



## Electronic Trading Risk Disclosure

Pursuant to FINRA rules, all accountholders need to fully understand consider the following points before engaging in electronic trading activities:

- **Electronic trading can be extremely risky.** Traders should be prepared to lose all of the funds that they use for electronic trading. They should not fund their electronic trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required for current income.
- **Traders must be cautious of claims of large profits from electronic trading.** Traders need to be wary of advertisements or other statements that emphasize the potential for large profits in electronic trading. Electronic trading can also lead to large and immediate financial losses.
- **Electronic trading requires knowledge of securities markets.** Electronic trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through electronic trading, an investor must compete with professional, licensed traders employed by securities firms. An investor should have appropriate experience before engaging in electronic trading.
- **Electronic trading requires knowledge of a firm's operations.** An investor should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems, procedures, and should confirm that a firm has adequate systems capacity to permit customers to engage in electronic trading activities.
- **Electronic trading may result in large commissions.** Electronic trading may require an investor to trade his or her account aggressively, and pay commissions on each trade. The total daily commissions that they pay on trades may add to losses or significantly reduce earnings.
- **Electronic trading on margin or short selling may result in losses beyond the initial investment.** When customers trade electronically with funds borrowed from the firm or someone else, they can lose more than the funds originally placed at risk. A decline in the value of the securities that are purchased may require additional funds be paid to the firm to avoid the forced sale of those securities or other securities in an investor's account. Short selling as part of an electronic trading strategy also may lead to extraordinary losses, because stock may have to be purchased at a very high price in order to cover a short position.

THE RISK OF ELECTRONIC TRADING MAY BE SUBSTANTIAL. THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF ELECTRONIC TRADING. ONLY RISK CAPITAL SHOULD BE USED FOR SUCH TRADING.

### VT Brokers, LLC

220 Bush Street, Suite 950, San Francisco, CA 94104  
(Registered in CA, NY, IL, CT, FL, TX, GA)

Member of:

