exceeds either 2 million shares or $20 million during any calendar day, or 20 million shares or $200 million during any calendar month. All LTIDs can be submitted to: operations@clearpoolgroup.com.

Disclosure of Order Routing Statistics (SEC Rule 606)

In accordance with SEC Rule 606, Clearpool provides its customers with quarterly disclosures regarding a customer's right to information concerning the routing of their orders for execution. This information may be found utilizing the following link: https://clearpoolgroup.com/quarterly-606-disclosure/.

CES is required to publish quarterly statistics regarding its customer agency order routing practices. The purpose of the report is to provide the public with information on how broker-dealers route their customers' orders, to enable customers (and others) to evaluate order routing practices. The Rule was adopted by the SEC to enhance market transparency and foster competition among market participants. This information is available on the internet at the aforementioned link and in hard copy for those who do not have access to the internet. The report is published by the end of the month following the calendar quarter reported. In addition to quarterly reports, information about the routing of individual customer orders is available to customers, upon request, for the prior six months trading activity.

All customer inquiries regarding order routing should be directed to:

Clearpool Execution Services, LLC
17 State Street, Suite 3801
New York, NY, 10004
Attn: Compliance Department
Tel: (212) 531-8500