TRADING GROUP, LLC

A UNIT OF T3 COMPANIES • MEMBER OF FINRA / SIPC

Broker-Dealer Written Supervisory Procedures

Updated September 24, 2026

T3trading.com

CONFIDENTIAL

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INTRODUCTION

T3 Trading Group, LLC. ("T3TG", "T3" or the "Firm") conducts its business consistent with the highest standards of commercial honor and just and equitable principles of trade. Keeping our members and customer/members' interest foremost is key to T3TG's success. The trust of our customer/members and T3TG's reputation are of paramount importance. Effective supervision is an integral part of achieving our goals in serving our customer/members.

"Compliance" is not a static event; it is a process which evolves in tandem with regulations that govern our industry and the circumstances of each particular interaction. This manual includes T3TG's supervisory policies and procedures to provide guidance to designated supervisors in their oversight of the Firm's business. It is a living document and reference for supervisors and will be updated when necessary.

It is recognized that supervision must be a flexible tool for use by those charged with managing the Firm's various activities. While it is generally expected these procedures will be followed, supervisors are encouraged to adapt these procedures to the needs of T3TG, their particular department, and the associates and customer/members of T3TG. These procedures are meant to be a basic framework upon which supervisors oversee the Firm's activities.

This manual does not attempt to set forth all of the rules and regulations with which associates must be familiar, nor does it attempt to deal with all situations involving unusual circumstances. When questions arise, refer them to the Compliance Department for assistance.

Supervision may be delegated to others, where appropriate; however, designated supervisors are responsible for ultimate supervision of assigned areas. The term "Employee/Member", "Associated Member" or "Associates" as used in this manual includes Registered Representatives ("Associated Persons") and proprietary traders (and others as identified by T3TG).

This manual is the property of T3TG and may not be provided to anyone outside the Firm without the permission of Compliance or the Firm's counsel.

1 DESIGNATION OF SUPERVISORS AND BRANCH OFFICES

1.1 Assignment of Designated Supervisors

This section includes T3TG's designated supervisors responsible for supervision of the areas of business indicated. Such designations and responsibilities may change from time to time. As a consequence, this page will be amended as the changes occur and are made available to the Firm.

Areas of Specific Supervisory Responsibility	**Supervisor in Charge:**
Administration & Management	Garret Marquis
Principal Operations Officer	Garret Marquis
Financial Reporting and Related Matters	Xiaoyan (Maria) Li
General Compliance	Steven Pikowski
Chief Technology Officer / CISO	Brandt Bakunoff
CRD Electronic Filings	Steven Pikowski / William Jones
AML Rep	Steven Pikowski / William Jones
ROP	Steven Pikowski / Thomas Asciutto
CAT Reporting/Timeclock Synchronization	Thomas Youn
Branch Office – Corporate HQ 88 Pine, NY, NY	Thomas Asciutto
Branch Office – 17 State Street, New York, NY	William Jones/Tyler Silver
Branch Office – 348 Millburn Ave, Millburn, NJ	Scott Redler
Branch Office – 1000 Route 34 S, Matawan, NJ	Thomas Asciutto

Updated as of August 2025

1.2 Designation of a Registered Representative in Charge

1.2.1 Purpose

T3 may, from time to time, designate a Registered Representative in Charge ("RRIC") to supervise a small branch office or Office of Supervisory Jurisdiction where a principal is not continuously present on site. The Firm will assign a registered principal to supervise all representatives in the specified location. This policy is designed to define the role, responsibilities, and limitations of a designated RRIC.

1.2.2 Definition

An RRIC is a designated registered representative who serves as the primary on-site point of contact for branch-level operational matters and compliance-related coordination. If the RRIC is not a registered principal, they do not possess supervisory authority under FINRA Rule 3110 and will not supervise other representatives.

1.2.3 Key Requirements for a Registered Representative in Charge

When the Firm designates an individual as an RRIC, regulatory and practical requirements apply, based on FINRA rules and industry practice:

Registration and Licensing

The RRIC:

- must be registered as a General Securities Representative (Series 7 or equivalent), and
- is not required to be a principal (Series 24), unless they are performing principal-level supervisory functions, in which case principal registration is required.

Designation and Documentation

- The Firm formally designates, in FINRA CRD, that the individual is the RRIC for the specified location.
- The Firm documents the designation of the RRIC as to:
    - the scope of authority,
    - duties and responsibilities, and
    - the limits of their supervisory role (if not a principal).

1.2.4 Defined Scope of Responsibilities of the RRIC (Non-Supervisory):

An individual designated as an RRIC, if not licensed as a principal, cannot officially supervise anyone. However, if the Firm designates an individual to assist with oversight as a local point of contact at a small office, the RRIC is assigned to report to a registered principal of the Firm and may:

- Serve as a point of contact for the branch,
- Assist in promoting adherence to Firm policies and procedures,
- Serve as a liaison between the branch and Trade Desk and Compliance departments,
- Notify supervising principals or Compliance of potential rule violations, complaints, any potential compliance issues, or other red flags,
- Support new hire onboarding mentoring other representatives under the direction of a supervising principal.
- Assist with operational support such as:
    - Coordinating training reminders,
    - Facilitating annual attestations and branch audits, and
    - Maintaining records as required by the Firm.

1.2.5 Supervision by a Principal

When the Firm designates an individual as an RRIC:

- The RRIC and all other associated persons in the branch are supervised by a designated registered principal, as documented in the Firm's supervisory structure,
- The supervising principal maintains regular communication with the RRIC and periodically reviews the branch's activities,
- The Firm ensures that the RRIC is not acting as a de facto principal unless appropriately licensed,
- Regular on-site supervision by the registered principal is required (see FINRA Rule 3110 on supervision),
- All concerns raised by the RRIC must be escalated and addressed promptly by a registered principal.

1.2.6 Annual Compliance Training

The RRIC receives role-specific training upon designation and must complete all required Firm and FINRA Regulatory Element continuing education training, including AML training and supervisory obligations (as applicable).

1.2.7 Prohibited Activities

Unless the RRIC is also a registered principal (e.g., Series 24), the following apply:

- The RRIC may **NOT** be delegated formal supervisory responsibilities, such as:
  - Approving orders or trades,
  - Approving new accounts or advertising,
  - Enforcing discipline, or
  - Conducting performance evaluations.
- The RRIC may **NOT** perform tasks requiring a principal license (unless properly licensed.)
- The RRIC may **NOT** supervise other registered persons,
- The RRIC may **NOT** approve or review correspondence (electronic or written), or
- The RRIC may **NOT** conduct inspections or surveillance reviews requiring principal-level registration.

1.2.8 If the Individual is a Registered Principal (e.g., Series 24):

- They may supervise as many individuals as is reasonable under FINRA Rule 3110(a)(6); the Firm assigns qualified supervisors based on the size, structure, and activities of the office, however no strict numerical limit is imposed.
- The Firm must ensure that:
  - effective supervision is being conducted,
  - red flags and compliance issues are addressed, and
  - supervision is in place and effective.

1.2.9 Annual Review

The Compliance Department will review RRIC designations annually to ensure:

- Roles remain appropriate,
- No unlicensed supervisory activities are occurring, and
- All supervisory responsibilities are conducted by properly licensed principals.

1.2.10 Summary

Non-principal-registered RRICs may ***not*** be assigned any associated persons to formally supervise. T3 emphasizes to its associated persons to avoid blurring lines between RRICs and principals and prevent the delegation of supervisory responsibilities to individuals that do not hold a Series 24 license. If a non-principal RRIC appears to be supervising other registered reps, FINRA may view this as an unlicensed supervisory role, which can lead to compliance violations under FINRA Rule 3110 and Rule 2010 (standards of commercial honor and just and equitable principles of trade).

1.2.11 Relevant Guidance:

- FINRA Regulatory Notice 10-49 (Supervision of remote or small branch locations)
- FINRA Rule 3110 (Supervision)
- FINRA Rule 3120 (Supervisory Control System)

2 GENERAL EMPLOYEE/MEMBER POLICIES

2.1 Standards of Conduct

[FINRA Rule 2010]

It is T3TG's policy and mandate to its associates to conduct T3TG's business under the high standards and principles of the rules governing our industry. Associates are expected to deal with customer/members in a fair and honest way, with the customer/member's interest of primary concern.

Compliance will distribute compliance policies and procedures to all associates and from time to time will issue updates and other notices, as needed.

2.2 Outside Business Activities

Responsibility	• Designated Supervisors
Resources	• Requests to engage in outside business activities • Annual certifications • Other potential indicators such as incoming or outgoing correspondence
Frequency	• As required

Action	• Employee/Member's supervisor:
	  ○ Question Employee/Member regarding potential unapproved outside business activities referenced in correspondence or other indicators of outside business activity (i.e., Form U-4, annual certification)
	• Compliance Department:
	  ○ Consider whether the proposed activity will:
	  ▪ Interfere with or otherwise compromise the Employee/Member's responsibilities to T3TG and its customer/members
	  ▪ Be viewed by customer/members or the public as part of T3TG 's business based upon the nature of the proposed activity and the manner in which it will be offered
	  ○ Determine whether the activity is an outside business activity or if it would be considered a private securities transaction subject to the requirements of the next section
	  ○ Discuss all investment-related requests with CCO and non-investment-related matters, as warranted.
	  ○ Determine any limitations to be imposed prior to approval
	  ○ Notify Employee/Member of approval/disapproval and any limitations, in writing

Record	• Retention for 3 years, 2 years in a readily accessible location: o Outside Business Activity Request forms including approval/disapproval and any limitations on the activity o Written notification to the Employee/Member and his/her supervisor

Associates are required to disclose to T3TG, in writing, any outside business activities and obtain approval prior to engaging in such activity. Charitable activities are not included in this requirement unless the Employee/Member is being compensated. This policy applies to all associates (or other relationships such as Associated Persons acting as independent contractors registered with T3TG; it does not apply to private securities transactions which are discussed in the next section.

Outside business activities may include a wide range of activities including but not limited to the following:

- Employment with an outside entity
- Acting as an independent contractor to an outside party
- Serving as an officer, director, or partner
- Acting as a finder
- Referring someone and receiving a referral fee
- Receiving compensation or having the reasonable expectation of compensation from any other person as a result of a business activity outside the scope of employment or other relationship with T3TG

Compensation may include salary, stock options or warrants, referral fees, or providing of services or products as remuneration. Generally, remuneration consisting of anything of present or future value for services rendered may be considered compensation.

Associates requesting approval to engage in outside business activities must complete the Outside Business Activity Request form and submit it Compliance **prior to** engaging in the activity. Compliance will approve or disapprove the outside business activity in writing and notify the Employee/Member.

2.3 Private Securities Transactions

[FINRA Rule 3280]

Responsibility	• Director of Compliance / Or Designee
Resources	• Requests to engage in private securities transactions • Annual certifications • Other indications of potential "selling away" such as in correspondence
Frequency	• As required

Action	• Employee/Member's supervisor:
	  ○ Refer requests or indications of private securities transactions to Compliance
	• Compliance:
	  ○ Review requests and certifications
	  ○ Follow up with Associated Person, supervisor and CEO regarding indicators of selling away
	  ○ If rejected, notify Employee/Member by memo (with a copy to the Employee/Member's supervisor) that private securities transactions are not permitted
	  ○ If approved by Compliance, provide restrictions and any representations and warranties that will be required. Assure that the Branch Manager, if compensation is involved, maintains transactional information on the Firm's books and records and monitors the activity

Record	• Memo in Employee/Member's file, documents relating to private securities transaction, if approved.

Associates are permitted to engage in private securities transactions (as defined by FINRA) with permission from compliance. This is done on a case-by-case basis. Private Securities transactions are prohibited if there is compensation paid for effecting the transaction. Private securities transactions are defined by FINRA as any securities transaction outside the regular course or scope of an Employee/Member's employment with T3TG (sometimes referred to as "selling away"). This does not include outside securities accounts approved by T3TG, transactions with immediate family members where the Employee/Member receives no selling compensation, and personal transactions in Investment Company and variable annuity securities.

Associated Persons should note that promissory notes often are securities. Even if a promissory note is not deemed a security, the Associated Person has the obligation to obtain T3TG's permission **before** engaging in any outside business activity involving the offer of promissory notes.

Associated Persons are required to conduct their selling activities through T3TG.

2.4 Employee/Member and Employee/Member Related Accounts

2.4.1 Employee/Member and Employee/Member Related Accounts Defined

Employee/Member accounts include any accounts where an Employee/Member has a personal financial interest; the Employee/Member is the named trustee or custodian; or the Employee/Member otherwise has control over the account. "Accounts" include securities or commodities accounts at T3TG or other financial institutions, including foreign or domestic broker-dealers, investment advisers, banks and other financial institutions.

Employee/Member related accounts include accounts for relatives residing with the Employee/Member and accounts for any person who is supported, directly or indirectly, to a material extent by the Employee/Member.

2.4.1 Outside Accounts

[FINRA Rule 3210]

Responsibility	• Director of Compliance / Or Designee
Resources	• Requests for outside accounts • Annual affirmations • Other
Frequency	• As required
Action	• Employee/Member's supervisor: o Review disclosures relating to outside accounts o Notify firm carrying the Employee/Member's outside account by letter regarding to whom duplicate confirmations and statements should be sent / or set account up in Cordium. o Review confirmations and statements as they are received or review on Cordium. Review for, among other things: ▪ Transactions in securities restricted by T3TG ▪ Transactions in new issues ▪ Large debit balances, very active trading, or other trading activity that may be of concern ▪ Unusual money flow activity ▪ Bounced checks ▪ Day-trading o For transactions in restricted securities, contact the Employee/Member and take corrective action which may include cancellation of the transaction o For trading activity that may be of concern, confer with the Compliance Department or the Employee/Member directly, depending on the character of the issue, regarding the nature of the activity and take appropriate corrective action, if necessary • Compliance: o Review requests for clarification regarding applicability of review for certain accounts o Review and provide recommendations, as applicable, regarding unusual, suspicious or violative trading activity in personal trading accounts. o Assure disciplinary action is levied by Supervisor, as appropriate.
Record	• Approval/disapproval memo or 407 Letter to the Employee/Member's file • Confirmations reviewed and maintained until statements received. Statements initialed and maintained in branch files for three (3) years

	• Contact with Employee/Member regarding corrective action, if appropriate, is documented on confirmations, as appropriate, statements and a memo or note to the Employee/Member's file, as appropriate

Although T3TG would prefer to have associates maintain their securities accounts at T3TG, the Firm understands, because of retirement-account reporting limitations and other reasons, associates may utilize other broker-dealers and financial firms for personal securities transactions. Securities, for purposes of this requirement, include commodities and FOREX executed transactions through futures firms.

These requirements do not apply to accounts limited exclusively to transactions in unit investment trusts and variable contracts or redeemable securities in mutual funds or mutual fund accounts.

2.4.2 Prohibiting Trading the Same Security in Proprietary and Personal Accounts

Policy:
T3 traders are prohibited from trading the same security in a T3 proprietary account as in a personal account under their control. The purpose of this restriction is to avoid conflicts of interest and maintain compliance with regulatory standards.

Scope:
This policy applies to all traders, Associated Persons, and contractors who have access to the Firm's proprietary trading accounts and who also engage in personal trading activities in their personal accounts. Traders are restricted from trading the same security on the same day in both their proprietary account (the Firm's account) as in their personal account(s).

- Traders are prohibited from executing trades in the same security or futures contract on the same day in both their proprietary account and their personal account.
- Traders must not trade ahead of or mirror trades made in the proprietary account with trades in their personal account.

This policy applies to both buying and selling any securities in such accounts. It also applies to any orders for options or futures with the same underlying, even if the options or futures have different expirations and/or option strike prices.

Priority of Firm's Interest:
Traders must always prioritize the interest of the Firm over personal financial gains. The proprietary account must receive preferential treatment regarding trading opportunities, positions, and strategies.

Combined Objective:
This policy aims to prevent potential conflicts of interest, such as using Firm resources or insider knowledge to benefit the trader's personal account. The primary goal of the policy is to protect the

integrity of the Firm's trading operations while helping to ensure that personal trading activities do not create conflicts or regulatory violations. It is also designed to reduce the risk of market manipulation and help ensure that trading practices are ethical and compliant with market regulations.

Compliance:
The policy is designed to help the Firm meet regulatory requirements and avoid potential violations related to trading with privileged information. This policy requires traders to ensure transparency in their personal trading activities.

Reporting Obligations:
Traders are required to disclose all personal brokerage accounts to the compliance department and provide access to trading records for ongoing monitoring.

Restrictions on Insider Information:

- Traders are strictly prohibited from using material, non-public information obtained through the Firm's activities to influence any personal trades.
- The use of any proprietary trading strategies or confidential information for personal gain is grounds for disciplinary action, up to and including termination.

Granting Certain Policy Exceptions:
Exceptions to this policy may be granted under limited but exceptional circumstances, subject to pre-approval from the Firm's compliance department for valid reasons after a blackout period between trades in the proprietary and personal accounts.

This policy establishes clear guidelines to protect the integrity of the Firm's trading activities and avoid the misuse of privileged information. If you have any questions, contact compliance ***before*** placing any orders that may conflict with this policy.

Enforcement and Disciplinary Action:
Regular reviews of trading activities in both proprietary and personal accounts will be conducted to help ensure compliance. Any violation of this policy will be considered a breach of the Firm's conduct and ethics policies and may result in disciplinary actions, up to and including suspension, termination, or legal consequences, depending on circumstances of the violation.

Effective Date: August 15, 2024
This updated policy is effective as of August 15, 2024 and will remain in force until amended by the Firm.

2.4.3 Review of Transactions

[FINRA Rule 3110(d)]

Responsibility	• Director of Compliance / Or Designee
Resources	• Order records, as warranted

	• Exception Reports
Frequency	• Daily

Action	• Review Employee/Member and Employee/Member related accounts for possible concerns regarding:
	  ○ Review confirmations and statements. Order blotter may be reviewed as necessary.
	  ○ Review for, among other things:
	  ▪ Transactions in securities restricted by T3TG
	  ▪ Transactions in new issues
	  ▪ Large debit balances, very active trading, or other trading activity that may be of concern
	  ▪ Unusual money flow activity
	  ▪ Bounced checks
	  ▪ Day-trading and very active trading
	  ▪ Sizeable margin balances
	  • Unusual or suspicious trading patterns
	  • Transfers between accounts, particularly Employee/Member or related accounts and customer/member accounts
	  ○ Insider trading
	  ○ For transactions in restricted securities, contact the Employee/Member and take corrective action, which may include cancellation of the transaction
	  ○ For trading activity that may be of concern, confer with the Compliance Department or the Employee/Member directly, depending on the character of the issue, regarding the nature of the activity and take appropriate corrective action, if necessary
	  ○ Very active trading
	  ○ Sizeable debit balances
	  ○ High risk trading patterns
	• Where items of concern are identified, action to be taken depends on the circumstances, and may include:
	  ○ Consult with the Employee/Member regarding trading in the account
	  ○ Confer with Compliance

Record	• Initials on customer/member monthly statements or reviewed and certified with Cordium • Records retained in Employee/Member account files

Transactions in Employee/Member and Employee/Member related accounts are reviewed diligently. Associates will be contacted about transactions that are potentially contrary to rules or T3TG policy.

2.4.4 Insider Trading

['34 Act, Section 10 and Rule 10b-5]

Associates are prohibited from effecting transactions based on knowledge of material, non-public information. The chapter *INSIDER TRADING* explains T3TG's policy and all associates are expected to be familiar with the policy.

2.4.5 Sharing In Accounts

[FINRA Rule 2150]

Responsibility	• Designated Supervisors
Resources	• New account forms • Requests to open accounts jointly with customer/members
Frequency	• As required
Action	• Associated Person's supervisor: o When approving new accounts, identify accounts where an Associated Person is potentially sharing in the account o Confer with Employee/Member as to the nature of the shared account (what is the relationship between the Employee/Member and the other account owner, allocation of profits and losses) o Refer shared accounts or requests to share in an account to the Compliance Department o Confer with the Compliance Department regarding any special restrictions and/or requirements that may be appropriate o Require written request from Employee/Member and written authorization from customer/member o Review and determine whether shared account is appropriate o Consult with the Compliance Department o Approve or disapprove the request o Notify Employee/Member of approval or disapproval • Compliance: o Review the appropriateness and requirements regarding shared accounts upon request
Record	• Copies of Employee/Member request, customer/member's written authorization, and notation of approval or disapproval is retained with the new account records for the account

T3TG and its registered associates may not share directly or indirectly in the profits or losses of a customer/member's account.

2.4.6 Prohibition on Purchases of Initial Public Offerings (IPOs)

[FINRA Rule 5130]

Associates and their immediate families (parents, spouse, children, in-laws, and siblings) are prohibited from purchasing IPOs.

2.4.7 Research Restrictions

T3TG does not develop, purchase or otherwise disseminate research to its clients. However, to the extent T3TG elects to provide research in the future, Employee/Member accounts would be restricted from acting on a new or changed research recommendation for 24 hours from the time of announcement or publication. Restrictions would be announced internally, and trading activity is monitored for compliance. Failure to comply would result in cancellation of the transaction, and any resulting loss will be charged to the Employee/Member. It could also result in the Employee/Member being fined, suspended, and/or terminated.

2.4.8 Restrictions on Personal Accounts of Certain Firm Personnel

As T3TG does not maintain personnel in certain departments, such as research, trading, and investment banking, additional requirements or restrictions on the trading in their personal accounts have no application. However, if the Firm develops these functions in the future, affected personnel will be provided with any additional policies affecting their personal transactions.

2.5 Gifts, Gratuities and Entertainment

[FINRA Rules 2810(c) (2) (A), 2320(g) (4) (A), 2830(l) (5) (A) and 3220, FINRA Report on Examination Findings Regarding Gifts and Gratuities: http://www.finra.org/web/groups/rules_regs/documents/rules_regs/p018025.pdf; NASDAQ Rule 3060]

Responsibility	• Designated Supervisors
Resources	• Requests to give or receive gifts • Expense reports • Annual certification
Frequency	• As required
Action	• Associated Person's supervisor: o Refer requests regarding gifts and gratuities to Compliance Department o Review expense reports for reasonableness and compliance with expense policies, and approve or disapprove o Consult with the Compliance Department

	○ Review and approve or disapprove gifts and gratuities to be given, aggregated on a calendar year basis to determine compliance with the $100 annual limit • Compliance: ○ Review all submissions regarding gifts and gratuities and provide written recommendations to FINOP. ○ File Form LM-10 with Dept. of Labor, if necessary
Record	• Gift Approval Forms are maintained in a branch/department file • Expense reports are maintained in Accounting • FINOP maintains a file for LM-10 filings

Gifts, gratuities, and entertainment are subject to regulators' limitations. Failure to comply may result in fines or other regulatory actions against the Employee/Member and T3TG. **It is important for all associates to know and comply with this policy.** Questions regarding this policy on gifts and entertainment should be referred to Compliance. Key requirements include:

- **Gifts to others are limited to $100 per year, per person** (other than "personal gifts" defined in the policy).
    - Multiple gifts to the same person are aggregated, *i.e.,* the total of all gifts in any year, firm-wide, cannot exceed $100 to one person.
    - "Personal gifts" are excluded (as discussed below).
- **Receiving** gifts is limited.
- An **Employee/Member must host entertainment** to avoid entertainment being considered a "gift" subject to limitations.
- **Records of entertainment** must include details of who was entertained and the nature of entertainment.
- **Gifts to labor union associates require prior Compliance approval.**
- **Gifts to public officials require prior Compliance approval.**
- **Your supervisor must be notified** of gifts to others.
- **Your supervisor must be notified** of gifts received (other than personal gifts).
- Gift requirements (whether the gift is given or received) **do not apply to personal gifts** to immediate family members (parents, children, grandparents, siblings, spouse, in-laws) who also happen to be customer/members and where the gift is unrelated to T3TG's business. The policy also does not apply to occasional personal gifts to others (such as a wedding gift or a congratulatory gift for the birth of a child).
- **If T3TG pays for the gift** or reimburses the Employee/Member for the cost of the gift, the gift is subject to the requirements of this policy.
- **Gifts incidental to entertainment** (*e.g.,* a golf shirt given during a golf outing) are considered gifts subject to reporting to Compliance and the gift limitations.

2.5.1 Gifts to Others

Associates are required to submit the Gift Approval Form to Compliance prior to giving a gift (other than a *de minimis* gift described below). Gifts relating to T3TG's business are limited to $100 per year, per person. Gifts of tickets to sporting events, or similar gifts where the Employee/Member does not accompany the recipient, are subject to the limitations on gifts and gratuities. Such gifts may not be so frequent or so expensive as to raise a suggestion of unethical conduct.

Associates of regulators are also subject to rule limitations regarding gifts to them from broker-dealers and their associates. Compliance should be contacted for guidance before giving gifts to associates of regulators.

Gifts and gratuities are not permitted when given for the purpose of influencing or rewarding the action of a person in connection with the publication of information which has, or is intended to have, an effect upon the market price of any security.

2.5.2 De Minimis and Promotional Items

The policy does not apply to gifts of *de minimis* value (such as pens, notepads, or modest desk ornaments) or to promotional items of nominal value with T3TG's logo (*e.g.,* umbrellas, tote bags or shirts). Promotional items must be valued substantially below the $100 limit to be excluded from the gift policy. Items of higher value (near $100 or more), even if they include T3TG's logo, are considered "gifts" subject to this policy.

FINRA excludes customary Lucite tombstones, plaques or other decorative items commemorating a business transaction. This exemption is very limited; other items are considered gifts subject to the policy, even if they commemorate a business transaction.

2.5.3 Aggregation of Gifts

The annual gift limitation is the aggregate of all gifts given to any one individual. For example, a gift of a $75.00 ticket to a football game in November (as a gift and not as entertainment, discussed below), and then a holiday gift of a $50.00 bottle of wine to the same person in the same year, would be in violation of the $100 limitation.

Each recipient is limited to $100 in **total** gifts during any calendar year.

2.5.4 Valuation of Gifts

Gifts are valued at the higher of cost or market value, excluding tax and delivery charges. For tickets, it is the higher of cost or face value. If gifts are given to multiple recipients, the names of all recipients are recorded and the value of the gift is prorated among recipients. For example, a $250 fruit basket given to an office of three individuals is permitted since the value of the gift prorated is less than the $100 limitation per person.

2.5.5 Accepting Gifts

Associates may not solicit gifts or gratuities from customer/members or other persons who have business dealings with T3TG. Associates are not permitted to accept gifts from outside vendors currently doing business with T3TG, or seeking future business, without a review by the Compliance Department and the written approval of their Supervisor. This policy does not include customary business lunches or entertainment; promotional items (e.g., caps, T-shirts, pens); or gifts of nominal (less than $100.00) value. When accepting gifts from customer/members or other business-related persons, the Employee/Member is required to report the gift and its value to compliance who will approve/disapprove. Once approved compliance will add to gifts given/gifts received spreadsheet.

2.5.6 Entertainment

Entertainment of customer/members or prospective customer/members must be reasonable and not so expensive it raises a suggestion of unethical conduct. All entertainment and related expenses must be detailed on an expense form, with receipts attached, for expenses over $25.00. Expense forms should be submitted to the appropriate supervisor within 30 days of incurring the expenses.

The limitation on gifts and gratuities does not apply to usual business entertainment such as dinners or sporting events where the Employee/Member hosts the entertainment, though such expenses should be reasonable. "Entertainment" includes a broad range of activities such as trips, parties, and other activities where an Employee/Member hosts someone related to T3TG's business. Questions regarding the reasonableness of proposed entertainment and related expenses should be referred to Compliance.

2.5.7 Gifts Incidental to Business Entertainment

Items given in conjunction with entertainment (a golf shirt at a golf outing; a fruit basket delivered to a customer/member's room during a Firm outing) are considered gifts subject to the $100 limitation.

2.5.8 Gifts, Loans, and Entertainment for Unions and Union-Affiliated Individuals

[Labor-Management Reporting and Disclosure Act of 1959 (LMRDA) and DOL Q and A http://www.dol.gov/esa/regs/compliance/olms/LM30_LM10_Trusts_Info.htm and DOL advisory memo at http://www.dol.gov/esa/regs/compliance/olms/lm10_advisory.htm]

Responsibility	• Designated Supervisors
Resources	• Expense reports • Annual Employee/Member Certification
Frequency	• Annual
Action	• File Form LM-10 within 90 days of fiscal year end • Include reportable gifts, loans, entertainment, excluding de minimis amounts of $250 or less

	• Review Annual Employee/Member Certifications to identify union-related gifts, loans, *etc.,* and follow up to include item in annual reporting on Form LM-10
Record	• Vouchers, worksheets, receipts, and other records • Filed Form LM-10 (retained for 5 years) • Gift Approval Forms • Annual Employee/Member Certifications with notes of action taken, if any

The Department of Labor (DOL), under a federal act, requires T3TG to report any payment or loan, direct or indirect, of money or other things of value (including reimbursed expenses), or any promise or agreement to make such payments, to any labor organization or officer, agent, shop steward or other representative or Employee/Member of a labor organization. This includes entertainment (cost of meals, *etc.*), expenses, or giving gifts or other things that exceed $250.00 in value, where the recipient or beneficiary involves a union or union-affiliated individual.

When reporting gifts, entertainment, loans, and other payments, associates must identify when a union or union-affiliated individual is involved. Associates are obligated to report such items to T3TG regardless of the dollar amount involved.

2.5.9 Gifts or Payments to Public Officials

[Various state laws]

A "public official" is anyone who is elected or appointed to an office or is an Employee/Member of a "public entity," including any teacher or professor employed by a public entity. A "public entity" is broadly defined, and includes political bodies, municipalities and their governing bodies (school district, school board, *etc.*), public universities and colleges, as well as any other municipal entity. This policy also includes honorarium payments (payments for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, or similar gathering).

Some public entities are statutorily authorized to charge the cost of inspections of regulated entities. A public official may, therefore, receive payment for statutorily-authorized expenses. For example, if a state securities official appears at an office to conduct an inspection, the state may, if authorized in state statutes, charge T3TG for expenses related to conducting the inspection.

2.5.10 Compliance Department Review

Prior review by the Compliance Department and written approval from a Supervisor are required for gifts or entertainment involving public officials.

2.6 Solicitation of Charitable Contributions

[FINRA Notice to Members 06-21]

Responsibility	• Designated Supervisors
Resources	• Charitable Contribution Approval Request Form
Frequency	• As required
Action	• Review contribution to identify potential conflicts of interest • Approve or disapprove
Record	• Charitable Contribution Approval Request forms

When an Employee/Member or an agent of a customer/member, such as a hedge fund, mutual fund, pension plan, or investment manager, solicits a substantial charitable contribution from T3TG or an Associated Person, there may be a conflict of interest. For example, if an investment manager requests a $10,000 contribution to a charity, this could be construed as a condition for the investment manager to direct business to T3TG. There can be no quid pro quo between contributions and business conducted with T3TG.

To avoid potential conflicts of interest, T3TG has established the following guidelines for handling such requests.

1. Charitable giving by T3TG, or foundations created by T3TG, is subject to review by the CEO or the CEO's designee, in consultation with the Compliance Department, on at least an annual basis.
2. Contributions of $5,000 or more, solicited by an Employee/Member or agent of a customer/member, require completion of the Charitable Contribution Approval Request form and the prior approval of Compliance, as well as the approval of someone representing the customer/member other than the person soliciting the contribution. Requests should be submitted by completing the Charitable Contribution Approval Request form.
3. Contributions cannot be based on the actual or anticipated level of business done by the customer/member.
4. These requirements do not apply to a retail customer/member who solicits a charitable contribution when acting in his or her individual capacity.

2.7 Media Contact Is Limited To Certain Authorized Associates

Responsibility	• Director of Compliance / Or Designee
Resources	• Requests to communicate with the media • Indications an unauthorized person has had media contact
Frequency	• As required
Action	• For requests, determine nature of contact and whether the individual is, or should be, authorized to engage in the contact

	• If necessary, notify the Employee/Member whether contact will be permitted and provide guidelines • Refer any authorized person to the Compliance Department for guidance relative to the public • For unauthorized contact, confer with the Employee/Member (and the Employee/Member's supervisor, if appropriate)
Record	• Maintain a list of authorized persons and limitations on their contact, if appropriate

T3TG is sometimes contacted by media representatives (television, radio, newspapers, magazines, and other types of media). Associates who are contacted by media representatives are not permitted to comment but must refer the representative to one of the following individuals within T3TG:

- CEO
- Compliance Officer

Individuals authorized to speak to the media are expected to make comments consistent with good taste and T3TG's opinion or position on matters discussed.

2.8 Requests for Information from Outside Sources

Responsibility	• Designated Supervisors
Resources	• Written or oral requests for information • Subpoenas • Other
Frequency	• As required
Action	• Compliance: Provide response, as appropriate
Record	• Retain record of response in legal, regulatory, or other files

T3TG and its associates are sometimes contacted by outside parties such as regulators (SEC, FINRA, exchanges, state and other regulators), attorneys and governmental agencies (*e.g.,* the IRS) that request information about customer/member accounts, T3TG activities, or an individual Employee/Member's activities.

Information regarding customer/member accounts, T3TG and its associates is considered confidential and may be released only to those authorized to receive it. Any requests from outside parties (other than the principal or authorized person on behalf of an account requesting information on the account) should be immediately referred to Compliance for response. This includes requests received in any form, whether written, by phone, or in person. This also includes visits by regulators. Proof of identification should be requested and Compliance immediately notified.

2.9 Reporting Potential Rule Violations

Associates who are concerned about potential rule violations should notify someone in a supervisory role, as listed below:

- Notify the supervisor unless the supervisor's actions are the subject of concern
- The supervisor is obligated to investigate the issue and refer it to Compliance if it is more than a minor issue that cannot be reasonably resolved
- If the supervisor is the subject of a potential rule violation, the Employee/Member should immediately contact Compliance, who is responsible for investigating and resolving the issue
- If Compliance determines there is a significant rule violation, regulators may be contacted regarding action being taken by T3TG
- Compliance is responsible for making necessary regulatory filings, including amendments to, or filings of, U4s or U5s and other filings that may be required

2.10 Internal Reviews and Investigations

If necessary, T3TG may conduct an internal review or investigation. Associates may be requested for information that may include an Employee/Member's signed written statement. Failure to provide requested information may result in disciplinary action, including termination.

2.10.1 Internal Fraud Management

This Internal Fraud Policy is designed to safeguard T3TG against deceptive activities carried out by employees, associated persons, or other internal stakeholders. These procedures are intended to identify and mitigate the risks associated with fraudulent activities within the company. By implementing robust fraud detection measures, T3TG aims to detect unauthorized or unethical behavior including, but not limited to, embezzlement, financial misappropriation, or other deceptive activities. The principal goal is to maintain the integrity of the Firm’s internal operations, protect its assets, and uphold the trust of stakeholders in the organization's financial and operational processes. The procedure establishes specific steps to be taken in response to reported or suspected fraud, as well as measures that will be taken to prevent or minimize the risk of fraud.

The Internal Fraud Management goals are to:

- Encourage fraud awareness and prevention;
- Encourage the reporting of internal fraud;
- Promote detection and investigation of internal fraud;
- Recover wrongfully obtained assets from any perpetrators of internal fraud; and
- Secure disciplinary action and prosecutions against perpetrators of internal fraud.

This policy applies to all T3TG Associated Persons including officers, employees and independent contractors (“Staff”). T3TG expects all Associated Persons, at all times, to conduct themselves with the highest standards of honesty, propriety and integrity in the exercise of their duties as specified in the Firm’s employee manual. All Staff members have a responsibility for prevention, detection and reporting of any fraudulent activity.

T3TG is committed to reducing opportunities for fraud to the lowest practical risk level while meeting business objectives and maintaining effective controls to prevent fraud. T3TG will thoroughly investigate

any detected fraud, carry out disciplinary action or criminal sanctions where appropriate and possible, and recover losses by any lawful means.

2.10.2 What is Internal Fraud?

Internal fraud is the use of deception by an individual with the intent of obtaining an advantage for himself or herself or for third parties, avoiding an obligation, or causing a loss to another party. The term fraud is used to describe offenses including, but not limited to, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion. Internal fraud has many aspects, ranging from misappropriation of funds to stealing information. Other issues include theft from members, evasion of controls designed to prevent or limit high-risk business, or misuse of internal accounts.

2.10.3 How Does This Type Of Fraud Occur?

Internal fraud may arise due to an exploited weakness in control policies and procedures; failure to follow control procedures; inattentiveness in carrying out checks and balances; inadequate separation of duties of Staff members, or intentional override of internal controls.

Four basic elements are usually present when fraud occurs:

- One or more individuals to carry out the fraud;
- Assets to be acquired, used, or disposed of fraudulently;
- Intent to commit the fraud; and
- Opportunity to commit the fraud.

Internal Fraud Prevention and Detection
All T3TG Staff members at T3TG have a responsibility as well as an obligation to contribute to the management of fraud risk. The management team sets the tone, promoting effective risk management and helping to implement effective controls throughout the organization.

2.10.4 Fraud Response

Management has the overall responsibility for the organizational response in the case of a reported or suspected fraud. Authority for a response can be delegated to Compliance or Human resources, or a member of management who will gather a cross functional team with the skills necessary to formulate the response. To the extent practical, the delegates reviewing an alleged fraud claim will not have managerial responsibilities in the area(s) affected. If any Staff member working in a department is a suspect or is believed to be involved in the detected fraud, then that individual will not participate in the response and the department's participation will be limited to the lowest practical level.

A Compliance officer or Human resources professional will be designated by management to draft the report detailing the Firm's findings. Management will be notified immediately of any and all incidents of potential fraud and the draft report will be sent to Management for review prior to finalizing the response.

2.10.5 Fraud Response Roles & Responsibilities

Director of Compliance or Chief Compliance Officer
Oversees the formal investigation.

Compliance or Human Resources

The Director of Compliance or Human Resources, as designated, serves as the liaison between the originator of the complaint and the designated Investigator; conducts the preliminary assessment to determine human error or intention to defraud, and works closely with Compliance, Human Resources and Information Security to conduct proper investigation and documents the factual findings with supporting details.

Human Resources

Participates in the process during the investigation; provides guidance and support to the designated Fraud Investigator during the investigation; and partners with management in execution of any formal action.

Information Security & Compliance

Facilitates the collection of data through the Firm's internal systems and provides support to the designated investigator.

Accounting

Participates in the process during the investigation to provide any relevant records and to disclose the potential for any anticipated loss.

Affected Managers

Comply with the investigation by responding to any internal inquiries. Any fraud inquiries from external parties will be referred to T3TG Compliance.

2.10.6 Reporting Detected or Suspected Fraud

If a Staff member becomes aware of a suspected fraud conducted by another Staff member, this information must be immediately reported to Compliance, Human Resources, or management. If a Staff member prefers to report anonymously, they can do so by submitting a document to management, compliance, or Human Resources describing the details of the suspected fraud.

All reasonable allegations will be properly investigated and treated seriously, systemically, and confidentially. Concerns that should be reported include, but are not limited to, any person committing or attempting to commit:

- Any dishonest or fraudulent act;
- Forgery or alteration of documents or accounts;

- Misappropriation of funds;
- Financial Statement fraud through the misrepresentation of financial results; and
- Impropriety in the handling or reporting of money or financial transactions.

Staff members should take note in writing of any pertinent details, including what was said or done by whom, the date, the time, the location and the names of the individual(s) involved. The Staff member should not:

- Contact the suspected perpetrator to get facts or demand restitution;
- Discuss the case facts or allegations with anyone except Compliance, Human Resources, or senior management;
- Attempt to personally conduct an investigation or interview unless authorized by senior management.

2.10.7 Confidentiality

Reports of potential fraud will be held in ***strict confidence*** and shared only on a "need-to-know" basis. Confidentiality, in so far as possible, will be maintained for all reports made in good faith. In cases where reports are made anonymously, such anonymity will be respected.

Any person who is determined by T3TG, as a result of an investigation, to have engaged in breach of confidentiality of this policy may be subject to appropriate disciplinary action, up to and including termination of employment. Further, retaliation in any form against an individual who reports suspected fraud by another individual is strictly prohibited and may itself be cause for disciplinary action, up to and including termination.

2.10.8 Initial Internal Fraud Assessment

Prior to initiating a formal investigation, Compliance or Human Resources, as designated, will assess the merit of any alleged fraud claim by conducting an informal preliminary review of the alleged fraudulent activity. Management will review the results of the preliminary review to determine:

- Whether the claim under review is a procedural violation that does not require a formal investigation; or
- Whether the claim requires additional review or a formal investigation.

Upon completion of the assessment, the results of the assessment will be communicated to management. If the result is a policy violation, then the violation will be documented and communicated to the appropriate manager(s). If the result of the assessment warrants a formal investigation, the Compliance, Human Resources, or other assigned officer will open a case and assign the case to a team member designated to investigate the case. The Director of Compliance or Chief Compliance Officer will investigate fraudulent claims involving manager-level Staff members and above.

Where fraudulent activity requires a formal investigation, the designated officer will work closely with Compliance, Information Security, and Human Resources as needed. In addition, the Director of Compliance, the Chief Compliance Officer and the Director of Human Resources will:

- Determine whether the claim holds merit and recommend a course of action appropriate to the seriousness of the alleged offense. Appropriate actions could range from reassignment of an individual to another position during the investigation, or leave with pay, leave without pay, or suspension. In all cases, the final course of action will be determined by management.
- Inform the individual(s) concerned of the allegations against him or her, and the course of action to be taken. Simultaneously, the designated group will ensure that all information in the possession of the individual(s) suspected is secured for investigation. The designated group will mitigate the risk of future losses by immediately requesting adjusted procedures in order to protect assets and to preserve evidence, including, if necessary, suspending further transactions.

Management will determine whether the case should be dealt with internally or whether and to what extent, external involvement is necessary. Management may engage law enforcement depending on the magnitude and the complexity of the fraud.

Any person reporting or investigating suspected fraud must take care to avoid doing anything that might prejudice the case against the person suspected of fraud.

2.10.9 Formal Investigation

Management will determine who should be involved in the investigation to avoid a conflict of interest for Staff and managers with close working relationships to the individuals in question.
The group designated to investigate a case will ensure that full access is given to the Fraud Investigator, Compliance, Human Resources, and Information Security as necessary to immediately search the work area(s) in question, including any files and computers.

All searches will be conducted in a lawful manner to ensure that evidence is admissible in court, if required. Interviews will be structured and documented as much as possible. Interviews will be conducted in the presence of a member of T3TG Compliance or a Human Resources professional. During the interview, the suspect will be told about the facts in the case and requested to provide an explanation of his or her actions. The suspect's explanation will be evaluated against the facts of the case and a determination will be made based on the facts and circumstances.

The group designated to investigate a case will prepare and issue a written report detailing the findings and conclusions of each completed investigation including what, if any, impacts there are to other department function(s); decisions and recommendations for future action; and keep records of all actions in the investigation to ensure success in any future criminal, civil or disciplinary action.

Results of investigations will not be disclosed to or discussed with any individuals other than senior management, the Compliance group, and Human Resources. This is important to avoid damaging the reputation of those suspected of wrongdoing and subsequently found to be innocent, and to protect the Firm from potential civil liability and damage to the Firm's reputation. Upon completion of each investigation, each case will be reviewed and a determination will be made regarding whether new policies and procedures should be implemented to provide better controls.

2.10.10 Recovering Assets

If T3TG suffers monetary loss or loss of other material assets, efforts will be made to seek restitution from the individual(s) responsible for the fraud. This may be done through the following methods:

- Making arrangements for voluntary payment;
- Taking civil action to obtain a judgment for the loss;
- Obtaining compensation orders in criminal cases; and
- Considering any other appropriate means of recovery.

In addition Senior Management may consider filing an insurance claim.

2.10.11 Disciplinary Actions

Where the investigation determines that it is likely that an T3TG staff member has committed fraud, the designated individual will inform Management or Human Resources as appropriate and criminal prosecution may be pursued. Otherwise, depending on the nature of the case, one or more of the following options may be applied, consistent with the suspect's relationship with T3TG and the rights and obligations under applicable law:

- Counseling
- Loss of privileges
- Greater scrutiny or increased controls
- Transfer to another area
- Demotion
- Suspension
- Disciplinary action
- Termination of employment or association with TG3G

Note: Disciplinary action may also be brought against supervisor(s) whose failure(s) may have contributed to the commission of the fraud or a staff member deliberately making an allegation in bad faith.
Compliance Review. A regular review of this policy and process will be conducted by T3TG Compliance. Under the direction of the Compliance Department, a review will be done of all Internal Fraud cases to evaluate whether internal investigations have been conducted in accordance with this policy.

2.11 Internal Disciplinary Actions

T3TG will, when appropriate, take disciplinary action against associates who engage in improper activities. Action may include, but is not limited to, training or other enhanced education, written reminders or reprimands, limitations on certain types of business, suspension, or termination.

Managers should consult with Compliance when formal disciplinary action is considered. Other than routine Form U-4 amendments, Compliance will report disciplinary actions to regulators when reporting is required by rule.

2.12 Employee/Member Obligation and Obligation to Report

[FINRA Rule 4350]

Responsibility	• Director of Compliance / Or Designee
Resources	• Information provided by associates, including information from Annual Affirmations • Lawsuits and arbitrations • Regulatory actions • Criminal actions • FINRA 4350 Disclosure Timeliness Report Card
Frequency	• As required
Action	• Determine whether information or events are reportable, including updating the Associated Person's Form U4 or U5 • Obtain records or documents required to be filed with SRO • File copies of required information with SROs
Record	• Record of providing information to the SRO is retained, including a copy of the information sent and date sent • Records of updates to Form U4 or U5 are maintained in Associated Person registration files

Associates are obligated to notify Compliance if they become subject to any of the following, if not previously reported to T3TG. Some of these events require reporting to regulators.

- An investigation or finding of a violation by a securities regulator, government agency, or financial business or professional organization, such as a bar association
- A temporary or permanent injunction issued by any court and involving securities, commodities, insurance, or banking matters
- A customer/member complaint (securities or commodities), including a written complaint, civil litigation, or arbitration
- An arrest, indictment, arraignment, conviction, pleading guilty or no contest to any felony or misdemeanor (other than misdemeanor traffic offenses)
- Associated with a financial institution (broker dealer, insurance company, *etc.*) that is suspended or expelled by a regulatory agency, or that has been convicted of, or pleaded no contest to, any felony or misdemeanor or is subject to a statutory disqualification (this includes association with individuals subject to SDs)
- A bankruptcy proceeding

2.13 Anti Money Laundering

[FINRA Rule 3310; Bank Secrecy Act]

Money laundering is a serious crime potentially related to the funding of terrorist activities. It is the subject of extensive federal regulations that impose requirements on financial institutions, such as broker-dealers and their associates, to detect and prevent potential money laundering activities. This is an obligation of each Employee/Member and/or associate of T3TG.

Money laundering is the movement of criminally derived funds to conceal the true source, ownership, or use of the funds. The funds are filtered through a maze or series of transactions, so the funds are "cleaned" to look like proceeds from legal activities.

In general, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash profits from criminal activity are converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to separate further the proceeds from their criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund further criminal or legitimate activities.

Engaging in money laundering is a federal crime with severe penalties for those engaged in criminal activities and those who facilitate, intentionally or inadvertently, money laundering. It is important that T3TG, as well as all associates, remain diligent and active participants in T3TG's Anti-money Laundering (AML) program, which may be revised from time to time. The firm does not have any foreign clients at this time.

2.13 Background

The Currency and Foreign Transactions Reporting Act, also known as the Bank Secrecy Act (BSA), and its accompanying regulation, is a tool the U.S. government uses to fight drug trafficking, money laundering, and other crimes. Congress enacted the BSA to prevent financial service providers (such as banks and broker-dealers) from being used as intermediaries for, or to hide the transfer or deposit of, money derived from criminal activity. Money laundering schemes may include the use of wire transfers, cash, bearer instruments, travelers' checks, money orders, cashiers' checks, and other negotiable instruments.

T3TG is required to comply with the reporting, recordkeeping, and record retention requirements of the BSA. The requirements govern the payment, receipt, or transfer of currency within, and into and out of, the U.S. and foreign financial transactions and accounts.

2.13.2 Shell Companies

[FINCen advisory on shell companies: http://www.fincen.gov/AdvisoryOnShells_FINAL.pdf]
Shell companies may represent potential money laundering risks. "Shell Company" refers to non-publicly traded corporations, limited liability companies (LLCs), and trusts that typically have no physical presence (other than a mailing address) and generate little or no independent economic value. It is important for associates to be aware of the risks involved in dealing with shell companies.

Most shell companies are formed for legitimate business purposes, such as to hold stock or intangible assets of another business entity, or to facilitate domestic and cross-border currency and asset transfers and corporate mergers. Unfortunately, shell companies have become common tools for money laundering and other financial crimes, primarily because they are easy and inexpensive to form and operate, and ownership and transactional information can be concealed from regulatory and law

enforcement authorities. Most states do not collect or require disclosure of ownership information at the formation stage or after.
Agents, also known as intermediaries or nominee incorporation services (NIS), can play a central role in the formation and maintenance of shell companies. Agents and NIS firms offer a wide range of services that may include offering an office address, mail-forwarding services, local telephone listings, and other services that may give the appearance of a locally-established business. Some agents and NIS firms also provide nominee services which can preserve a client's anonymity. Some risk indicators of shell companies potentially engaged in money laundering are:

- An inability to obtain (through Internet searches, commercial database searches, or direct inquiries to the company's foreign correspondent bank) information necessary to identify originators or beneficiaries of wire transfers.
- A foreign correspondent bank exceeds the anticipated volume projected in its client profile for wire transfers in a given period or an individual company exhibits a high amount of sporadic activity that is inconsistent with normal business patterns.
- Payments have no stated purpose, do not reference goods or services, or identify only a contract or service number.
- Goods or services of the company do not match the company's profile based on information previously provided.
- Transacting businesses share the same address, provide only a registered agent's address, or raise other address-related inconsistencies.
- An unusually large number and variety of beneficiaries receive wire transfers from one company.
- Frequent involvement of beneficiaries located in high-risk, offshore financial centers.
- Multiple high-value payments or transfers between shell companies with no apparent legitimate business purpose.

2.13.3 Penalties

Participation in a money laundering scheme or the knowing receipt of proceeds from criminal activities is a crime. T3TG and its associates are subject to severe criminal, civil, and regulatory penalties if they facilitate or participate in money laundering activities. Violations by associates may result in internal disciplinary action, including termination.

An Employee/Member may be deemed to be facilitating or participating in money laundering by engaging in a transaction with a customer/member (accept a deposit, arrange a withdrawal, effect a trade, *etc.*) when he or she is aware of, or willfully ignores, the fact that the customer/member is engaged in illegal activities.

2.13.4 Treasury Dept. OFAC List / FINCEN Review

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) is responsible for publishing sanctions against persons, corporations, and other entities, including foreign governments that have been identified by the U.S. Government as engaging in criminal activities, including drug trafficking and terrorist activities. T3TG is obligated to check its accounts against the lists of blockings to ensure it does not engage in prohibited transactions, which include securities transactions and transfer of assets out of a blocked

account or to a blocked person or entity. T3TG checks customer/members and the agents who have been granted authority to trade or otherwise conduct business activities through T3TG on their behalf.
T3TG has procedures to monitor the OFAC lists and comply with requirements to block property and notify OFAC when required. Questions regarding T3TG's program should be referred to the AML Compliance Officer. More information is also available at the OFAC website at *www.treas.gov/ofac*.

FINCEN reviews are conducted whenever they are posted to the secure information website. Any match in the system will be immediately disclosed through the website and the account in question will be closed. Further information or SARS reporting will be examined at that time.

2.13.5 Preventing Money Laundering

There are a number of ways T3TG and its associates can avoid money laundering schemes.

2.13.6 Knowing the Customer/Member

Being familiar with the customer/member's financial resources, business activities, and sources of funds are avenues for knowing the customer/member. Knowing the customer/member occurs at the time an account is opened, as well as during the operation of a customer/member's account.

The identity of customer/members and their agents who utilize the Firm's trading systems must be verified when a new account is opened. Procedures for verifying customer/member ID are explained in the chapter *ACCOUNTS* in the section *New Accounts.*

2.13.7 Risk Indicators

The following are examples of risk indicators (red flags) that may suggest potential money laundering.

Red Flags indicating potential Money Laundering
The customer/member exhibits unusual concern regarding T3TG's compliance with government reporting requirements and T3TG's AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspect identification or business documents.
The customer/member wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer/member's stated business strategy.
The information provided by the customer/member that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
Upon request, the customer/member refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
The customer/member (or a person publicly associated with the customer/member) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
The customer/member exhibits a lack of concern regarding risks, commissions, or other transaction costs.

The customer/member appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
The customer/member has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
The customer/member engages in suspicious activity involving the practice of depositing penny stocks, liquidates them, and wires proceeds. A request to liquidate shares may also represent engaging in an unregistered distribution of penny stocks which may also be a red flag. [FINRA Regulatory Notice 09-05]
The customer/member attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents, or asks for exemptions from T3TG's policies relating to the deposit of cash and cash equivalents.
The customer/member engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the $10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
For no apparent reason, the customer/member has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
The customer/member is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force (FATF).
The customer/member's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity.
The customer/member's account shows numerous currency or cashier's check transactions aggregating to significant sums.
The customer/member's account has a large number of wire transfers to unrelated third parties inconsistent with the customer/member's legitimate business purpose.
The customer/member's account has wire transfers that have no apparent business purpose to or from a country identified as a money laundering risk or a bank secrecy haven
The customer/member's account indicates large or frequent wire transfers, immediately withdrawn by check or debit card without any apparent business purpose.
The customer/member makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another firm, without any apparent business purpose.
The customer/member makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer of the proceeds out of the account.
The customer/member engages in excessive journal entries between unrelated accounts without any apparent business purpose.
The customer/member requests that a transaction be processed in such a manner to avoid T3TG's normal documentation requirements.
The customer/member, for no apparent reason or in conjunction with other "red flags," engages in transactions involving certain types of securities, such as penny stocks, Regulation "S" (Reg S) stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes

and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer/member's activity.)
The customer/member's account shows an unexplained high level of account activity with very low levels of securities transactions.
The customer/member maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent business purpose or other purpose.
The customer/member's account has inflows of funds or other assets well beyond the known income or resources of the customer/member.

2.13.8 Cash Deposits Not Accepted

T3TG does not accept cash deposits or cash equivalents (money orders, traveler's checks). Customer/members who attempt to deposit cash should be advised to submit a personal check or wire transfer to the Firm's clearing broker for benefit of his or her account. T3TG will accept cash equivalents from its Members to pay for registration fees only. All capital contributions must be a personal check or wired funds.

2.13.9 Reports of Crimes and Suspected Crimes

All associates are obligated to report to the AML Compliance Officer any known or suspected crimes. If the violation implicates the AML Officer, it should be reported to a senior officer of T3TG. T3TG is obligated, under federal regulations, to report crimes or suspected crimes potentially relating to money laundering activity.

2.13.10 What to report

Crimes or suspected crimes by individuals (whether associated with T3TG, a customer/member, or prospective customer/member) are required to be reported. This includes suspicion that T3TG is being used as a conduit for criminal activity, such as money laundering or structuring transactions (discussed below), to evade the Bank Secrecy Act reporting requirements or a trading violation. There is no clear definition of what constitutes a "crime." If you believe some improper or illegal activity is occurring, it is your obligation to report it.

2.13.11 SAR reports

Broker-dealers are required to file Suspicious Activity Reports (SARs) for transactions that may be indicative of money laundering activity. A SAR is filed for a suspicious transaction involving $5,000 or more in funds or other assets. By law, T3TG and its associates cannot disclose to the customer/member or anyone other than authorized regulators that it has filed a SAR. Questions regarding SAR filings should be referred to Compliance.

2.13.12 Currency Transaction Reporting

The Firm has a strict policy not to accept cash currency deposits. As a reminder, the Bank Secrecy Act requires broker-dealers to report certain transactions relating to currency transactions, as follows:

- Report cash or currency deposits of more than $10,000, including multiple deposits on the same day that would total more than $10,000. A Currency Transaction Report (CTR) is filed with the Financial Crimes Enforcement Network (FinCEN), a bureau of the Treasury Department. Some state regulators also require reporting of currency transactions.

- Report currency or bearer instruments over $10,000 transferred into or out of the U.S. The Currency and Monetary Instrument Transportation Report (CMIR) is filed with the U.S. Customs Service.

2.13.13 Prohibition against Structuring Deposits to Avoid Reporting

Cash or currency deposits or attempted deposits which appear to be part of a deposit structure to avoid IRS or Customs currency reporting requirements or Firm limitations, or are otherwise suspicious, may not be accepted and must be reported to Compliance. Associates are prohibited from:

- aiding or advising a customer/member in structuring a transaction to avoid reporting requirements
- holding instruments for deposit on succeeding days
- transporting cash or cash equivalents or bearer instruments to a bank on behalf of a customer/member

2.13.14 Recordkeeping Requirements

In addition to reporting requirements, broker-dealers are subject to requirements to maintain records of transfers of funds (including wire fund transfers) of $3,000 or more. This includes transfers between accounts that are not for the same owner and transfers to third parties, including banks and other financial institutions. Records of transfers are available for inspection by regulators and other appropriate authorities, when requested.

2.13.15 AML Compliance Officer

T3TG has designated an AML Compliance Officer who is responsible for overseeing T3TG’s Anti-money Laundering Program. The AML Officer may be contacted whenever an Employee/Member has questions about T3TG’s program, a current or prospective account, or activities or transactions that raise questions about potential money laundering activities. An Employee/Member may also provide information anonymously to the AML Officer. The AML Officer is responsible for investigating suspected money laundering activities and taking corrective action when necessary.

2.13.15 Identity Theft

Identity thieves use someone's personal identifying information to open new accounts and misuse existing accounts. T3TG has established an Identity Theft Prevention Program (ITPP) to help detect and prevent identity theft. Many elements of detecting or preventing identity theft are similar to anti-money laundering (AML) requirements that are included in these policies.

The ITPP is based on identifying "red flags" that indicate identity theft may have occurred.

It is the responsibility of all associates to be alert and report to the AML Compliance Officer any new or existing customer/members who may be engaged in violations of anti-money laundering regulations or identity theft or who have reported identity theft.

Following is a list of potential identity theft red flags.

Red Flag
Category: Alerts, Notifications or Warnings from a Consumer Credit Reporting Agency
1. A fraud or active duty alert is included on a consumer credit report. An "active duty" alert is an alert a military person may add to his/her credit report to identify potential identity theft.
2. A notice of credit freeze is given in response to a request for a consumer credit report.
3. A notice of address or other discrepancy is provided by a consumer credit reporting agency.
4. A consumer credit report shows a pattern inconsistent with the person's history, such as a big increase in the volume of inquiries or use of credit, especially on new accounts; an unusual number of recently established credit relationships; or an account closed because of an abuse of account privileges.
Category: Suspicious Documents
5. Identification presented looks altered or forged.
6. The identification presenter does not look like the identification's photograph or physical description.
7. Information on the identification differs from what the identification presenter is saying.
8. Information on the identification does not match other information our firm has on file for the presenter, like the original account application, signature card or a recent check.
9. The application looks like it has been altered, forged or torn up and reassembled.
Category: Suspicious Personal Identifying Information
10. Inconsistencies exist between the information presented and other things we know about the presenter or can find out by checking readily available external sources, such as an address that does not match a consumer credit report, or the Social Security Number (SSN) has not been issued or is listed on the Social Security Administration's (SSA's) Death Master File.
11. Inconsistencies exist in the information that the customer/member gives us, such as a date of birth that does not fall within the number range on the SSA's issuance tables.
12. Personal identifying information presented has been used on an account our firm knows was fraudulent.
13. Personal identifying information presented suggests fraud, such as an address that is fictitious, a mail drop, or a prison; or a phone number is invalid, or is for a pager or answering service.
14. The SSN presented was used by someone else opening an account or other customer/members.
15. The address or telephone number presented has been used by many other people opening accounts or other customer/members.
16. A person who omits required information on an application or other form does not provide it when told it is incomplete.
17. Inconsistencies exist between what is presented and what our firm has on file.
18. A person making an account application or seeking access cannot provide authenticating information beyond what would be found in a wallet or consumer credit report, or cannot answer a challenge question.

Category: Suspicious Account Activity
19. Soon after T3TG gets a change of address request for an account, we are asked to add additional access means (such as debit cards or checks, if applicable) or authorized users for the account.
20. A new account exhibits fraud patterns, such as where a first payment is not made or only the first payment is made (or, if applicable, the use of credit for cash advances and securities easily converted into cash).
21. An account develops new patterns of activity, such as nonpayment inconsistent with prior history, a material increase in credit use, or a material change in spending or electronic fund transfers.
22. An account that is inactive for a long time is suddenly used again.
23. Mail T3TG sends to a customer/member is returned repeatedly as undeliverable even though the account remains active.
24. We learn that a customer/member is not getting his or her paper account or electronic statements.
25. We are notified that there are unauthorized charges or transactions to the account.
Category: Notice From Other Sources
26. An outside agency, law enforcement, a clearing firms, or other source notifies T3TG that an account has been opened or used fraudulently.
27. T3TG is notified of potential unauthorized access to customer/member personal information due to data loss from an outside provider or a breach of an outside provider's data.
28. Notice from a customer/member of the loss of information (e.g., loss of wallet, birth certificate, etc.).

2.14 Business Continuity/Disaster Recovery

[FINRA Rule 4370]

T3TG has a *Business Continuity Plan* that assigns responsibilities and outlines procedures in the event of a disaster or emergency which impacts T3TG's ability to continue conducting business (also termed a "significant business disruption"). Examples of a major disruption include a regional power outage; disruption at another company that provides services critical to T3TG's business; and destruction of an office or other facilities by natural causes or by other means. The Plan designates associates who are responsible for Employee/Member safety and protection of firm property, records, and customer/member assets.

In the event of a disruption, associates will be given instructions by authorized personnel. Depending on the nature of the emergency, it may be necessary to use alternative communication systems; transfer personnel and/or business activities to alternative office space; or transfer T3TG's business to other brokerage firms or financial institutions until normal operations can be resumed.

T3TG has established procedures for contacting associates in the event of an emergency. If T3TG conducts a test of its emergency procedures, all associates are required to participate as if the emergency were real. Past emergencies affecting the securities industry have shown that preparedness and cooperation are key to maximizing the safety of associates and minimizing business interruptions. It is important for all associates to follow instructions from senior management and other authorized key personnel during any drill or when an emergency occurs.

Questions regarding T3TG's Business Continuity Plan may be referred to Compliance.

2.15 Prohibited Activities

Responsibility	• Director of Compliance / Or Designee
Resources	• Various (referral of items, direct identification, review of transactions, correspondence, *etc.* depending on the nature of the prohibited activity)
Frequency	• As required
Action	• Take corrective action which may include: o Conferring with the Employee/Member o Referring the matter to Compliance o Issuing a written admonition o Restricting the activities of or transactions handled by the Employee/Member o Suspending the Employee/Member o Termination
Record	• The record of action taken depends on the nature and seriousness of the prohibited activity. Records, if needed, may be in different forms, including the following: o Designated supervisors may record action taken in supervisory logs, memos to associates' files, *Firm email etc.* o Compliance may record action by memo to the Employee/Member's file

2.15.1 Use of Firm Name

No Employee/Member may use T3TG's name in any manner which could be reasonably misinterpreted to indicate a tie-in between T3TG and any outside activity of the Employee/Member.

2.15.2 High Pressure Sales Tactics

[FINRA Rule 2111]

As the Firm does not engage in making securities recommendations, T3TG and its Associated Persons will not engage in high pressure sales tactics which may include excessive telephone calls, implying that a price may change on a security if the customer/member doesn't act immediately, or falsely representing that there is a limited supply of a security at a particular price.

2.15.3 Providing Tax Advice Not Permitted

Associates may not give tax advice to customer/members since T3TG and its associates are not engaged in the practice of providing tax advice. Customer/members requiring specific tax guidance should be referred to their personal tax advisers.

2.15.4 Rebates of Commission

[FINRA Rule 2420]

Associates are prohibited from rebating to anyone, directly or indirectly, any commission or compensation received unless authorized and approved by Senior Management.

2.15.5 Sharing Commissions or Fees with Non-Registered Persons

[FINRA Rule 2040]

Responsibility	• Designated Supervisors
Resources	• Payroll/commissions reports or blotters • Requests to share commissions
Frequency	• Ongoing (payroll/commission reports or blotters) • As required (requests)
Action	• Designated Supervisors: o Refer all requests to Compliance for review o Discontinue any unapproved arrangements identified until they are reviewed by Compliance o If no objections cited by Compliance in writing, designated Supervisor will notify Accounting/Commissions regarding approved commission sharing arrangements
Record	• Accounting/Commissions will retain a record of approval of commission sharing arrangements

With few exceptions, regulations generally prohibit the sharing of commissions or compensation with non-registered persons. Any payment or sharing arrangement to a non-registered person must be referred to Compliance for review.

2.15.6 Settling Complaints or Errors Directly With Customer/members

Associates may not make payments to customer/members of any kind to resolve an error or customer/member complaint. Errors and complaints must be brought to the attention of the Employee/Member's designated supervisor. All material complaints of any nature, whether in writing or oral, must be brought to the immediate attention of the Compliance Department.

2.15.7 Borrowing From and Lending To Customer/Members

Registered associates are generally not permitted to borrow from or lend to their own customer/members. "Associated Person" as used in this policy refers to **any** registered person of T3TG.

This restriction does NOT apply when an Employee/Member enters into a loan arrangement with a customer/member who is:

1. an immediate family member (defined as parents; grandparents; in-laws; spouse; siblings; children; grandchildren; cousins; aunts or uncles; nieces or nephews; and any other person whom the Associated Person supports, directly or indirectly, to a material extent);
2. a financial institution in the business of providing credit, financing, or loans AND where the terms of the lending arrangement are those that would also be available to the general public doing business with those institutions;

3. another registered Employee/Member of T3TG;
4. someone (or an entity) who has a personal relationship with the Associated Person and the lending arrangement arises from the personal relationship rather than an Associated Person/customer/member relationship; or,
5. Someone (or an entity) that has a business relationship outside the Associated Person/customer/member relationship.

Any proposed loan with the Associated Person's customer/member (other than a loan with a family member or financial institution in item numbers 1 and 2 above) requires the PRIOR review and approval by Compliance. Associated Persons requesting exceptions must complete the Associated Person/Customer/member Lending Arrangement Request form and submit it to Compliance prior to effecting the loan arrangement. Compliance will retain written approvals for at least 3 years after the date that the borrowing or lending arrangement has terminated or for at least 3 years after the Associated Person has terminated employment with the Firm.

2.15.8 Personal Funds Deposited In Customer/member Accounts

In general, associates are not permitted to deposit personal funds or securities in customer/members' accounts or deposit customer/members' personal funds or securities in Employee/Member accounts. The same prohibitions apply to withdrawals. Any potential exception must be forwarded for review to Compliance.

2.15.9 Prohibition against Guarantees

[FINRA Rule 2150]

T3TG and its associates are prohibited from guaranteeing a customer/member against loss in any securities transaction. Designated supervisors are responsible for identifying prohibited guarantees in correspondence or other written communications with public customer/members. Options or written agreements that establish the future price of a transaction, such as repurchase agreements, are not included in this prohibition.

2.15.10 Fees and Other Charges

Associates are not permitted to charge fees or assess other charges to customer/members or customer/members' accounts unless they are expressly permitted by T3TG.

2.15.11 Customer/member Signatures

Associates are not permitted to sign documents on behalf of customer/members, even when doing so is meant to accommodate a customer/member's request. Customer/member signatures must be original by the customer/member on all documents.

2.15.12 Rumors

[FINRA Rule 6140(e)]

Responsibility	• Designated Supervisors
Resources	• Correspondence (electronic or written)
Frequency	• Daily • Periodically - training

Action	• As part of routine reviews of correspondence, look for communications that appear to spread rumors
	  ○ Contact Associated Person regarding source of information
	  ○ If false rumors are identified, contact Compliance
	  ○ Corrective action may include contacting recipients of correspondence containing false rumors; enhanced training for Associated Person; disciplinary action appropriate to the offense
	• For scheduled training, include the prohibition against spreading false rumors

Record	• Correspondence with record of reviewer's initials and action taken, if appropriate • Record of training sessions (who attended, dates conducted, subject matter included)

Associates are prohibited from spreading any rumors or misinformation that the Employee/Member knows or reasonably believes to be false or misleading. This specifically includes rumors of a sensational character that might reasonably be expected to affect market conditions. Discussion of unsubstantiated information published by a widely circulated public media is not prohibited, providing the source and unsubstantiated nature are also disclosed.

2.15.13 Misrepresentation

Associates may not disseminate any information that falsely states or implies guarantees or approval of securities by the government or other institution, such as government guarantee of securities that carry no such guarantee. SIPC may not be misrepresented as a guarantor of a customer/member's account against losses from transactions.

2.15.14 Bribes

No associate may offer or solicit explicit inducements to or from associates or representatives of other institutions or foreign governmental or political officials to obtain business. Entertainment and gifts in reasonable amounts are not included in this prohibition and are discussed in the section *Gifts, Gratuities and Entertainment*.

2.15.15 Acting without Registration

Responsibility	• Designated Supervisors
Resources	• New account forms

	• Notices of registration status from Compliance • WebCRD • Reports of transactions effected by Associated Persons not licensed in the customer/member's state of residency
Frequency	• Ongoing
Action	• Review new account forms to identify any out-of-state accounts where the Associated Person may not be registered • Review reports of transactions identifying unlicensed activity and follow up with Associated Person • Immediately refer any Associated Persons requiring state registration to Compliance
Record	• Include a notation on the New Account form or report noting action taken, as applicable • Form U-4 amendments maintained electronically on the WebCRD System

No Employee/Member may engage in activities that require registration (e.g., selling securities, soliciting accounts, trading) unless registered in the appropriate capacities. Questions regarding the need for registration should be referred to Compliance.

2.16 Computer Records, Equipment and Software

Responsibility	• Director of Compliance / CTO / Or Designee
Resources	• Records of associates with company-issued laptops or other devices • Disks and other computer records maintained by a terminating associate
Frequency	• As required
Action	• Issue Firm laptops or other electronic equipment to associates and maintain a record of laptops • Provide associates with education and policy information about proper use of computer and other electronic equipment, including appropriate security measures • Instruct offices to secure equipment and information • Secure disks, computers, software, and other Firm property when an Employee/Member terminates • Do not permit removal of Firm equipment without approval
Record	• Records of laptops or other electronic devices and to whom they are provided

T3TG considers its computer records, systems, and software to be corporate assets. Associates are responsible for protecting these assets from unauthorized use, destruction, or unauthorized modification. This includes a prohibition against violating copyright laws or licensing agreements applicable to computer software.

Physical equipment (PCs, printers, software, diskettes, *etc.*) must be placed in a secure location to avoid theft, tampering, unauthorized use, and environmental hazards (water, smoke, magnets, *etc.*). The use of personal computers for T3TG business is subject to the same guidelines and restrictions as T3TG computers.

When an Employee/Member terminates, any disks or other storage medium that includes proprietary information, including customer/member information, are considered property of T3TG and must be left with T3TG.

2.16.1 Laptop Computers

Associates who use laptops are responsible for the security of the laptop and the information contained on the laptop. Serious security breaches can occur if a laptop containing confidential information is lost or stolen.

Associates who use laptops for company business are required to comply with the following requirements:

- Laptops containing confidential company records, such as payroll records and sensitive customer/member account records (including social security numbers), cannot be removed from company premises unless: (1) The Employee/Member is authorized to have such information on a laptop and remove it from company premises; and (2) confidential information is encrypted.
- All confidential data must be accessed only on the Firm's servers and may not be stored on laptops.
- Associates must use passwords that are changed periodically and include random letters and numbers. Passwords may not be readily-identifiable words or sequences, such as the user's city name, home address, etc.
- Laptops must be physically locked with a cable to a stationary object while in use at the office or at home.
- When traveling, laptops must be locked up unless tracking software has been installed.
- Attend training on security breaches and handling of computer equipment and confidential information.

2.16.2 Prohibited Downloading

Associates are prohibited from:

- Downloading customer/member and other confidential Firm information from T3TG’s mainframe or other central records, unless specifically authorized
- Using portable devices such as USB key drives, MP3 players, mobile phones, and other devices for downloading information
- Downloading programs from the Web to T3TG computers unless specifically authorized or is associated with maintenance conducted by authorized computer technicians

2.17 Electronic Communications Policy

This policy governs the use of electronic communications by associates. It applies during business hours and after-business hours. ***This is an important policy; associates will be required to certify annually that they are familiar with and will comply with the policy.***

2.17.1.1 Electronic Communications

T3TG electronic systems or communications devices are for T3TG business purposes and business communications must conform to accepted business standards and regulatory requirements. Only Firm-approved and monitored electronic communications may be used by the Firm's associates to conduct the Firm's business.

- Inappropriate communications (profanity, obscenity, threats, and otherwise offensive content) are prohibited. Report threatening or harassing communications to Compliance.
- Communications must include current and valid information.
- Copyrighted material cannot be sent unless authorized; contact Compliance for assistance.
- Copyrighted software cannot be copied or transmitted to others unless authorized.
- References and/or links to websites may be a form of sales literature or advertising requiring Compliance review and approval prior to use.
- Communications that must be accompanied by a prospectus may not be sent electronically unless the prospectus is available as an electronic attachment.

2.17.1.2 Electronic business communications must be accessed and transmitted only through T3TG systems

- Regulators require retention of business communications and T3TG systems are designed to comply with retention requirements.
- Approved T3TG -sponsored systems include:
    - Email and e-faxes, if any, through desk-top computers in Firm offices (the use of personal email accounts for business communications is prohibited)
    - PDAs (personal digital assistants) issued by the Firm
    - Instant messaging limited to Compliance-approved departments or associates
    - Compliance-approved external systems/computers (requires specific approval for departments and/or associates)
    - Internal systems for internal-use only (associates are notified of appropriate use of internal-use systems)
- Encryption of information may be required by T3TG; associates may not independently encrypt communications on T3TG systems.
- Home computers or other personal devices and external systems may not be used for business purposes (unless specifically approved by Compliance).

2.17.1.3 Consider electronic communications as public communications; protect confidential information

- Do not confuse phone conversations or face-to-face communications with electronic communications. Your electronic conversation is subject to review and retention and may be the subject of subpoena in a civil or regulatory action.
- Confidential communications must not be sent on portable devices in public places unless encrypted.
- Do not view confidential information where unauthorized persons may have access (elevators, other public places).
- Safeguard portable devices to avoid unauthorized access to T3TG business.
- Safeguard passwords.
- Close open pages and sign out when the device is not in use.

2.17.1.4 Restrictions on unsolicited emails under the CAN-SPAM Act of 2003

- Unsolicited "mass" commercial emails are prohibited.
- "Commercial" email includes any electronic messages that send a commercial advertisement or promote a commercial product or service. It does not include email where there is an existing business relationship.
- Recipients may "opt-out" of receiving future emails. Forward such requests to Compliance.
- "Address harvesting" or "dictionary attacks" may not be used to obtain email addresses off the Internet.
- Emails sent from T3TG systems will include required identification of T3TG and disclosures or disclaimers.

2.17.1.5 Electronic communications Reviewed, Monitored and Audited by T3TG

- All electronic communications are subject to review and retention.
- Communications that require pre-use approval may not be transmitted prior to review by the designated supervisor. This includes:
    - Communications to be sent to 25 or more investors within any 30 calendar-day period and that make any financial or investment recommendation or otherwise promote a product or service.
    - Communications that must be accompanied by a prospectus (Compliance approval required).
    - Advertising, sales literature, and market letters (Compliance approval required).

2.17.1.6. Use of the Internet related to T3TG's business is subject to restrictions

- Associates are prohibited from posting information to the Internet without prior T3TG approval.
- Associates may **not** participate in social networking sites (Facebook, LinkedIn, Twitter, *etc.*), chat rooms, message boards, web logs, blogging, or other external communications systems for business purposes or using T3TG systems.
- Accessing offensive sites is prohibited. T3TG may block sites that are offensive or contrary to the conduct of business in its sole opinion.

2.17.2 Instant Messaging ("IM")

No Associated Persons shall be able to use IM without approval by their supervisor and the Compliance Department via the T3TG IM Agreement (See APPENDIX OF FORMS). T3TG blocks all known IM systems on its network except for AOL IM and Bloomberg. All approved AOL and Bloomberg IMs will be subject to daily review. To assist in compliance with IM review and retention rules and requirements, T3TG has incorporated the use of Smarsh for managing IM surveillance. The system allows T3TG to screen all IM against a list of words programmed into the software. When a word is detected within the body of a message it is flagged and a designee in T3's Compliance Department will have access to the Smarsh system for review. Pursuant to SEC Rule 17a-3, SEC Rule 17a-4 all conversations on any approved IM account shall be stored and archived for a minimum of three (3) years from the date of the conversation. Once the conversation is completed, the data will be converted on a monthly basis into a .pst file and stored on T3TG's server for future retrieval and/or review. Any IM messages containing a "hot word" programmed into the system will generate an email alert to a designee in T3TG's Compliance Department for further investigation and this is done on a daily basis. Due to the large volume of alerts generated by the system based on false positive matches (i.e. hot word is "sue", a message containing "issue" will create an alert), a random sampling of alerts will be reviewed for each day. If a message warrants further investigation, T3TG will contact the Supervisor, Associated Person and maintain all pertinent documentation related to such investigation.

2.17.3 Social Media

Associated Persons will be required to affirm all social media (i.e. Facebook, blogs, Twitter, etc.) websites that they use for business and trading related purposes through the Outside Social Media Disclosure form in the Associated Person Pack. All Associated Persons will be required to sign annual affirmations disclosing all business and trading related social media and also affirming that they will abide by T3TG's WSP. All approved social media usage will be subject to review on a random sampling basis. Any review shall be documented, stored and archived for a minimum of three (3) years from the date of the review.

2.17.4 Failure to Comply

Failure to comply with this policy may lead to disciplinary action. Non-compliance may generate one or more of the following:

- Oral and/or written warning or notification
- Education/training
- Suspension of electronic communications privileges permanently or for a set period of time
- Fine
- Regulatory discipline
- Suspension or termination of employment

2.17.5 Consent to Policy

Use of T3TG's electronic communications systems represents the Employee/Member's acknowledgement and consent to the terms outlined in this Policy, including consent for T3TG to monitor and audit content and/or usage.

2.18 Advertising and Publishing Activities

Prior to issuing any advertising or writing any books, articles, newsletters, or other materials to be published in public media (magazines, newspaper, computer bulletin boards, Internet, *etc.*) for public access, associates must contact Compliance for review and approval.

2.19 Associates Acting As Trustees, Executors, or Other Fiduciary Capacities

Associates usually will not act in a fiduciary capacity (*e.g.,* trustee, executor) for a customer/member's account unless the account is for a relative of the Employee/Member. Exceptions require the approval of Compliance, who should be notified by written memo requesting the exception and the reasons for the exception.

2.20 Use of Titles

Associates may not use titles unrelated to their activities with T3TG. The use of any other title requires the prior approval of Compliance. Examples of the types of titles not specifically related to T3TG's activities include (but are not limited to) C.P.A., J.D., M.B.A., or Attorney at Law.

2.21 Annual Certification

Responsibility	• Director of Compliance / Or Designee
Resources	• Annual certification form provided on Cordium
Frequency	• Annual

Action	• Send forms to associates for completion
	• Review completed forms
	• Take appropriate action which may include:
	  ○ Inquiring regarding reported outside business activities
	  ○ Inquiring regarding reported outside securities accounts
	  ○ Conferring with the Employee/Member and/or Employee/Member's supervisor for any other reported information requiring follow up
	  ○ Filing updates to the Employee/Member's Form U4, if necessary

Record	• Annual certifications are retained electronically or in an annual file for Employee/Member certifications

T3TG will, on an annual basis, ask associates to complete an Annual Certification form. The purpose of this form is to ensure T3TG's records are current regarding items to be reported to T3TG (outside business activities, outside accounts, *etc.*).

3 TRAINING AND EDUCATION

3.1 Annual Compliance Meeting

[FINRA Rule 3110(a)(7), Interpretive Letter November 30, 2006 to Evan Charkes of Citigroup regarding webcasts]

Responsibility	• Director of Compliance / Or Designee
Resources	• List of Associated Persons and registered principals by branch, department, or for T3TG
Frequency	• Annual
Action	• Determine appropriate subjects to include in meetings, depending on Associated Persons and principals who are participants. • Assure that annual compliance meetings are developed and attended by Associated Persons and principals. • Assure each participant completes an attendance record or affirmation attesting attendance at the meeting. • If electronic media is used, assure each participant completes an attendance record or affirmation attesting attendance at the meeting. If on-demand webcasts are used: • Users are assigned a unique user ID and password. • If available, records of attendance are maintained electronically in "read-only" format. • Each user will be advised he or she has the opportunity to email or telephone questions to the presenter and receive answers in a timely manner. • The webcast is configured as click-as-you-go. • Ensure all subject Associated Persons and principals complete the required annual meeting or interview. • For Associated Persons and principals who do not complete the requirement, recommend corrective action which may include contact with the Associated Person's or principal's supervisor; limitation on business activities until the requirement is completed; other corrective action determined as appropriate for the circumstances.
•	
Record	• A record of when and where meetings are conducted, subjects discussed, and affirmations of who attended is retained by Compliance. • A record of corrective action is retained in the Associated Person's or principal's file.

As required by FINRA rules, Associated Persons and registered principals are required to attend an annual compliance meeting or interview.

T3TG intends to employ the use of electronic media in conducting the annual compliance meeting. The use of this media will permit the attendees to interact with the presenters to ask and have questions answered or otherwise engage the presenters in dialogue.

3.2 Continuing Education

[FINRA Rule 1240]

Registered associates are subject to SRO continuing education requirements composed of two distinct elements. Registered associates are required to complete both elements at specified time intervals. The two elements are:

3.2.1 Firm Element

All Associated Persons are required to complete continuing education administered by T3TG.

3.2.2 Regulatory Element

This element is a computer-based training program that focuses on compliance, regulatory, ethical and sales practice standards. Its content is derived from rules and regulations, as well as standards and practices, widely accepted within the industry. This element is administered at designated testing centers or through the CE Online Program

Responsibility	• Compliance / Or Designee
Resources	• CRD Firm Queues and related reports • CRD email notifications of inactive registrations
Frequency	• Ongoing
Action	• Review CRD Firm queue • Request queue reports • Notify affected persons of requirements • Schedule computer based training, as necessary • Review CRD email notifications of inactive registrations • Notify designated supervisors of restricted persons
Record	• Queue reports, email notices, and records of notifying associates are maintained in registration files

3.2.3 Who Is Subject to the Requirements

All registered persons are subject to the regulatory element.

3.2.4 When Requirements Must Be Completed

The regulatory element is to be completed within 120 days of the 2nd anniversary of the individual's original registration date and every three years thereafter. For registered persons who become subject to statutory disqualification or disciplinary action as defined under the rules, the regulatory element must be completed within 120 days of the posting date of the disciplinary action and every three years after that date.

3.2.5 Regulatory Element Contact Person

[FINRA Rule 1240(a) (7)]

Compliance or a designated person responsible for registration will notify FINRA of the name and email address of the contact person to receive CRD notices. Changes will be reported within 30 days of the change. Annually, by the 17th business day following the end of the calendar year, the contact person information will be reviewed and updated, if necessary.

3.2.6 CRD Notices and Appointments for Training Sessions

The Director of Compliance is responsible for: (1) notifying associates of pending Regulatory Element requirements; and, (2) scheduling training sessions at designated testing/training centers or the CE Online Program. CRD notices are retained in the registered person's registration file.

3.2.7 Firm Element

Responsibility	• Director of Compliance / Or Designee
Resources	• Information regarding firm products, services, training needs • Guidance from regulators • Current regulatory concerns • Disciplinary actions
Frequency	• Annual and ongoing
Action	• Develop needs analyses; training plans; and training materials. • Identify associates who are subject to the requirement (covered persons). • Monitor completion of requirements. • Restrict covered persons who do not complete requirements. • At year-end, determine whether objectives were met and whether training was effective.
Record	• Needs analyses; training plans; training materials. • Dates of training, contents of training, lists of attendees. • Copies of training material used. • Certifications • Webcast Usage Reports • Evaluations, if available • Records (memos, notes, *etc.*) of actions restricting covered persons.

3.2.8 Who Is Subject to the Requirements

All registered persons who do business with the public, and their supervisors, are subject to the firm element. Firm element continuing education is required regardless of the length of registration or employment in the securities industry.

3.2.9 Firm Requirements

T3TG is required to:

- identify job functions and persons subject to the requirement.

- prepare an annual needs analysis including gathering information about products and services and training topics.
- determine training objectives.
- develop a written training plan.
- implement the training plan.
- retain a record of participation.
- consider developing a method of evaluating the effectiveness of the training.
- if available, consider the evaluations in developing the next year's needs analysis.
- restrict covered persons who do not complete the requirement.

T3TG's internal program may include videos, computer training, in-person presentations, and other methods of conveying training material, including a combination of methods. T3TG may not solely rely on teleconferences or other remote training methods.

3.2.10 Annual Needs Analysis

An annual needs analysis is prepared for covered persons.
In developing the needs analysis, the following methods may be used:

- Questionnaires will be provided to key managers in business and other areas, including Legal and Compliance, and responses will be considered in topics to be included.
- Feedback from regulators, including recent audits, regulatory alerts, and CE feedback will be evaluated.
- Customer/member complaints, arbitrations, and other litigation involving the firm will be evaluated.
- New business lines or marketing strategies will be evaluated.

Needs analyses will be completed each year for the calendar year.

3.2.11 Evaluating the Firm Element Program

Participants may be asked to complete an evaluation form or otherwise provide feedback to evaluate the effectiveness of the firm element continuing education program. These evaluations are considered when designing the next year's continuing education program.

3.2.12 Registered Persons Who Fail To Complete Requirements

Registered persons who fail to complete the requirements of continuing education cannot conduct any duties that require registration or earn commissions or other compensation related to such activities. Registrations will be considered "inactive" until continuing education requirements are completed.

The designated supervisor will notify affected persons and their supervisors by phone and/or written memorandum when their registration becomes inactive and when the requirement is satisfied and inactive status is lifted. Accounting/Commissions also will be notified by memorandum. Copies of memos will be retained in the individual's registration file.

3.3 Employment, Registration and Licensing

3.3.1 Hiring Procedures

[FINRA Regulatory Notice 07-55]

This section outlines hiring requirements.

3.3.2 Associated Person Interview Guidelines

[FINRA Notice to Members 07-06]

At the time an Associated Person is being considered for hire, the following are areas the hiring manager should consider:

1. Discuss with the applicant the nature of the applicant's educational background, licenses, industry experience, including the securities firms where they worked and their functions, and other work relevant educational, trading and work experience. Explain, to the extent necessary, the Firm's business model and the products and services it offers. Provide other relevant information regarding the firm that relates to candidate's due diligence.
2. Obtain the applicant's explanations regarding any customer/member complaints and regulatory actions to determine the merit, to the extent practicable, of each before hiring.
3. Ask the applicant about the existence of and nature of any pending proceedings, customer/member complaints, regulatory investigations, or arbitrations not listed in the CRD.
4. Discuss the reasons for the applicant's frequent change of employers, if applicable.
5. Ask the Associated Person whether he or she signed an employment contract with the present employer and if so, obtain a copy from the Associated Person.

3.3.3 Certain Prospective Associated Persons Require Pre-Clearance by Compliance

Information regarding Associated Persons who are being considered for hire should be referred to Compliance for review of the individual's CRD record and clearance if the individual has answered "yes" to any disclosure question or has a FBI fingerprint status of other than "clear." No individual who is subject to pre-clearance by the Compliance Department may perform activities requiring registration unless the Compliance Department has cleared the individual.

3.3.4 Qualification of Supervisors

[FINRA Rules 1014(a) (10) (D) and 3110(a) (6)]

Responsibility	• Hiring Supervisor - confirm qualifications and refer to Compliance for any questions relating to registration requirements
Resources	• Individuals identified as potential supervisors • Background information on candidate including registration status
Frequency	• As required when a supervisory position is to be filled
Action	• Hiring supervisor:

	○ Evaluate candidate's qualifications including experience and knowledge ○ Arrange for training, if necessary ○ Provide supervisory policies/procedures to the candidate if not already available to him/her ○ Refer to Compliance to address registration issues, if needed • Compliance: ○ Confirm individual has required registration qualifications and, if not, arrange for the individual to complete the required exams ○ Notify the hiring supervisor of added qualifications required and remind him/her the individual may not act as a supervisor until necessary registrations are obtained (unless a regulator allows for a grace period to act as a supervisor before registration is completed)
Record	• Hiring manager's consent to appoint the candidate to a supervisory position • Background and registration information in candidate's file • Record of training (if necessary) including a description of training and when completed • Record of providing supervisory policies/procedures • New supervisors must accept their supervisory responsibilities in writing.

The manager who hires or appoints a supervisor is responsible for determining that the individual is qualified for the supervisory position. Individuals included in T3TG's business plan filed with FINRA are required to have at least one year of direct experience or two years of related experience in the area to be supervised.

3.3.5 Multiple CCO Designations

[FINRA Rule 3130.02]

Responsibility	• Designated Supervisors
Resources	• Proposed multiple CCOs
Frequency	• As required
Action	• Confirm principal status of candidate • Document areas of responsibility and provide to each CCO and his/her supervisor • Confirm each CCO meets the requirements of Rule 3130 • Coordinate multiple annual compliance reports to the CEO
Record	• Records of qualification review • Documentation of areas of responsibility and provision to CCO and supervisor

If T3TG designates multiple chief compliance officers (CCOs), it will meet the following requirements:

- CCOs will be designated on Schedule A of Form BD.
- Each designated CCO is a principal.
- Each CCO's areas of compliance responsibility are defined and documented with identification of primary responsibility in areas that overlap.
- Each CCO meets the requirements of Rule 3130 regarding the defined area of primary compliance responsibility.
- The designated CCOs have the responsibilities and expertise enabling them to consult with the CEO on the totality of subject matters included in certification requirements.

3.3.6 Background Investigation

[FINRA Rule 3110(a) (6) and 3110(e)]

T3TG will conduct a background investigation for all new associates including the following:

- Contact with at least the last employer
- For registered persons, obtain a copy of and review the Associated Person's Form U5 from the prior firm or inquire for the U5 information through the Web CRD system. As per FINRA Rule 3110 (e) this must be done within 60 days of the persons initial registration date.
- Run the prospective registrant's name through MIS or BIG database to affirm identification and access due diligence information. As per FINRA Rule 3110 (e) this must be done within 30 days of the persons initial registration date,
- Any "Yes" answers or termination for cause on Form U5 or similar information reported on CFTC Form 8-T that were not previously known will be reviewed by Compliance

A record of contacting prior employers will be included on the Associated Person's Form U4 or in the Associated Person's personnel or registration file, or employment verification letter(s) will be maintained. A copy of Form U5; the Web CRD inquiry; employment verification letter(s); or CFTC Form 8-T will be maintained in the Associated Person's file unless electronically maintained.

3.3.7 Fingerprints

['34 Act Rule 17f-2; FINRA Rule 1010(d)]

Responsibility	• Compliance / Or Designee
Resources	• Notifications regarding registration and other applicants
Frequency	• As required

Action	• If necessary, identify third parties (local law enforcement officials, FINRA-approved vendors, *etc.*) to take fingerprints, provide fingerprint cards, as required and:
	  ○ Notify the third parties of securities industry fingerprinting requirements, including identification verification procedures
	  ○ Provide applicants with a list of acceptable third-party vendors
	• Approved vendors will submit electronic filings directly to FINRA

	• Obtain reports relating to electronic submissions from vendor which captures pertinent, and required, information to be maintained by Firm • Submit fingerprints to CRD with barcode, as applicable • If fingerprints are not received by the CRD within 30 days of filing Form U4, notify appropriate supervisor that activities requiring registration must cease
Record	• Registration files for registered associates include records of CRD filings and submission of fingerprints or vendor reports with integral information. This information may be maintained in Associated Person file or separately by Compliance if maintained electronically.

Compliance will obtain and submit fingerprints on all registered personnel for receipt by the CRD before filing Form U4.

3.3.8 Policies and Procedures

At the time of hire, Branch Manager will provide the Associated Person with a current copy of T3TG's policies and procedures, either in hard copy or by notifying the Associated Person of the location of policies and procedures in electronic form or physical location. The Associated Person may be asked at the time of registration, and/or annually, to sign a written acknowledgement that the policies were received and they are responsible for complying.

3.3.9 New Employee/Member Questionnaire

New associates may be asked to complete T3TG's New Employee/Member Questionnaire or other disclosure documents relative to the registration process. Any material disclosures relating to the associates ability to be registered, or otherwise of material concern, will be referred to Compliance for review.

3.3.10 Termination of Employment

[FINRA Corporation By-Laws Article V Sec. 3]

Responsibility	• Branch Manager • Director of Compliance / Or Designee
Resources	• Notification from Associated Person or supervisor of termination
Frequency	• As required
Action	• Immediately notify Branch Manager and Compliance of terminating registered or non-registered associates where termination was caused by theft or fraud • Secure computers and computer files, as applicable • Retrieve office keys, company credit cards, *etc.*, from terminated associate, as applicable • Branch Manager will file Form U5 for terminating Associated Persons

	• Branch Manager will provide the terminated Associated Person with a copy of the Associated Person's Form U5 within 30 days of termination • Mail or send an electronic copy of Form U-5 to terminated associate within 30 days of termination and document same.
Record	• Compliance retains copies of Form U5 filed on behalf of terminated Associated Persons and evidences mail of Form U-5

3.3.11 Notification to Compliance

Whenever an associate terminates employment from T3TG, other than on a voluntary basis, the designated supervisor is responsible for immediately notifying Compliance. Notification to Compliance regarding registered associates should include:

- Name of terminated person and Associated Person number(s)
- Type of other than voluntary termination (e.g., permitted to resign, discharged, *etc.*)
- An explanation of the reason for termination
- Date of termination
- Any known compliance problems at the time of termination

3.3.12 Securing and Retrieving Firm Property

As applicable, designated supervisors are responsible for retrieving T3TG property from terminated associates, including office keys, company credit cards, computer files, customer/member files, and any other items which are the property of T3TG.

3.3.13 Reassignment of Accounts

The CEO or his designee is responsible for reassigning the accounts of terminated Associated Persons, as appropriate.

3.3.14 Responding To Customer/member Inquiries

Designated supervisors should instruct branch or department associates, including Associated Persons receiving reassigned accounts, to only indicate the Employee/Member is no longer with T3TG. No details or speculation regarding the departure should be given to customer/members, or anyone else outside T3TG, unless authorized by Compliance to do so.

3.3.15 Form U5

Compliance is responsible for filing Form U5 for any terminated registered Employee/Member. Compliance will also send, within 30 days of termination, a copy of Form U5 to the former Employee/Member.

3.4 Registration and Licensing

Responsibility	• Compliance / Or Designee

Resources	• New hire notices • Change of status notices • Requests for registration • CRD Late Filing Fee Report
Frequency	• Quarterly - review CRD Late Filing Fee Report • As required for new hires and requests for registration
Action	• Identify associates who require registration by reviewing new hire or change of status records • Submit required filings to the CRD • Acknowledge electronic filings are on behalf of T3TG and its associates • Request and schedule examinations • Ensure associates who require registrations obtain them • Amend U4s or U5s when there are reportable events • Review the CRD Late Filing Fee Report to identify late filings and to take corrective action
Record	• Registration records, including CRD notices, approvals, amendments, and other registration records are maintained electronically or in Employee/Member files o Where the registered person's physical signature is not required on U4 amendments, T3TG may rely on the CRD for recordkeeping • The CRD Late Filing Fee Report is retained electronically or in a CRD report file with initials of who reviewed and date reviewed and any action taken

3.4.1 CRD Electronic Filings

[FINRA Rule 1010]

T3TG has designated one or more principals with authority over registration functions, as named in T3TG's *Designation of Supervisors* chart. Any supervisor of electronic filings is a registered principal or a corporate officer, and is responsible for review and approval of electronic filings and acknowledging electronically that the forms are filed on behalf of T3TG and its associated persons.

3.4.2 Dual Registration

Associated Persons may be registered with another broker-dealer resulting in dual registration. For those with dual registration, the following procedures will apply: At this time, T3TG does not allow for dual registration unless it is with another T3 entity.

- Dual registration must be reviewed by the Compliance Department and approved bythe CEO.
- Activities covered by registration at each firm will be outlined in a memo provided to the Associated Person by the Associated Person's supervisor, and retained in the Associated Person's file (unless dual registration is with another T3 entity).
- Supervision of activities that will occur under registration with the other firm will be outlined in the memo.

3.4.3 Registration Requirement

All individuals engaged in activities (including soliciting customer/members, selling registered products, or trading on a proprietary basis) are subject to registration requirements of SROs or other regulators and must complete the necessary registration and licensing prior to engaging in such activities (“registered representative activities”). Associates may not conduct business on behalf of the Firm with public customer/members until required registrations or licenses are effective.

Associated Persons who assume duties that require registration with FINRA as a principal have 90 calendar days to pass the appropriate principal's examination.

3.4.4 Requests for Waivers

[FINRA Rule 9600]

Regulators seldom grant waivers of training period requirements or examinations. In those very few instances where waivers are granted, the candidate must be able to demonstrate comparable work experience or other successfully completed examinations that could, in the view of the regulator, constitute satisfying their requirements.

Any requests for waivers will be submitted by Compliance.

3.4.5 State Registrations

Associated Persons must be registered in the state from which they conduct business and may be required to be registered in other states where customer/members are domiciled. Most states require successful completion of the Series 63 Uniform State Agent Securities Law Examination. Successful completion of the exam does not automatically confer registered status on the examinee. Application must be made to the CRD to obtain each state registration.

The designated supervisor is responsible for identifying transactions in states where registration may be required.

3.4.6 Parking Registrations

[FINRA Rule 1031(a)]

T3TG does not permit individuals to "park" licenses. Parking occurs when a securities firm maintains a registration on behalf of an individual that does not work for the firm or who does not need that registration for their job function. Registration status is retained only for those persons where it is required. Broker-dealers are permitted, however, to maintain registration for legal, compliance, or other non-sales associates as permitted under applicable FINRA rules.

3.4.7 Form U4

[FINRA Rules 1010 and 2263]

All applicants for registration are required to complete Form U4. It is the Associated Person's responsibility to include accurate and complete information and promptly notify T3TG of any updates that may require amendment to Form U4.

At the time a new or amended U4 is signed, the applicant will be provided the *Form U4 Disclosure to Associated Persons,* which discloses information about the pre-dispute arbitration clause included in Form U4.

3.4.8 Amendments To Form U4 or Form U5

The Firm will electronically submit amendments to Form U4 when an Associated Person advises of updates that require amendment. Upon request, the Compliance Department will advise whether reportable events or other matters require the filing of an amendment to an Associated Person's Form U4. Compliance will also determine, to the extent it is unclear, whether a disciplinary or complaint matter needs to be reported on Form U5 termination notice, including amendments required after termination. Required reportable events include the receipt of an SEC Wells notice.

3.5 Statutorily Disqualified Persons

['34 Act Sec. 3 (a) (39) and Rule 19h-1; FINRA By-Laws Art. III, Sections 3 and 4, Regulatory Notice 09-19]

Responsibility	• Designated Supervisors / Compliance
Resources	CRD, which includes arrest records and credit reports.
Frequency	• As required

Action	• Compliance will:
	  o Complete the required regulatory forms.
	  o Establish procedures for conducting required supervision.
	• The designated supervisor will:
	  o Conduct required supervision.
	  o Provide Compliance with certifications of supervision, if required

Record	• Regulatory applications/forms and related documents are retained in the Associated Person's file in Compliance. • Certifications of supervision, if required, are retained in the Associated Person's file in Compliance.

3.5.1 Introduction

Individuals may become subject to statutory disqualifications as a result of a felony conviction or regulatory suspension, revocation of registrations or injunctions (including actions by domestic regulators including the CFTC and actions by foreign regulators). The definition of statutory disqualification is included in Section 3(a) (39) of the Securities Exchange Act of 1934. FINRA Regulatory Notice 09-19 includes a chart, in Attachment B, that outlines statutory disqualifications under the Rule. Generally,

however, the Firm will not sponsor an individual subject to a statutory disqualification unless special approval is provided in writing bythe CEO.

3.5.2 Hiring a Statutorily Disqualified Person

All prospective associates (including those engaged solely in clerical and/or ministerial activities) are subject to background investigations that include identification of potential statutory disqualification. Prior to hiring an individual subject to a statutory disqualification, Compliance must be consulted to review the nature of the statutory disqualification and potential special supervision that may be required upon hiring.

3.5.3 Regulatory Filings

If Management approves of the sponsorship of an individual subject to a statutory disqualification, Compliance is responsible for completion and filing of the appropriate regulatory form or application, which will be signed by T3TG's CEO. A hearing may be required prior to approval of the individual's association with T3TG. The individual may not conduct any activities requiring registration until approval is received from the appropriate regulatory authorities.

3.5.4 Supervision

If the Firm elects to sponsor an individual who is statutorily disqualified, Compliance will establish procedures to carry out the supervision required under agreement with the SRO reviewing the disqualified person, including records of supervision to be conducted by the designated supervisor. The supervisor assigned to supervise the statutorily disqualified person will be provided with a copy of the procedures and will be responsible for carrying them out.

3.5.5 Reporting Statutory Disqualifications

When an Employee/Member becomes subject to a statutory disqualification, if approved by the Firm, Compliance will file the necessary registration updates and, in addition, the required notification on the quarterly complaint report will be made to regulators consistent with those SRO's reporting requirements.

3.6 Continuing Commissions Policy (Registration Not Retained)

[FINRA IM-2420-2; SEC no-action letter to SIFMA, November 20, 2008]

Responsibility	• Compliance / Designated Supervisors
Resources	• Requests from retirees to continue commissions.

Frequency	• As required - consider requests; obtain agreements.
	• Annually
	  ○ Obtain annual compliance certification from retired Associated Person.
	  ○ Contact customer/members subject to the program.

Action	• Determine Associated Person's state of domicile permits paying continuing commissions without retaining registrations. • Determine eligibility of Associated Person

	• Obtain signed continuing commissions agreement from retiree. • Notify designated supervisor and Accounting of agreement. • Obtain annual compliance certification from retired Associated Person. • Contact customer/members subject to the program to verify the retired Associated Person has not contacted them to discuss securities (sample includes a large percentage of high-net-worth customer/members) • Terminate arrangement no later than 5 years after retirement.
Record	• Determination of Associated Person's eligibility to participate. • Signed agreement with Associated Person. • Annual compliance certification. • Annual contact with customer/members to confirm the Associated Person has not contacted them to discuss securities. • Termination of Associated Person's participation

Associated Persons who retire may be eligible to participate in T3TG's a continuing commission policy. This policy provides for the transfer of accounts from the retiring Associated Person to another Associated Person and gives the retiring Associated Person the opportunity to provide support to the receiving Associated Person as well as deal with customer/member transition issues. Retirees under the program sign a continuing commission agreement and are eligible to earn commissions and other income through the term of the agreement. Implementation of the policy requires written approval by senior management.

The following conditions apply:

- Retirees must have been continuously employed with T3TG for at least 3 years. (There are exceptions when an Associated Person dies suddenly and his or her heirs participate in the program.)
- Retirees must have demonstrated professional conduct including a low incidence of customer/member complaints/arbitrations settlement or decided for more than $25,000 in the 3 years prior to retirement or pending at retirement. If the retiree has been the subject of such complaints, T3TG must determine that the complaints did not require disciplinary action or heightened supervision and the retiree was not at fault for improper sales practices. The retiree also must not have been subject to statutory disqualification during the 3 years prior to retirement.
- Retirees must contractually agree to cease all securities-related activities (cannot contact customer/members; cannot remain associated with any broker-dealer or investment adviser except for state registrations required to receive commissions; cannot take a job at a bank or insurance company that involves securities transactions).
- Retirees must obey all securities laws and regulations to the extent they remain applicable and must certify compliance annually.
- Receiving Associated Persons (the Associated Person to whom accounts are transferred) must be approved by the designated supervisor, have been in the industry for 3 years and at T3TG for 1 year (with some exceptions) and must not have been subject to statutory disqualification during the prior 3 years.
- Continuing commissions are limited to 5 years after retirement.

- T3TG will annually contact a sample of customer/members whose accounts are subject to the program (including a large percentage of high-net-worth customer/members) to ensure the retired Associated Person has not contacted them to discuss securities.

3.7 Continuing Commissions Policy (Associated Person Registrations Retained)

[FINRA IM 2420-2]

Responsibility	• Compliance / Designated Supervisors
Resources	• Requests from retirees to continue commissions
Frequency	• As required
Action	• Obtain signed continuing commissions agreement from retiree • Notify designated supervisor and Accounting of agreement
Record	• Signed agreement retained in retiring Employee/Member's file

Associated Persons who retire may be eligible to participate in T3TG's continuing commissions' policy. This program provides for the transfer of accounts from the retiring Associated Person to another Associated Person and gives the retiring Associated Person the opportunity to provide support to the receiving Associated Person, as well as deal with customer/member transition issues. Retirees under the program sign a continuing commissions agreement; retain registration and licenses through T3TG; and are eligible to earn commissions and other income through the term of the agreement.

The retiring Associated Person continues to be subject to all the rules and regulations governing Associated Persons and is subject to senior management approval and to ongoing supervision by the Associated Person's designated supervisor.

3.8 Broker-Dealer Registration

3.8.1 Form BD

Responsibility	• Director of Compliance / Or Designee
Resources	• Information regarding reportable items including civil and regulatory actions • Records regarding officers and directors to be included on Form BD • Other information as required by Form BD
Frequency	• As required - updates
Action	• Prepare updates as required; consult with in-house or outside counsel, as required • File Form BD updates
Record	• File of BD amendments

Compliance is responsible for updating Form BD when necessary and filing with the required SROs and other regulatory agencies.

3.8.2 Change in Ownership, Control, or Business Operations

[FINRA Rules 1011(i) and 1017, IM-1011-1, Notice to Members 06-56, FINRA Regulatory Notice 09-21; FINRA website re: mergers, acquisitions, and business transfers: http://www.finra.org/Industry/Issues/Mergers/index.htm, FINRA checklist for organizational change: http://www.finra.org/RegistrationQualifications/MemberFirms/p014283; NASDAQ Rule 1017]

When T3TG anticipates a material change in its business, Compliance will file requests for approval by the appropriate SROs. Events that require approval include a merger with or acquisition of another broker-dealer or acquisition of 25% or more of the assets of another dealer; a change in ownership or control; and a material change in business operations. In addition, material changes include removing or modifying a membership agreement restriction; market making for the first time; adding business activities that require a higher level of minimum net capital; and engaging in activities beyond proprietary trading as defined in NASDAQ rules.

Certain types of expansions are presumed to not be a "material change in business operations" and do not require FINRA approval. However, this safe harbor is not available to firms that, among other things, have a "disciplinary history" as defined in IM-1011-1. The interpretation must be consulted to determine what changes are not material and what constitutes disciplinary history precluding use of the safe harbor.

If T3TG operates under a Restriction Letter, it will conduct business consistent with the Letter, and Compliance will contact FINRA, if a change is necessary.

3.8.3 Regulatory Contact Information

T3TG is obligated to maintain current contact information with regulators.

3.8.4 FINRA and NASDAQ Contact Information

Updates to contact information will be made within 30 days following any change. In addition, by the 17th business day after the end of each calendar year, T3TG is required to verify contact information through the FINRA Contact System.

Compliance will update the following information through FINRA's Contact System when necessary and will conduct the mandatory annual verification:

- Executive Representative [FINRA By-Laws Article IV, Section 3 and Rule 4517; NASDAQ Rule 1150]
- Regulatory Element Continuing Education Contact Person [FINRA Rule 1240]
- Emergency contact persons [FINRA Rule 4370]
- AML contact person(s) [FINRA Rule 3310.02]
- Other contacts mandated by FINRA rules

Contact information will be provided promptly to FINRA upon request, but no later than 15 days after the request.

3.8.5 Regulatory Filings

[FINRA Rule 4517, Notice to Members 06-61]

T3TG will submit regulatory filings electronically where required. Filing procedures are included in appropriate sections of this manual.

3.9 Heightened Supervision

[FINRA Notice to Members 97-19]

Responsibility	• Designated Compliance Supervisors and Supervisor(s) on the T3 Trade Desk
Resources	• Form U4 information • CRD • Customer/member complaints • Regulatory actions • Other activity that may warrant heightened supervision, at the discretion of Compliance
Frequency	• As required

Action	• Compliance:
	  ○ Review referred associates subject to heightened supervision.
	  ○ Determine the scope of heightened supervision.
	  ○ Notify the Employee/Member's supervisor of required supervision.
	  ○ Collect certifications from supervisor.
	• Designated supervisor:
	  ○ Conduct required heightened supervision.
	  ○ Refer individual who may need heightened supervision.
	  ○ Prepare and send certifications to Compliance.

Record	• Reviews of associates for potential heightened supervision are retained in a "Heightened Supervision" file in Compliance. • Memos and certifications pertaining to a specific Employee/Member are retained in BOM and Compliance's file.

3.9.1 Procedure

T3TG institutes heightened supervision for traders or others, when appropriate. The following sections describe T3TG's procedures for identifying individuals subject to heightened supervision, and the types of supervision that may be conducted.

The Firm's daily surveillance includes reviewing exception reports designed to detect unusual order entry and trading activity including activity in low-priced securities, low-volume stocks, trades that constitute a large percent of daily trading volume, odd lot and mixed lot trading, wash sales, short sale locates, option trading, cancellation rates, potential market manipulation at the open and close of trading, trading based on news reports, potentially improper order marking, potential layering, spoofing, and other potentially manipulative trading.

In addition to the reports generated by the Firm, the Firm provides notification to the Firm's trade desk to conduct additional reviews of any account that has been determined to warrant such additional surveillance. The compliance department performs a heightened review of such trading activity by increasing the frequency of review of specific trades in conjunction with support from the Firm's trade

desk. The Firm's heightened surveillance includes an increased frequency of communication with the T3 trade desk to perform specific reviews of trades in a specified prop trading account.

Factors considered by the Firm when placing a trader under heightened review include, but are not limited to, the appearance of the trader's activity on one or more of the Firm's exception reports, trades being identified by the Firm's trade desk as unusual or potentially manipulative or disruptive, and/or unusual profits or losses in the account. The scope, frequency, and parameters of the Firm's heightened review are based on a case-by-case review of the specific activity conducted by the trader. The heightened review may be conducted on a daily, weekly, or periodic basis, depending on the number and frequency of trades that have been identified as potentially manipulative or disruptive.

The Firm's heightened review of trading includes an in-depth examination and analysis of trading activities to help ensure compliance with legal and regulatory standards, identify potentially manipulative or suspicious activity, and protect the integrity of the Firm and the financial markets. The review process is implemented by the Firm's compliance department and is conducted with support from the Firm's trade desk, focusing on key components such as transaction monitoring, and compliance and regulatory checks. This process helps ensure that order entry and trading conducted by the trader comply with relevant rules and regulations, FINRA guidelines, internal policies and other regulatory requirements.

In addition, the review generally includes a risk assessment regarding trades based on factors such as trade size, frequency, and counterparties involved, and conducting reviews of potentially high-risk trades or accounts. Surveillance may include an analysis to identify patterns indicative of potential market manipulation, insider trading, or other proscribed activities by comparing current trading activities with historical data to spot inconsistencies or irregularities.

The Firm's heightened review also includes awareness training for Associated Persons to provide ongoing guidance and education regarding compliance requirements, the importance of adhering to trading regulations, and emerging risks and regulatory changes.

3.9.2 Identifying Associated Persons for Heightened Supervision

It is the responsibility of the BOM to identify and refer to Compliance Associated Persons for potential heightened supervision. Associated Persons will be identified at the time of hire or when an Associated Person becomes subject to regulatory action and/or a pattern of customer/member complaints. Unregistered individuals who were previously registered and the subject of customer/member or regulatory complaints are also subject to consideration for heightened supervision.

3.9.3 Criteria for Identifying Candidates for Heightened Supervision

The following are some criteria that may trigger a review by the BOM to determine whether an Associated Person should be subject to heightened supervision. Pending as well as resolved matters will be considered, as well as the materiality and age. The criteria are subjective, and the details of the complaints and/or regulatory actions must be considered in determining whether heightened supervision is necessary.

- Three or more customer/member complaints alleging sales practice abuse within the past two years (complaints include written complaints, arbitrations, other civil actions)
- Complaint filed by a regulator
- Injunction in connection with an investment-related activity
- Termination for cause or permitted to resign from a former employer where the termination appears to involve a significant sales practice or regulatory violation
- Employment with three or more broker-dealers in the past five years

3.9.4 Heightened Supervision Memorandum

When a candidate is identified for possible heightened supervision, Compliance, in consultation with the Associated Person's supervisor, will consider whether heightened supervision will be established. After the determination is made, Compliance will prepare a memorandum outlining action taken (or not taken).

Where it is decided heightened supervision will be conducted, Compliance will outline the supervision to be conducted (including type, frequency, time period of heightened supervision, and how supervision should be documented) and provide copies of the memorandum to the subject Associated Person and the Associated Person's supervisor outlining the terms of the heightened supervision. The Associated Person and the supervisor will sign and return copies of the memorandum to Compliance.

3.9.5 Scope of Potential Heightened Supervision

Heightened supervision will be established after considering the specifics that apply to the Associated Person. Heightened supervision may take many forms and may include some of the following, to be determined by Compliance. This list does not limit or prescribe how heightened supervision should be structured for any one Associated Person, since each case must be reviewed individually.

- Limits on type of business (options, retail accounts, *etc.*)
- Limits on types of accounts (discretionary, certain age groups or other demographics, *etc.*)
- Verification with customer/members of new account information when accounts are opened
- Pre-approval of some or all trades entered
- Pre-approval of certain types of accounts
- Contact with customer/members by the Associated Person's designated supervisor
- Pre-approval of all written public communications originated by the Associated Person
- Extra training or continuing education in areas subject to heightened supervision
- Assignment of the Associated Person to a "mentor" or partner
- Telephone monitoring
- Office geography

3.9.6 Certification by the Trader's Supervisor

During the term of heightened supervision, the trader’s supervisor will certify to Compliance, in writing, that the heightened supervision has been conducted. The form and frequency of certification will be determined by Compliance and will be explained in the Heightened Supervision Memorandum provided to the supervisor.

4 COMMUNICATIONS WITH THE PUBLIC

[FINRA Notice to Members 97-19]

4.1 Advertising and Sales Literature

[FINRA Rule 2210]

Responsibility	• Compliance / Designated Supervisors
Resources	• Requests regarding advertising or sales literature
Frequency	• As required
Action	• Review proposed advertising or sales literature • Make revisions as needed • Provide requestor with approved copy or notify of disapproval
Record	• Copies of reviewed advertising, including the reviewer's electronic initials, are retained in an Advertising file in Compliance

4.1.1 Advertising and Sales Literature Defined

Advertising generally includes material published or designed for use in newspapers, magazines or other periodicals, radio, television, telephone or tape recordings, telephone directory advertising (other than routine listings), computer bulletin boards or other electronic messages, videotape displays, signs or billboards, movies, or other material published in public media.

Sales literature generally includes circulars, research reports, form letters sent to more than one person, newsletters, seminar texts and reprints, or other material originated by T3TG or its associates and to be reproduced and provided to multiple customer/members or prospective customer/members. Sales literature also includes telemarketing scripts. The terms "advertising" and "sales literature" are interchangeable in this chapter.

4.1.2 General Guidelines

All advertising and sales literature must meet the general standards of good taste and accuracy and should fairly represent the products or services included in the advertisement or sales literature. Promissory, exaggerated, or false statements, as well as language inferring guarantees, are not permitted. Projections and predictions are not permitted. Past performance is not a guarantee of future performance and should be identified as such, if included in advertising or sales literature. Portraying the performance of past recommendations or actual transactions must include an acceptable universe over a reasonable period of time.

4.1.3 Required Information

All advertisements and sales literature will contain the name of the Firm. "Blind" ads are not permitted except for recruiting personnel. Exceptions to use of the Firm's name must comply with rules that deal with generic, derivative, and other potential variations on the Firm's name (i.e., DBAs).

4.1.4 Approval Prior To Publication

All advertising or sales literature must be submitted to Compliance for approval prior to publication or use.

4.1.5 SIPC Membership

[Securities Investor Protection Act of 1970, U.S. Code Title 15, Chapter 2B-1 and SIPC website at www.sipc.org/how/sipclogo.cfm]

Advertising must include a notation that T3TG is a member of SIPC, *e.g.,* "Member, SIPC." If an explanatory statement will be included in advertising explaining what SIPC is, one of the following two standardized phrases must be included:

- Member of SIPC, which protects securities of its customer up to $500,000 (including $250,000 for claims for cash). An explanatory brochure is available upon request or at *www.sipc.org.*
- Member of SIPC. Securities in your account protected up to $500,000. For details, please see *www.sipc.org.*

The words "Member, SIPC" may be omitted if the official explanatory statement is used in conjunction with the official SIPC symbol.

When SIPC is referenced in T3TG's website, if applicable, the site will include a hyperlink to the SIPC website.

"Advertising" is defined under SIPC rules as any promotional material used in or on any newspaper, magazine, or other periodical, radio, television, telephone or tape recording, videotape display, motion picture, slide presentation, telephone directory, sign or billboard, electronic or other public media.

4.1.6 FINRA Membership

[FINRA Information Notice "Use of FINRA Logo," April 29, 2009; FINRA email address for questions: trademarks@finra.org]

Member firms are prohibited from including FINRA's logo on websites, business cards, stationery, or other marketing materials. The FINRA logo may not be used in any manner by member firms. T3TG may, however, include "FINRA Member Firm" or "Member of FINRA" on such materials.

4.1.7 Special Filing or Approval Requirements

[FINRA Rule 2210(c), Notice to Members 89-11]

There are special filing or approval requirements for certain products and broker-dealers, as outlined below.

- Filings must be accompanied by FINRA's Advertising and Sales Literature Filing Cover Sheet.
- All advertising or sales literature to be submitted to FINRA must be approved by the designated supervisor prior to submission to FINRA.
- The actual or expected date of first use or publication must be included with FINRA filing.

FINRA rules should be consulted for specific requirements and some exclusion from the requirements.

Type to be filed	When to file with FINRA
Members who have never filed	10 days prior to first use for one year dating from the first submission.
Options material used prior to delivery of the options disclosure document	10 days prior to first use; wait for approval
CMO advertising	10 days prior to first use; wait for approval
Investment company (mutual fund, variable contract, unit investment trust) advertising or sales literature that includes or incorporates performance rankings or performance comparisons of the investment company with other investment companies when the ranking or comparison category is not generally published or is the creation, either directly or indirectly, of the investment company, its underwriter or an affiliate. [FINRA Rule 2210(c)(4)(A)]	10 days prior to first use; wait for approval
Investment company (mutual fund, variable contract, unit investment trust) advertising and sales literature [all other except independently prepared research reports that meet the requirements of FINRA Rule 2210(c)(6)(G)]	Within 10 days of first use
Sales literature concerning bond mutual funds that include or incorporate bond fund volatility ratings (see Rule IM-2210-5)	10 days prior to first use; wait for approval
Public direct participation program (DPP) advertising and sales literature	Within 10 days of first use
Security futures advertising	10 days prior to first use; wait for approval
Government securities advertising	Within 10 days of first use
TV and video advertisements	If a draft version is filed with the FINRA, the final filmed version must be filed within 10 business days of first use or broadcast
Press releases	No filing required if made available only to members of the media

It is not necessary to file with FINRA any advertising and sales literature which has previously been filed and is used without any changes. There are other requirements regarding advertising of certain products, including CMOs, municipal securities, mutual funds, and options. Refer to those specific sections for further information.

4.1.8 Institutional Sales Material

[FINRA Rule 2210]

Sales material prepared for institutional investors is not subject to the same requirements as material prepared for non-institutional investors. This does **not** include material that T3TG has reason to believe will be distributed to anyone who is not an institutional investor. For example, if sales material is provided to an institution for distribution to associates participating in a 401K plan, the sales material would be treated as distributed to retail investors. "Institutional investor" includes a:

- bank, savings and loan association, insurance company, or registered investment company
- registered investment adviser
- entity (natural person, corporation partnership, trust, or other) with total assets of at least $50 million
- government entity
- Employee/Member benefit plan under Internal Revenue Code Section 403(b) or 457 with at least 100 participants
- qualified plan under Section 3(a)(12)(C) of the '34 act with at least 100 participants
- FINRA member or someone registered with a FINRA member firm
- someone acting solely on behalf of an institutional investor

Institutional sales material is subject to T3TG's correspondence review procedures and does not require pre-use approval and filing with FINRA.

4.1.9 Records of Advertising and Sales Literature

Compliance maintains a central file of all advertising and sales literature approved by T3TG. The file includes, for each item reviewed:

- the approval by the Advertisement Principal
- any revisions, if necessary
- a record that the item was filed with an SRO and when (if required)
- approval received from the SRO (if required)
- in what media the item appeared (if applicable)
- date of approval

4.1.10 Options

Refer to the chapter *OPTIONS* regarding requirements for options advertising.

4.1.11 Advertisements Involving Non-Branch Locations

FINRA rules specify that any non-branch location referenced in an advertisement or sales literature by its local telephone number and/or local post office box is permitted if the advertisement does NOT include the street address of the non-branch location and INCLUDES the address and telephone number of the branch office or OSJ directly supervising the non-branch location.

T3TG's central office address and telephone number may be substituted for the supervisory branch or OSJ only with the approval of Compliance. Refer to the chapter *OFFICES* for further information.

4.1.12 Testimonials

[FINRA Rule 2210(d) (1) (E) and 2210(d) (2); FTC Guides Concerning the Use of Endorsements and Testimonials: http://www.ftc.gov/bcp/guides/endorse.htm]

There are specific requirements when using testimonials in communications with the public. Compliance should be contacted before preparing any communications that include testimonials.

4.2 Outgoing Correspondence

[FINRA Rules 2211, 3110(d) and 3110(c) (4)]

4.2.1 Correspondence Defined

Correspondence includes any written letter or electronic mail message and any market letter distributed to one or more existing retail customer/members and to fewer than 25 prospective retail customer/members within any 30-day calendar period. Such correspondence is subject to review and approval **after** sending. Correspondence that falls outside this definition, including correspondence that makes a financial or investment recommendation distributed to 25 or more existing retail customer/members within a 30-day calendar period, is considered sales literature and requires **prior approval** (see the section *Advertising And Sales Literature* in this chapter).

"Existing retail customer/member" includes any person (except an institutional investor) for whom T3TG or a clearing broker used by T3TG carries an account; the definition also includes a non-institutional investor who has an account with any registered investment company for which T3TG serves as principal underwriter. "Institutional investor" means a bank, savings and loan association, insurance company, registered investment company, registered investment adviser, any entity (natural person or otherwise) with total assets of at least $50 million; a governmental entity or subdivision; an Employee/Member benefit plan meeting requirements of IRS Sec. 403(b) or 457 with at least 100 participants; qualified plan; FINRA member or associated person of a FINRA member firm; and a person acting solely on behalf of an institutional investor.

Correspondence also includes portfolio summaries and other types of information originated by the Associated Person and provided to customer/members or prospective customer/members. Interactive electronic conversations (direct links or "chat rooms") generally are not regarded as correspondence, though they are subject to restrictions discussed in the policies on electronic communications included in this chapter and the chapter *GENERAL EMPLOYEE/MEMBER POLICIES*. Advertising, sales literature, and market letters are not included in this definition of correspondence and are subject to separate requirements described in other sections of this chapter.

A "market letter" is defined as a communication **not** considered a "research report" (described in the next section).

Note: Communications Defined As "Research" [Regulation AC; FINRA Rule 2711(a) (9) (A)]

Associated Persons are **not** permitted to send communications that may be deemed "research" since there are complex requirements that apply to the issuance of research reports. Federal and SRO rule interpretations define "research" as any written communications (including electronic) that includes an analysis of equity securities of individual companies or industries, and that provides information reasonably sufficient upon which to make an investment decision and that is distributed to at least 15 persons. This applies even if the author does not hold the title of "research analyst" and does not work in a research department.

There are specific exceptions under SRO rules. Questions regarding whether a communication constitutes "research" should be referred to Compliance.

4.2.2 Correspondence Requiring Approval Prior To Sending

Correspondence (including emails) to be sent to 25 or more **existing retail customer/members** within any 30 calendar-day period **and** that makes any financial or investment recommendation or otherwise promotes a product or service **must be approved prior to sending**. Such correspondence must be submitted to the appropriate supervisor and may not be sent until approval has been received.

These communications may also be subject to FINRA rules regarding pre-use approval and filing with FINRA, depending on content.

Pre-approved form letters and group emails **used without change** (other than customer/member name, address) may be sent to customer/members or prospective customer/members without additional approval. Records of to whom form letters and group emails are sent must be retained in T3TG's records.

4.2.3 Independently Prepared Reprints

Articles and other reprints are subject to outgoing correspondence reviews and copies should accompany correspondence submitted for review and approval. If the article or reprint was provided by T3TG to Associated Persons, the letter or other correspondence may reference what was enclosed without including a copy of the reprint.

Articles and reprints that are issued by an independent publisher and not materially altered are not subject to FINRA filing requirements and most content standards. This exception does not apply to reprints published by an affiliate of T3TG.

Distribution of copyrighted material is subject to the copyright holder's approval. T3TG will obtain approval for independent reprints it distributes to Associated Persons for sending to customer/members. For other reprints, Compliance should be consulted for assistance in obtaining the publisher's approval.

4.2.4 Content Guidelines

Items to consider when preparing and reviewing outgoing correspondence (and other forms of written or electronic communications) include:

- Truthfulness and good taste are required.
- Exaggerated, unwarranted, or misleading statements or claims are prohibited.
- Promises or guarantees: past performance may not be used to promise, guarantee, or imply future profits or income from securities.
- Projections and predictions are not permitted.
- Comparisons of personnel, facilities, or charges with those of other broker-dealers should not be made unless supported by the facts, and other firms' names should not be included.
- Correspondence or other written communications regarding securities subject to pending distributions (underwritings) are generally not permitted.
- Correspondence regarding securities sold by prospectus (mutual funds, limited partnerships, *etc.*) must be approved by Compliance prior to sending (except for pre-approved correspondence where no changes are made).
- Only T3TG approved hedge clauses may be used.
- Tax advice must not be provided; the customer/member should be referred to his or her tax adviser for such issues.
- Photocopying and distributing copyrighted material may violate copyright laws.
- Profit and loss or other portfolio analyses should include a disclaimer that the customer/member should rely on customer/member statements provided by T3TG and any analysis or calculation is provided for information purposes only.
- The use of T3TG letterhead should be restricted to T3TG-related matters.
- Correspondence regarding options is subject to specific requirements which are discussed in the chapter *OPTIONS.*

4.2.5 Letters and Notes

Copies of letters, notes, and similar correspondence must be provided to the designated supervisor on the day sent.

4.2.6 Facsimiles

Responsibility	• Compliance / Or Designee
Resources	• Outgoing faxes
Frequency	• Daily

Action	• Review outgoing faxes as follows:
	  ○ Review electronic copies of faxes
	• For faxes with questionable content:
	  ○ Confer with Associated Person
	  ○ Confer with Compliance, if necessary
	  ○ Take corrective action which may include:
	  ▪ Sending a revised fax to the recipient
	  ▪ Training for Associated Person
	  ▪ Disciplinary action against Associated Person, which may include a reprimand, suspension, or termination

Record	• Outgoing faxes with reviewer's approval

	• Records of corrective action taken

Facsimiles are included in the definition of "outgoing correspondence" and are subject to review by the designated supervisor.

Facsimile transmissions may NOT be used for unsolicited advertising. Refer to the section *Calling (Telemarketing) And Fax Restrictions* in this chapter.

4.3 Incoming Correspondence

[FINRA Rule 3110(b)(4)]

4.3.1 Review of Incoming Correspondence

Responsibility	• Compliance / Or Designee
Resources	• Incoming correspondence, including correspondence marked "personal and confidential"
Frequency	• Daily
Action	• Review all incoming correspondence • Refer customer/member securities and checks directly to Operations • Refer customer/member complaints to Compliance • Refer audit letters to Operations
Record	• Initial (electronically if applicable) each piece of correspondence and maintain in branch/department incoming customer/member correspondence files.

All incoming written correspondence will be opened and reviewed by a designated Reviewer appointed by the branch/department supervisor. This review includes letters, facsimiles, courier deliveries, and other forms of written communication. Electronic mail is subject to specific procedures for review; see the section *Electronic Mail* in this chapter and the section *Electronic Communications Policy* in the chapter titled GENERAL EMPLOYEE/MEMBER POLICIES.

The following guidelines for review apply:

- Correspondence identified as "Confidential" will be opened and reviewed.
- Obvious non-customer/member correspondence (bank statements, advertising, *etc.*) will not be opened and will be forwarded directly to the addressee.
- Audit letters (requests from customer/members' auditors for verification of account positions) will be forwarded directly to Operations for response.
- Complaints will be immediately forwarded to the Associated Person's supervisor and to Compliance.
- Checks or securities intended for deposit with clearing agent will be immediately forwarded to clearing agent.
- Original customer/member correspondence will be retained for T3TG’s files; the addressee will receive a copy.

- Original customer/member correspondence will be forwarded to the designated supervisor for review, initialing, and filing.

4.3.2 Personal Mail

Associates should direct all personal mail to their home address. Personal mail is subject to incoming correspondence and electronic mail review policies.

4.4 Legends and Footnotes

[FINRA Rule 2210(d) (1) (C)]

When legends or footnotes are included in public communications, they cannot be placed or sized in a way that limits the investor's ability to read or understand the information. Small fonts may inhibit reading the information or may inappropriately diminish the importance of the information. Bold claims balanced by a footnote may also mislead the reader.

4.5 Internal Communications

4.5.1 Inter-Office Communications

['34 Act Rule 17a-4(b) (4)]

Inter-office memos and other communications are subject to retention requirements. Copies of written inter-office communications must be retained for 3 years with the 2 most recent years in an accessible location. Electronic communications are retained for 3 years in an accessible and retrievable format.

4.5.2 Internal Use Only

Printed or electronic information marked "internal use only" may not be sent or otherwise provided to individuals outside T3TG.

4.6 Complaints

[FINRA Rule 3110(d) (2)]

Responsibility	• Director of Compliance / Or Designee

Resources	• Customer/members' written or oral complaints
	• FINRA reports (Report Center, Risk Monitoring Reports):
	  ○ FINRA Sales Practice Complaint Report
	  ○ FINRA Customer/member Complaint Report

Frequency	• As required

Action	• Branch/Department Supervisor:
	  ○ Resolve complaints of an operational nature, such as late dividends, delayed delivery of stock, *etc.* If written, forward a copy to Compliance with description of resolution
	  ○ Refer all other complaints (mishandling of account by Associated Person, improper transactions, churning, *etc.*) to Compliance
	• Compliance:

	○ Send initial acknowledgment of receipt of written or material verbal complaint ○ Gather needed information and investigate the complaint ○ Provide a response and resolution to the customer/member, with a copy to the Associated Person and Associated Person's supervisor ○ If necessary, amend the Associated Person's U4 (or, in the case of a terminated Associated Person, amend Form U5) ○ Include the complaint, as required, in the quarterly report of complaints to T3TG ’s Designated Self-Regulatory Organization ○ For formal civil actions (lawsuits, arbitrations), refer the matter to T3TG ’s counsel for response ○ Review FINRA reports for trends in complaints
Record	• Copies of complaint and related correspondence are retained in: ○ Branch file for complaints ○ Compliance central file of T3TG ’s complaints • *Note:* options complaints are retained in separate files, both by branches and by Compliance • Reviewed FINRA reports

4.6.1 Complaint Defined

"Complaint" is defined as any written statement by a customer/member or a person with authority and capacity to act on behalf of a customer/member alleging a grievance involving the activities of a person under the broker-dealer's control in connection with the solicitation or execution of any transaction or the disposition of securities or funds of that customer/member.

4.6.2 Handling of Customer/member Complaints

When a written complaint is received, a copy should be forwarded immediately to Compliance for follow-up.

Oral complaints may be resolved by the designated supervisor, if the nature of the complaint is operational or administrative in nature or another type of nominal problem. Oral complaints alleging mishandling of the customer/member's account or other material issue should be brought to the attention of Compliance for review and resolution.

4.6.3 Oral Complaints

Oral complaints should be reported immediately to the respective Branch Manager for sales practice issues, or to Operations for operational issues. Examples of sales practice issues include complaints regarding losses, improper trades, and other complaints involving wrongdoing by the Associated Person or T3TG. Associated Persons should not make independent decisions regarding whether to report complaints; all oral complaints should be reported either to the Branch Manager or directly to compliance.

4.6.4 Complaints Received By Clearing firms

As required under SRO rules, whenever T3TG's clearing firms receive a customer/member complaint, the clearing firms will:

- Provide a copy of the complaint to T3TG's compliance officer.
- Provide a copy to T3TG's designated examining authority (DEA).
- Notify the customer/member directly that their complaint has been forwarded to T3TG for response and to the DEA.

When received by T3TG, the complaint will be handled in the same manner as other complaints received directly by T3TG.

4.6.5 Records of Complaints

Compliance will maintain a central record of all customer/member complaints, including the following:

- Complainant's name and address
- Account number
- Date the complaint was received
- Name(s) of Employee/Member(s) identified in the complaint
- Description of the nature of the complaint
- Disposition of the complaint

4.6.6 Notice to Customers / Members

Each customer/member is provided with notification of the address and telephone number of the department to which complaints may be directed. The CCO is responsible for establishing procedures to provide this information to customers / members.

4.6.7 Reporting Of Customer/member Complaints

[FINRA Rule 4530]

Responsibility	• CCO
Resources	• Complaints received from customer/members or referred by Associated Persons, supervisors, or others • FINRA 4530 Disclosure Timeliness Report Card
Frequency	• Statistical Complaint Report: Quarterly • Form BD, U4s, and U5s (if applicable): Promptly after receipt of complaint
Action	• Identify reportable complaints and other reportable events • Report to FINRA the events specified in FINRA Rule 3070 within 10 business days of knowledge of the event • File electronically the quarterly statistical report by the 15th of the month following the calendar quarter
Record	• Quarterly complaint reports are maintained in a file for the reports

	• Copies of events reported within 10 days are retained in the Associated Person's file, or, if no Associated Person is involved, in a T3TG file for reportable events

T3TG will file a quarterly statistical report of complaints with FINRA. Complaints reportable in T3TG's Form BD and/or an Associated Person's Form U4 (or an amendment to Form U5, if the Associated Person is terminated) will be promptly forwarded to FINRA.

4.7 Customer/member Privacy Policies and Procedures

[SEC Regulation S-P; SEC Regulation S-AM; Securities Industry and Financial Markets Association web page on privacy issues: http://www.sia.com/financial_services/html/breachposition.html; Evolution of a Prototype Financial Privacy Notice: http://www.ftc.gov/privacy/privacyinitiatives/ftcfinalreport060228.pdf]

Responsibility	• Designated Supervisors
Resources	• T3TG 's Privacy Policy • Customer/member opt-out requests
Frequency	• When accounts are opened - provide copy of Privacy Policy with opt-out information • Annually - send notice of Privacy Policy to all customer/members • As determined by the designated supervisor: training for associates • As necessary - establish procedures for protecting customer/member information and ensuring information is only shared when it is allowed • As necessary - when new technologies are adopted

Action	• Send annual notice to customer/members
	• Code accounts for customer/members opting out, as applicable
	• If "eligibility information" will be received from affiliates, determine that Regulation S-AM requirements are satisfied
	• Test internal computer systems periodically
	• Ensure agreements with third parties receiving customer/member information reflect the third party firm's privacy policies and include a confidentiality agreement
	• Include maintaining confidentiality of customer/member information in Employee/Member training
	• When new technologies involving customer/member information are adopted:
	  ○ Contact T3TG 's information officer to:
	  ▪ Determine whether appropriate technological precautions have been taken to protect customer/member information
	  ▪ Determine whether existing testing/audits will include the new technology and, if not, adjust testing program
	  ○ Review existing policies and procedures to determine if changes/additions are required

	○ Determine whether added training of associates is necessary and implement, if required
Record	• Current Privacy Policy • Customer/member opt-out requests • Record of annually providing notice to all customer/members • Determination that Regulation S-AM requirements are satisfied, if information from affiliates will be used for marketing purposes • Copies of signed agreements with third parties receiving customer/member information • Records of periodic privacy audits or other reviews conducted of T3TG 's computer system that retains customer/member information • Records of reviews of outsourced services involving the privacy of customer/member information (see the section *Outsourcing* in the chapter *FINANCIAL AND OPERATIONS PROCEDURES*) • Records of review of new technology involving customer/member information

4.7.1 Introduction

T3TG has adopted a Privacy Policy which is provided to customer/members at the time a new account is opened. Notice is also sent to all customer/members on an annual basis. The Privacy Policy explains the Firm's policies regarding safeguarding of customer/member information and records and whether T3TG shares information with outside parties. T3TG also publishes its Privacy Policy on its website.

SEC Regulation S-P ("Privacy of Consumer Financial Information") applies only to accounts for individuals (*i.e.,* institutional accounts are not affected) and differentiates between "customer/members," where T3TG has an established relationship with the individual, and "consumers," where there is no pre-established relationship. For purposes of this section, any individual from whom information is obtained (and their legal representative acting on their behalf) to open an account or to obtain services or products from T3TG is considered a "customer/member." The term "consumer" will be considered synonymous with "customer/member" for purposes of this section.

The Privacy Policy applies to all individual customer/members of T3TG whether U.S. residents or foreign residents.

4.7.2 "Public" vs. "Nonpublic" Personal Information about Customer/members

Generally, information provided to T3TG by a customer/member or potential customer/member in the normal course of T3TG offering a product or service is considered "nonpublic personal information." Identifying whether information is "public" or "nonpublic" is important as to T3TG's obligations, if T3TG shares information with nonaffiliated third parties. Public information is information that T3TG reasonably believes may be obtained from three sources:

- federal state or local government records;
- widely distributed media; or,

- Disclosures to the general public that are required to be made by federal, state, or local law.

Nonpublic personal information also includes any list, description, or other grouping of customer/members (and publicly available information about them) that is derived from financial information that is not publicly available.

4.7.3 Sharing Nonpublic Financial Information

In the normal course of business, T3TG may share customer/member nonpublic financial information with service providers, such as clearing firms or service bureaus. Agreements with such third parties include assurances regarding the protection of customer/member records and information. Information sharing with affiliated companies may also occur, and if applicable, is disclosed in T3TG's Privacy Policy.

Outside possible integral processes for the Firm's day-to-day business operations, T3TG generally does not share customer/member nonpublic financial information with non-affiliated companies or non-exempt service providers.

4.7.4 Annual Notification

On an annual basis, T3TG will provide all customer/members with notice regarding T3TG's Privacy Policy.

4.7.5 Affiliate Marketing

[SEC Regulation S-AM; Section 624 of the Fair Credit Reporting Act; SEC Small Entity Compliance Guide regarding Regulation S-AM: http://www.sec.gov/divisions/marketreg/tmcompliance/34-60423-secg.htm]

Regulation S-AM limits use of certain information received from T3TG's affiliates to solicit a consumer for marketing purposes. Consumers may block the use of certain financial information by affiliates of the person the consumer does business with. T3TG may use "eligibility information" (*i.e.,* certain financial information, such as information regarding the consumer's transactions or experience with the affiliate) if:

- the potential market use of the information has been clearly, conspicuously, and concisely disclosed to the consumer;
- the consumer has been provided with reasonable opportunity to opt out; and
- the consumer has not opted out.

T3TG will only use information from affiliates if the above requirements are satisfied. Opt-out notices under Regulation S-AM may be included with Regulation S-P opt-out notices described above.

4.7.6 Protection of Customer/member Information and Records

[SEC Regulation S-P, Rule 30(a) and SEC Release No. 34-50781; Fair and Accurate Credit Transactions Act of 2003, Section 216; FINRA Notice to Members 05-49; FINRA web page "Customer/member Information Protection": http://www.finra.org/Industry/Issues/Customer/memberInformationProtection/index.htm]

T3TG has adopted procedures to protect customer/member information, including the following:

- Customer/members will be provided the Firm's Privacy Policy at the time an account is opened.
- The Firm's website is protected by firewalls, a secure server, and anti-virus programs.
- Associates are prohibited from downloading sensitive information.
- Associates' ability to download sensitive information is restricted by software or devices that block downloading.
- Requests for customer/member information from outside parties such as regulators, the IRS, and other government or civil agencies, are referred to Compliance for review and response.
- All agreements with clearing firms and other service providers include the third party's privacy policies or confidentiality requirements.
- The integrity of the Firm's internal computer systems, including privacy protection, is subject to regular review.
- If required by state law, states will be notified if customer/member information is stolen making it subject to potential identity theft.

4.7.7 Social Security Numbers (SSNs)

SSNs are part of the information subject to protection of customer/member records. SSNs are obtained when accounts are opened, as required by federal law. SSNs are retained with account records and used for federally-required year-end reporting of transactions and/or income. Physical and electronic access is limited to authorized associates (operations personnel, Associated Persons, managers, *etc.*) and are provided to outsiders only when required by law or court/arbitration action or other authorized authority.

4.7.8 Access to Customer/member Information via Wi-Fi

Because of risk of unauthorized access by outside parties and the difficulty of ensuring the security of wireless connections to the Internet, associates are not permitted to use wireless fidelity (Wi-Fi) to access customer/member account information, unless:

- the Employee/Member is working on T3TG premises; or
- the Employee/Member has installed Firm-required firewalls or other protections and has prior approval from T3TG’s designated information officer to use Wi-Fi for T3TG business.

4.8 Prohibition against Payments Involving Publications to Influence Market Prices

[FINRA Rule 5230]

Payments of anything of value, directly or indirectly, are prohibited for the purpose of influencing or rewarding someone in connection with the publication or circulation of information in any electronic or other public media for the purpose of influencing the market price of the subject security. This includes any investment service or similar publication; websites; newspapers, magazines, or other periodicals; radio; or television program. The prohibition does not apply to clearly-identified paid advertising; a communication that discloses the amount and receipt of compensation; or a research report as defined under FINRA rules.

4.9 Pre-recorded Voice Messages and Automatic Telephone Dialing Systems

[Telephone Consumer Protection Act of 1991]

T3TG does not permit the use of pre-recorded telephone solicitations and autodialers.

4.10 Public Speaking

[FINRA Rule 2210(a) (5), Notice to Members 03-38]

Responsibility	• Compliance / Or Designee
Resources	• Requests for public speaking • Outlines of subjects to be included • Charts or other visual aids to be used in conjunction with public speaking • Written materials to be provided to attendees
Frequency	• As required
Action	• Refer requests for contact with media to Compliance • Review outlines of information to be presented and revise, as needed • For product-specific presentations, request review by product manager, if necessary • For mutual fund presentations, materials provided by wholesalers also require the approval of Compliance • Option presentations require the review and approval of the ROP and Compliance • Review charts and written materials to be presented • Attend sales seminars periodically to confirm compliance with requirements • Ensure presentations involving securities being offered by prospectus include provision of prospectuses to attendees
Record	• Maintain approved outline, samples of visual aids, and written materials in a "Public Speaking" file • Initial (Electronically if applicable) and date all approved materials • Obtain and maintain in the Public Speaking file a list of attendees who received prospectuses (if applicable) • The ROP and Compliance maintain a file of all approved public speaking that includes options • Compliance maintains records of approved wholesaler materials

4.10.1 General Guidelines

The general concepts of truthfulness, good taste, and a fair presentation apply to associates engaging in public speaking. Public speaking includes participation in a seminar, forum (including an interactive electronic forum), radio or television interview, or other public appearance or public speaking activity.

4.10.2 Seminars

Associated Persons should use pre-approved materials and advertisements for sales seminars. Materials and advertising must be submitted to Compliance for approval prior to use if it has not been pre-approved.

4.10.3 Approval

Prior to engaging in public speaking, the Associated Person should prepare an outline and submit a Public Speaking/Seminar/Luncheon Request for approval by Compliance at least 3 weeks, if practical, prior to the event to ensure timely review. The Request should also include a copy of any proposed advertising about the event, if using materials that are not pre-approved by T3TG.

4.10.4 Radio, TV, and Other Extemporaneous Presentations

The standards of communication with the public apply to all public appearances whether scripted or not. The following should be considered when participating in radio, TV, or other non-scripted public appearances. Also refer to the chapter *GENERAL EMPLOYEE/MEMBER POLICIES* and the section *Media Contact Is Limited to Certain Authorized Persons* that explains restrictions on dealing with the media. Most associates are restricted from such contact, except with the specific approval of Compliance.

- Specific recommendations of securities must be avoided unless approved by Compliance or the speaker is authorized under T3TG's "Media Contact" policy. If a recommendation is made, the speaker is required to disclose material information, such as when T3TG is a market maker in the stock. The current price and any special risks associated with the security also must be disclosed.
- The Firm's name must be clearly disclosed in conjunction with any securities or services offered.
- The speaker cannot assume a specific level of audience knowledge, experience or suitability. High risk securities may not be appropriate for discussion in a broadcast format available to any listener.
- Media presentations should be clear and understandable. Avoid overly complex messages and technical terminology which may not be understood by the general audience.
- Include products only where the speaker is licensed to sell the product.

For Associated Persons who are approved to engage in radio, TV, or other extemporaneous public speaking, Compliance is responsible for periodically reviewing the presentations, either on tape or concurrent with broadcast, contacting the Associated Person if unacceptable material is included, and making a record of the review and any action taken.

4.10.5 Options

Any presentation that includes a discussion of options must be approved by Compliance prior to the presentation. Compliance will maintain a written record of any such approved presentations, including an outline or description of the presentation.

4.11 Electronic Communications

[FINRA Rule 3110(d) (2), Notices 07-59, 01-23, 99-03, 99-11 and 98-11]

The Electronic Communications Policy for all associates is included in the chapter titled *GENERAL EMPLOYEE/MEMBER POLICIES*. This section provides details of these requirements and oversight of electronic communications.

4.11.1 Electronic Communications Systems and Devices

Responsibility	• Compliance / Or Designee
Resources	• Internal systems • External systems • Available communications devices
Frequency	• As required: determine approved systems/devices
Action	• Identify systems and devices approved for Employee/Member communications and notify associates (including changes when they occur) • Identify systems for internal-use only and notify associates • Determine whether firewalls will be established to prevent disclosure of sensitive information and breaches of information barriers • Determine whether encryption is necessary, identify communications to be encrypted, and educate associates on use of encryption • At its discretion, audit an individual Employee/Member's computer and use of communication devices • Restrict use of systems or devices where appropriate
Record	• Records of approved systems, communications to associates, audits of computer/device use and corrective action taken

Compliance will determine what systems and devices may be used for T3TG business communications. Approved systems and devices are included in the Electronic Communications Policy.

4.11.2 Education and Training

Responsibility	• Compliance: develop training • Supervisors/others designated to provide training
Resources	• Electronic Communications Policy • Annual compliance meetings • Firm Element continuing education • Annual Employee/Member certifications • Periodic reminders distributed to associates

Frequency	• As required - develop training
	• At time of hire of new associates - provide policy
	• Annually for:
	  ○ Compliance meetings
	  ○ Other continuing education
	  ○ Certifications
	• Periodically for reminders

Action	• Provide Policy to new associates • Conduct training • Distribute and obtain certifications (Annual Employee/Member Questionnaire) • Send periodic reminders
Record	• New Employee/Member acknowledgement of Policy • Records of annual compliance meetings • Records of Firm continuing education • Annual certifications • Records of period reminders

Associates are required to acknowledge receipt and compliance with the Electronic Communications Policy.

- Before associates are permitted to use T3TG -sponsored systems or devices, associates may be required to read and agree to the Electronic Communications Policy. The Policy is distributed to all new associates who are required to acknowledge receipt in writing.
- Current associates acknowledge their understanding and agreement with the Policy in T3TG's annual certification.
- The Firm Element continuing education program and/or annual compliance meeting for registered associates will periodically include training regarding T3TG 's Electronic Communications Policy.

4.11.3 Review of Electronic Communications

This section outlines procedures for reviewing electronic communications.

4.11.4 Methods of Review

Responsibility	• Compliance / Or Designee
Resources	• Electronic communications from approved systems • Reviewers including qualified supervisors and designees
Frequency	• As required
Action	• Determine programs/methods of review, (Minimum 3% random sampling) • Communicate review requirements to supervisors and designees, as applicable • Determine training needs for supervisors and designees, including training, as required, prior to assuming review responsibilities
Record	• Records indicating messages reviewed. • Records of training, including subject matter, names of those trained, when, and by whom or what method

	• Records of flagged communications that require corrective action, including action taken

All electronic communications are subject to review. Types of review include:

- Review of all or sampled communications, depending on business area and/or criteria determined by Compliance for selective review

4.11.5 Delegation of Review

The designated supervisor is responsible for reviewing electronic communications and taking necessary actions. The review may be delegated to a qualified reviewer; "qualified" means the individual has been trained in what to review and what items to refer to the supervisor and/or Compliance. Though reviews are delegated, the supervisor is ultimately responsible for compliance with review requirements. The delegated reviewer will refer the following communications:

- Questionable language to the designated supervisor or Compliance
- Objectionable language or content (profanity, *etc.*) to the supervisor or Compliance
- Complaints to the designated supervisor **and** Compliance
- Advertising/sales literature/advertisements not previously approved to Compliance
- Communications regarding complaints, errors or account designation changes in orders to the supervisor or Compliance
- Suspicious emails suggesting possible illegal activity or violations of Firm policy or a securities law or regulation to Compliance.

4.11.6 Communications Review Before or After Sending

The following communications require approval by a qualified supervisor **prior to** sending. Other types of communication are subject to post-sending review.

- Advertising, sales literature, or market letters (Compliance approval required)
- Form letters (approval of initial form required; subsequent communications may be sent without prior approval if there is no change in previously-approved content)
- A communication to be sent to 25 or more investors (prospective or current customer/members) (Compliance approval required)
- Customer/member Letters (BOM Approval)
- Communications to retail investors about options (Compliance approval)

4.11.7 Review of Retail Customer/member Communications

Responsibility	• Compliance: review of communications • Compliance: branch/department electronic mail reviews
Resources	• Incoming and outgoing communications
Frequency	• Daily - review of communications

	• Periodically as scheduled - branch/department reviews

Action	• Supervisor review of:
	  ○ branch/department communications
	• Supervisor review for:
	  ○ complaints
	  ○ appropriateness of language
	  ○ appropriateness of recommendations
	• Take corrective action, if necessary (education, restricting access to electronic communications, or other action in consultation with Compliance)

Record	• Electronic records of communications • Electronic record of review • Corrective action (in Employee/Member's file) • Branch/department reviews (in Compliance files)

Incoming and outgoing customer/member electronic communications are reviewed, and complaints are referred to Compliance.

4.11.8 Special Reviews

Compliance may impose different standards of review that may include review of all incoming and outgoing communications regardless of form; pre-approval; or other special reviews. See the section *Heightened Supervision* in the chapter *EMPLOYMENT, REGISTRATION AND LICENSING* for further information.

4.11.9 Use of Non-Firm Systems or Devices

T3TG may approve the use of non-Firm systems or devices by certain associates. When exceptions are approved, the Employee/Member will be required to submit a separate certification regarding the use of the external system/device and re-certify annually; usage will be monitored and periodically audited by Compliance. Generally, the only approved form of electronic communications is T3TG email. No associate of the firm may conduct the business of the firm through any electronic media except T3TG email, which is subject to surveillance. Instant messaging is not a Firm-approved method of communication and Associated Persons may not conduct business through it.

4.11.10 Advertising, Sales Literature, And Market Letters

Electronic advertising, sales literature, and market letters are subject to pre-use review by Compliance. Refer to the section *Advertising and Sales Literature* in this chapter.

4.11.11 Internet Use

[FINRA Guide to the Internet for Registered Representatives: http://www.finra.org/Industry/Issues/Advertising/p006118]

This section outlines procedures for accessing communications systems on the web and posting information to the web, including a firm website.

4.11.12 Social Networks, Websites and Other Electronic Communication Systems

Responsibility	• Compliance / Or Designee
Resources	• Requests to participate in social networks, other systems • Postings on sites
Frequency	• Approval of participants for firm business - always required • Weekly - review of sites

Action	• Compliance:
	  ○ Review requests to participate, including review of Associated Person's background
	  ○ Approve or disapprove participation
	  ○ Arrange training for approved participants
	• Designated supervisor:
	  ○ Review of approved sites weekly
	  ○ Remove inappropriate postings
	  ○ Take corrective action where problems are noted, including blocking a 3rd party from posting; disciplining an Associated Person which may include added training, removal of approval for participation, other appropriate action

Record	• Associated Persons approved/disapproved for participation • Training materials, who participated and when • Templates, if available • Review of sites and corrective action taken

The use of social networking sites (Facebook, LinkedIn, Twitter, *etc.*), bulletin boards, websites, message boards, or other electronic communication systems on the Internet for the purposes of advertising, soliciting business, or in any way communicating about Firm business is subject to the following requirements. These requirements do not apply to associates' personal use of systems where no reference to the Employee/Member's association with T3TG or any business-related communication is included.

4.11.13 Permitted sites

The use of specific sites requires the approval of Compliance **prior to** access for business purposes.

4.11.14 Permitted participation

Compliance must approve Associated Persons prior to their participating in social media websites. Compliance will provide guidelines for permitted activities.

4.11.15 Training

Associated Persons are not permitted to participate in social media websites until they complete the required training to ensure they understand the requirements and allowable use of sites.

4.11.16 Interactive sites

Where Associated Persons are permitted to participate in interactive sites, a record must be retained of all interactive "conversations" as part of T3TG's records. These records will be reviewed by the designated supervisor in accordance with firm policy on review of electronic communications (either on a sampling basis or review of all communications).

4.11.17 Static postings

Some sites allow static postings where information is posted by the Associated Person or T3TG and remains unchanged unless revised by the originator. Such postings are considered "advertisements" which require the prior approval of Compliance. These postings are considered advertisements even if they are updated frequently.

4.11.18 Third party postings

Associated Persons are prohibited from participating in or endorsing third-party postings. The Firm's site includes a disclaimer that third party posts do not reflect the views of T3TG and have not been reviewed by T3TG for completeness or accuracy.

4.11.19 Prohibition against recommendations

Associated Persons are prohibited from making specific securities recommendations in postings. Postings must be only general in nature regarding the Associated Person and T3TG's products and services.

4.11.20 Firm Website

[FINRA IM-2210-4, Notice to Members 07-02; Article 11, Section 4 of SIPC Bylaws; SEC Guidance for public companies on the use of company websites: http://www.sec.gov/rules/interp/2008/34-58288.pdf]

Responsibility	• CCO
Resources	• T3TG 's website • Requests to include information
Frequency	• Approvals - as required • Periodic (at least quarterly) review of the website

Action	• Review proposed materials to be included on the website and approve or disapprove o file copies of content, as required, for approval from FINRA at least 10 days prior to first use • Review the website to confirm that only previously approved materials are included • If SIPC is referenced on the site, provide a hyperlink to the SIPC website • If FINRA is referenced on the site, provide a hyperlink to FINRA's home page • Contact supervisors of departments that have included unapproved materials and take corrective action • Corrective action may include changing or deleting the material and/or reminding the supervisor of the pre-use approval requirement
Record	• Approved materials • Notations regarding periodic reviews and corrective action taken • FINRA approval of content related to mutual funds, variable products, and ETFs • Record of the appearance of the site over the past 3 years (including all changes)

If T3TG's site refers to its membership with FINRA, a hyperlink to the FINRA internet home page will be included. If SIPC membership is included on the site, a hyperlink to SIPC's website will be shown.

4.11.21 Associated Person Websites

Associated Persons are not permitted to establish personal websites to solicit or conduct business on behalf of T3TG unless approved by Compliance. Participation in other websites to conduct T3TG's business through linking or other means of contacting or identifying the Associated Person is prohibited unless approved by Compliance.

4.11.22 Prohibited and Blocked Sites

Responsibility	• Compliance / Or Designee
Resources	• Internal or external programs to block sites • Programs available to monitor Internet usage
Frequency	• Ongoing

Action	• Identify sites for blocking (offensive sites, sites contrary to T3TG 's interests in its sole discretion, sites that interfere with business)
	  o Block sites
	  o Periodically test blocking
	• Monitor internet usage by associates (depending on available technology)
	• If access to prohibited sites is identified:

	○ Notify supervisor ○ Take corrective action (education, restricting internet access, or other action as appropriate)
Record	• Record of blocked sites/programs used • Records of prohibited access and corrective action taken

Associates are prohibited from accessing offensive sites or sites contrary to T3TG's interests or that interfere with business. T3TG may block access to certain sites.

4.11.23 Live Chats

Responsibility	• Compliance: Reviews of conversations and complaints • CTO: Integrity of software or internal systems
Resources	• Records of chat conversations
Frequency	• Daily - reviews of chat communications, as required • At inception and ongoing - evaluate firewalls, integrity of system/programs • As required - review complaints • At inception and annually - train associates engaged in chat conversations

Action	• Designated Supervisor:
	  ○ Review a sampling of conversations
	  ○ Identify any questionable response from Firm personnel and take corrective action which may include added training; contact with the customer/member to clarify or correct information provided
	  ○ Review complaints and provide copies to Compliance for resolution (basic operations issues, such as late check, missing dividend, *etc.,* may be resolved by the supervisor and the complaint and resolution forwarded to Compliance)
	  ○ Provide training for associates when they assume responsibilities engaging in live chats and on an ongoing basis (at least annually) regarding proper communications, when to refer questions, referral of complaints
	  ○ If subject matter is beyond basic customer/member service questions, instruct associates to refer the contact to the supervisor or Compliance for response
	• Compliance: Include review of live chats in the annual review of supervisory systems
	• Information Officer:
	  ○ Review software or internal system developed to conduct live chats to confirm adequate firewalls and other protections are in place
	• Periodically review system/software for proper functioning and integrity
	  ○ Resolve system/software problems

Record	• All chat conversations archived and retained electronically for a minimum of three years • Designated Supervisor's review of sampling including record of corrective action taken, when appropriate • Complaints forwarded to Compliance

Records of all chat conversations are retained by T3TG.

4.11.24 Hyperlinks

[FINRA Interpretation Letter from Thomas M. Selman to the Investment Company Institute, November 11, 1997]

Responsibility	• Director of Compliance / CTO / Or Designee
Resources	• Proposed website or other material that includes hyperlinks
Frequency	• As required
Action	• Confirm hyperlink conforms to requirements for inclusion
Record	• Website or other material maintained in review file

When hyperlinks to third-party sites are included in T3TG communications or on a T3TG website, it is important the hyperlink meets the following conditions to avoid liability for the content or regulatory filing of information included in the third-party site:

- A hyperlink may not be established to a site known (or there is reason to know) to contain false or misleading information.
- The hyperlink must be continuously available to customer/members who visit the site.
- T3TG or its associates cannot have discretion to alter information on the third-party site.
- Customer/members have access to the hyperlinked site whether or not it contains material favorable to T3TG.
- The linked site can be updated or changed by the third party, following which customer/members would still be able to use the hyperlink.

4.11.25 Policy Violations

Responsibility	• Compliance / Or Designee
Resources	• Records of communications
Frequency	• As required
Action	• Review the Employee/Member's file to determine if there have been prior violations • Notify Employee/Member and his/her supervisor • If appropriate action by the supervisor is not forthcoming, contact the supervisor's supervisor • Where violations are recurring, determine whether to audit the Employee/Member's computer files • Determine disciplinary action
Record	• Records of violative communications and action taken

Associates who violate T3TG's Electronic Communications Policy are subject to disciplinary action, which may range from education, restricting electronic and/or Internet access, to suspension or termination, depending on the nature and seriousness of the infraction. Compliance determines the appropriate action to be taken.

4.12 Identification of Sources

When using communications not prepared under the direct supervision of T3TG, it is necessary to identify, on the communication, the person or entity that prepared the material. This includes research reports obtained from outside sources.

4.13 FINRA Taping Rule

[FINRA Rule 31103170(b) (2), Notice to Members 05-46]

T3TG is not subject to this rule. If the Firm is notified by FINRA that it will become subject to the rule, the Firm is able to submit an exemption request within 30 days of receiving notice from FINRA (either the one-time "opt-out" provision or other exemption) or implement and document procedures to comply.

5 FINANCIAL AND OPERATIONS PROCEDURES

This chapter provides key policies and procedures affecting the financial and operations areas of T3TG. Detailed operations procedures are included in the Firm's (or a clearing firm's) operations procedures manuals.

T3TG has designated a Financial and Operations Principal who is responsible for general oversight of financial and operations areas of the Firm. Supervisors of specific financial or operations areas are responsible for day-to-day procedures.

5.1 Books and Records

['34 Act Rules 17a-3 and 17a-4; FINRA Rule 3110, FINRA New and Amended Recordkeeping Checklist: http://www.finra.org/web/groups/rules_regs/documents/rules_regs/p006378.pdf; MSRB Rules G-8 and G-9]

5.1.1 Introduction

SEC Rule 17a-3 identifies the types of books and records to be retained by T3TG and 17a-4 identifies the period these records are to be retained. SROs also specify certain record requirements. Designated supervisors are responsible for retaining required records for areas under their supervision. The FINOP is responsible for establishing and maintaining T3TG's record retention schedule.

For accounts and other business introduced to a clearing firms, the clearing firm is responsible for retaining certain records as outlined in the clearing agreement.

5.1.2 Supervision of Financial Operations Functions

Supervision of the Firm’s Financial Operations Principal (FinOP) and the Firm’s financial functions is conducted by the Chief Executive Officer, who is ultimately responsible for the Firm's financial and regulatory integrity, including direct supervision of the FinOP. While the FinOP is specifically registered to conduct the Firm's financial reporting and net capital compliance functions, the CEO verifies that the FinOP is effectively fulfilling these duties within the overall supervisory framework. The CEO’s oversight includes ensuring that the FinOP has adequate resources and authority, and periodically reviewing the Firm’s financial condition, risk controls, and internal processes. The CEO accomplishes this through regular reporting, participation in meetings, and review of key financial and operational metrics.

Processes under the CEO’s supervision, through the FinOP, include the preparation and filing of FOCUS reports, maintenance of required books and records, monitoring of net capital computations, and implementation of internal controls over financial reporting. The CEO also oversees the FinOP’s coordination with external financial auditors, as well as ensuring timely remediation of any identified deficiencies or audit findings. By maintaining active engagement with the FinOP and financial reporting staff, the CEO helps to support a culture of accountability and ensures that the Firm’s financial operations align with FINRA and SEC rules and regulations, ultimately safeguarding the Firm’s solvency and reputation.

5.1.3 Electronic Storage of Records

['34 Act Rule 17a-4(f)]

Responsibility	• Compliance / Or Designee • FINOP • CCO / CTO
Resources	• Records required to be retained under SEC and SRO rules
Frequency	• Ongoing recordkeeping, as required by rule • Audit system - ongoing and periodic
Action	• Develop internal system or choose a vendor or other third party that meets rule requirements • Contract with an independent third party download partner, if appropriate • Notify DEA when initiating electronic storage and provide third party representation • Provide revised notifications to DEA if necessary • Obtain senior management approval of system configuration to store records and subsequent changes • Issue passwords to authorized personnel and disable passwords for terminated associates or those no longer requiring access • Take corrective action internally or with outside vendor if anomalies are detected • Establish audit system for accountability regarding the input of records into the storage system
Record	• Contracts with vendors or other third parties • Notification(s) to DEA • Written approval from senior management regarding system configuration • Record of corrective action taken, if necessary, when anomalies are detected • Record of passwords issued and disabled • Audit system and anomalies detected, including corrective action taken

T3TG utilizes electronic storage media and/or micrographic media for certain records.

5.1.4 Notification to Examining Authority

['34 Act Rules 17(d) and 17a-4(f) (2) (i)]

T3TG has provided the required notification to its designated examining authority (DEA) prior to employing electronic storage media. The independent third party with download access is also required to submit an undertaking indicating it agrees to promptly furnish information to regulators. The CCO shall make all such notifications.

5.1.5 Conditions

['34 Act Rule 17a-4(f) (2) (ii)]

As required by rule, T3TG's electronic storage media meets the following conditions:

- non-rewritable, non-erasable format
- automatic verification of the quality and accuracy of the process
- serialize original (and duplicate units) and time-date for required retention period
- capacity to readily download indexes and records

5.1.6 Ability to Retrieve and Reproduce

['34 Act Rule 17a-4(f) (3)]

T3TG's electronic or micrographic storage will also meet the following requirements:

- facilities for immediate, easily readable production of records
- ability to provide facsimile enlargements
- duplicate copies stored separately from the originals
- organized and indexed accurately
- current information necessary to access records and indexes
- independent third party who has access and the ability to download records

5.1.7 Audit System

The third party that provides electronic storage services has an audit system to test, on an ongoing basis, the integrity of the Firm's records retained in electronic storage media. Anomalies reported by the third party will be reviewed by the FINOP, or another designated person on the FINOP's behalf, to ensure corrective action has been taken and records are retained as required.

5.1.8 Confidentiality of Electronic Records

T3TG (in conjunction with any vendor) protects against unauthorized access to or use of customer/member records by use of a password system. Passwords will be changed periodically and disabled for terminated associates or associates no longer requiring access.

5.2 Calculation and Reporting of Net Capital

['34 Act Rules 15c3-1, 17a-5 and 17a-11; FINRA Rules 4110, 4120, 4130, 4140, and 4521]

Responsibility	• FINOP
Resources	• Financial and transaction records
Frequency	• Ongoing
Action	• Maintain ongoing calculation of T3TG 's net capital • Report net capital as required • Report net capital deficiencies as required, when necessary

Record	• Records retained by the FINOP include:
	  ○ FOCUS reports
	  ○ Other net capital calculations

The calculation and monitoring of net capital is the responsibility of the FINOP, who also is responsible for ensuring the accurate and timely reporting of periodic net capital reports. Some of the FINOP's specific responsibilities include:

- Review and filing of T3TG 's financial reports and periodic review of accounting records
- Periodic consideration of whether T3TG 's minimum net capital requirements have changed because of changes in T3TG 's business
- Supervising additions to, and withdrawals from, the equity capital of T3TG
- Reporting borrowings and subordinated loans for capital purposes
- Establishing procedures for retention of required financial books and records

If T3TG becomes deficient in its net capital position, the FINOP is responsible for alerting the CCO and making the necessary reports to regulators and communicating any restrictions in business that may result.

5.3 Reconciliations and Bank Records

Responsibility	• FINOP
Resources	• Bank records
Frequency	• Monthly
Action	• Reconcile bank accounts against T3TG ’s records
Record	• Bank statements and other bank records, retained by FINOP

The FINOP is responsible for establishing procedures for the periodic reconciliation of bank statements, clearing and depository accounts, and other accounting and business records. Records of bank accounts and other reconciled accounts will be maintained in accordance with regulatory requirements. The FINOP may utilize internal or external accounting services to assist with the reconciliation process.

5.4 Designation of Accountant

[SEC Rule 17a-5(f)

The FINOP is responsible for filing notice of the designation of its accountant by December 10 of each year with FINRA, the SEC's principal office, and T3TG’s SEC regional office. If the agreement with the accountant is continuous providing for successive annual audits, notice is not required annually. The following additional requirements apply:

- An agreement must exist with an independent public accountant by December 1 covering a contractual commitment to conduct T3TG’s annual audit during the following calendar year.
- If the agreement is for a single audit or if the continuing agreement is terminated or amended, a filing is required by December 10.
- If T3TG is exempt from filing an annual audited financial statement, notice must still be filed indicating the date as of which an unaudited report will be prepared.
- Notice must be filed with FINRA and the two SEC offices within 15 days after:
    - T3TG notifies the accountant that its services will be terminated;
    - the accountant notifies T3TG it will not continue its engagement; or
    - a new accountant has been engaged without notice to or by T3TG’s current accountant.

The FINOP is responsible for maintaining a record of filing the required notices.

5.5 Financial Reporting

['34 Act Rules 17a-5 and 17a-11]

5.5.1 Part-Time, Off-Site or Multiple Registered FINOP

[FINRA Notice to Members 06-23]

Responsibility	• Chief Executive Officer (CEO)
Resources	• Background and capabilities of the FINOP • References from other firms • FINOP's CRD record • Reports prepared by the FINOP • Observation of performance
Frequency	• At time of hire: background check • Ongoing: evaluate FINOP's work

Action	• Conduct background check before hiring FINOP:
	  ○ Review qualifications
	  ○ Check references
	  ○ Review CRD record
	  ○ Conduct other reviews such as credit review
	  ○ Obtain contract outlining FINOP's responsibilities including the obligation to remain current on rules and regulations affecting FINOP responsibilities
	• Review FINOP's work, including timely completion and filing of FOCUS reports, other reports prepared by the FINOP

Record	• Background check information • Contract with FINOP • Review of FOCUS and other reports

T3TG employs a full-time FINOP who is not off-site, nor registered with multiple unaffiliated firms. The FINOP's responsibilities include, but may not be limited to, the following:

- Prepare and file FOCUS reports
- Review items that may impact net capital
- Fulfill other obligations outlined in this Chapter

5.5.2 Disclosure of Financial Condition

Upon request, information T3TG's financial condition in its most recent balance sheet will be made available to customer/members and to any member firm that is party to an open transaction or has on deposit cash or securities with T3TG. The information may be provided in paper or electronic form.

5.6 Regulation T and Extension of Credit to Customer/members

[Federal Reserve Regulation T; FINRA Rule 4210]

Responsibility	• Compliance / Or Designee
Resources	• Various • FINRA Customer/member Debits Report and/or internal reports
Frequency	• Ongoing
Action	• Work with Clearing agent to assure accounts meet Regulation T requirements • Request extensions, issue margin calls, *etc.*, as appropriate, through clearing agent. • Discontinue margin trading for accounts missing required signed margin agreements • Review unsecured debits report(s) and take corrective action as necessary which may include consultation with Associated Person and Associated Person's supervisor, closing the account, or other appropriate action
Record	• Various records maintained by Operations • FINRA report and/or internal reports including notes of action taken

5.7 DVP/RVP Procedures

T3TG engages from time to time in DVP/RVP (Delivery or Receive Versus Payment) transactions for its customers designed to settle purchases of new issue securities through an underwriter or selling group. T3TG is not an underwriter, does not participate in any firm commitment offerings and is generally not part of the selling group in this arrangement. T3TG's role is solely to help facilitate these transactions on behalf of customers to settle these purchases at one or more of its clearing brokers.

The procedures are designed to follow a structured and secure process in which customers place an indication of interest with a third party followed by a confirmed order for the purchase of the new issue securities to initiate the transaction. T3TG reviews the customer's account to confirm that they have the necessary funds or sufficient margin to cover the purchase. Once the customer's account is reviewed, the third-party broker-dealer that is offering the securities executes the purchase order for the new issue securities on behalf of the customer. The broker-dealer offering the securities provides the trade confirmation that contains details of the executed transaction, including the quantity, price, and settlement date. In accordance with the DVP arrangement, the offering broker-dealer ensures simultaneous settlement, where the delivery of the new issue securities and the payment occur concurrently with T3TG's clearing broker to conduct an efficient exchange of assets.

After the settlement, the clearing broker-dealer confirms to the customer that both the securities and funds have been successfully exchanged. The broker-dealers involved maintain detailed records of the transaction for regulatory compliance and reporting purposes. This includes documentation of the trade confirmation, settlement details, and any other relevant information. Throughout the process, T3TG's clearing broker-dealer is responsible for compliance with regulatory requirements and market

standards. The clearing broker communicates the trade details with the clients, keeping them informed about the status of the transactions and addressing any questions or concerns that they may have.

5.8 Fidelity Bonding

[FINRA Rule 4360]

The FINOP or designee is responsible for obtaining and maintaining fidelity bonding as required by rule and verifying the adequacy of coverage on at least an annual basis when the bond is subject to renewal.

5.9 Cash Deposits Not Accepted

T3TG's clearing firms and T3TG policy prohibits the acceptance of cash or currency from customer/members. Circumstances surrounding any attempt by a customer/member to deposit cash or currency shall be referred to, and reviewed by, T3TG's AML Compliance Officer. The Operation's Manager is responsible for advising the customer/member that T3TG will only accept checks or wire transfers. The FINOP and Operation Manager are responsible for referring instances of attempted or actual cash deposits to the AML Compliance Officer.

5.10 Cash Equivalents

T3TG will only accept deposits of cash equivalents, such as traveler's checks, money orders, or cashier's checks to pay for registration fees for Prop Traders. Any retail Customer/members attempting to deposit cash equivalents should be advised that the firm's Clearing Firm does not accept these types of deposits and will be instructed to instead provide a wire transfer for deposit to their account.

5.10.1 Risk Assessment, Recordkeeping and Reporting

A broker-dealer that is owned by a holding company is subject to SEC requirements governing recordkeeping and reporting.

5.10.2 Recordkeeping Requirements

['34 Act Rules 17h-1T and 17h-2T; SEC no-action letter to Douglas G. Preston, Securities Industry Association, dated September 30, 1993]

The FINOP is responsible for establishing procedures and determining that T3TG maintains records in accordance with SEC requirements for risk assessment recordkeeping.

5.10.3 Reporting Requirements

The FINOP is responsible for determining whether T3TG is required to file Form 17-H Risk Assessment Report For Brokers And Dealers and, if applicable, filing the form with the SEC within 60 calendar days of the end of T3TG 's fiscal year.

5.10.4 Risk Practices Regarding Employment and Associates

T3TG has established procedures regarding the hiring of personnel; conduct and review of Employee/Member accounts; granting of authority to act in various capacities on behalf of T3TG; and the integrity of T3TG's systems and financial reporting.

5.10.5 Background Checks

One of T3TG's first lines of defense is the hiring of qualified people who do not bring high-risk behavior to their positions. T3TG conducts background checks on all applicants for employment with T3TG. All offers of employment are considered conditional pending the outcome of the background checks. These background checks include utilizing FINRA's fingerprint system, McDonald's Information Services (MIS) and Business Information Group (BIG) and confirming prior employment when applicable. Any adverse information is referred to the hiring manager for consideration prior to finalization of employment.

Also refer to the section *Hiring Procedures* in the chapter *EMPLOYMENT, REGISTRATION AND LICENSING* for more information about hiring procedures.

5.10.6 Employee/Member Accounts

Associates are subject to policies governing the conduct of their personal securities accounts. Refer to the section *Employee/Member and Employee/Member Related Accounts* in the chapter *GENERAL EMPLOYEE/MEMBER POLICIES,* as well as the chapter on *INSIDER TRADING.*

5.10.7 Authority

Associates may only act on behalf of T3TG within the boundaries of authority granted them by T3TG. Only a Manager Member has the legal authority to bind the Firm.

5.10 Business Continuity Plan

[FINRA Rule 4370, Notices to Members 06-74 and 04-37]

T3TG has developed a Business Continuity Plan to provide procedures for response and recovery in the event of a significant business disruption. The purpose of the Plan is to identify responsible personnel in the event of a disaster; safeguard associates' lives and firm property; evaluate the situation and initiate appropriate action; recover and resume operations to allow continuation of business; provide customer/members with access to their funds and securities; and protect books and records. The Plan was developed considering the types of business conducted, systems critical to support business, and geographic dispersion of offices and personnel.

5.10.1 Designation of Responsibilities

The following is a list of those responsible for T3TG's Business Continuity Plan.

Responsibility	**Names or Titles**
Maintain and update Plan	Steven Pikowski
Approve Plan and Plan revisions; conduct annual review	Steven Pikowski/ Garret Marquis
Quarterly testing of Plan	Steven Pikowski
Implementation of Plan when a disruption occurs	Emergency Response Team
Review of Emergency Contact Persons and report changes to regulators	Steven Pikowski
Maintain and distribute Emergency Contact List	Steven Pikowski

Maintain and update Books and Records Chart	Steven Pikowski
Provide Plan information to customer/members: • At time of account opening • Upon request	William Jones
Post Plan disclosure on T3TG's website and update, as required	Steven Pikowski / Designee
Review critical third-party assurances or disaster plans or plan summaries: • At initial engagement of third party • Annually when T3TG's Plan is reviewed	Garret Marquis

5.10.2 Retention and Location of the Plan

Copies of the current and prior versions of the Business Continuity Plan are retained as follows. Copies are dated as of the effective date of the version of the Plan.

- A current hard copy is retained by Compliance with a record of the senior manager's approval.
- An electronic copy is retained by Compliance on the U Drive.
- Back-up copies are retained electronically via optical disk technology.

5.10.3 Implementation of the Plan

The Plan has been designed to be implemented in the event of a disaster that results in a significant business disruption. Whether all or only parts of the Plan are implemented depends on the nature of the disruption. Generally, a significant business disruption would include:

- Destruction of one of T3TG 's offices or facilities, whether by natural causes or by other means
- Loss of life or major injuries to personnel in an office location that disables that office's ability to conduct business
- Disruption of service from a critical service provider
- Disruption of service due to wide-ranging regional outages such as a power outage

5.10.4 Emergency Response Team

T3TG has designated an Emergency Response Team that is responsible for implementing necessary procedures included in this Plan. The Response Team's action will depend on the nature and scope of the disruption. The "first responder" has the primary responsibility for taking action, and the "secondary responder" acts as a back-up in the event the first responder is unable to act. Where feasible, the two responders are located in different office locations.

Action	**First Responder/Location**	**Secondary Responder/Location**
Contact emergency services such as police, fire department	Garret Marquis	Steven Pikowski
Establish off-site command center and notify associates	Garret Marquis	Steven Pikowski
Contact associates regarding Plan initiatives	Garret Marquis	Steven Pikowski

For affected offices, evaluate business disruption and transfer associates and business operations to other locations	Garret Marquis	Steven Pikowski
Appoint individuals to manage business areas where needed	Garret Marquis	Steven Pikowski
Assess financial and operations capabilities	Garret Marquis	Steven Pikowski
Determine financial and credit risk and contact banks and other counter-parties, if necessary, to secure financing to continue operations	Garret Marquis	Steven Pikowski
Notify regulators in the event of a capital deficiency	Garret Marquis	Maria Li
Interface with SIPC if liquidation of business is initiated	Garret Marquis	Steven Pikowski
Contact critical service providers	Garret Marquis	Maria Li
Transfer mission critical functions that are disrupted	Garret Marquis	Steven Pikowski
Initiate alternative customer/member communications systems or procedures	Garret Marquis	Steven Pikowski
Notify customer/members regarding alternative access to funds and securities	Garret Marquis	Steven Pikowski
Recover back-up records when primary records are destroyed or inaccessible	Garret Marquis	Steven Pikowski
Contact regulators and notify them of contact persons and recovery plans	Steven Pikowski	Steven Pikowski

5.10.5 Emergency Contact List

T3TG has established an Emergency Contact List that includes the names, phone numbers (cell and land lines), email addresses, and other contact information for individuals critical to T3TG's business, including key associates, key vendors or service providers, regulators and other key contacts. A copy of the List is provided to each member of the Response Team and other key personnel. This list will be reviewed and updated on at least an annual basis.

5.10.6 Alternative Business Locations

In the event associates can no longer conduct business at one of T3TG's office locations, the following actions may be taken:

- Transfer associates to the closest unaffected office location and notify personnel
- Transfer critical systems to another office or a back-up firm or system
- Transfer business operations to another T3TG office unaffected by the disruption
- Transfer business operations to a different broker-dealer or other entity

A list of offices appears in the chapter *DESIGNATION OF SUPERVISORS AND OFFICES* and includes the types of business conducted at each office.

5.10.7 Data Back-Up and Recovery

T3TG maintains its books and records in both hard copy and electronic format. The firm will also assure that each vendor which is responsible for firm records maintain a Disaster Recovery Plan of their own. In the event of an internal or external significant business disruption that causes the loss of T3TG's records (whether hard copy or electronic records), back-up records will be recovered from the back-up site.

5.10.8 Clearing firms Back-Up and Recovery

The clearing firms maintains records for T3TG under the terms of the clearing agreement. The clearing firms has developed a disaster and recovery plan to recover and retrieve records lost in a disaster affecting T3TG and/or the clearing firms.

T3TG has received assurance from the clearing firms that its plan is consistent with SRO rule requirements and provides adequate protection of customer/member funds and securities held on behalf of T3TG customer/members and back-up and recovery systems for records retained by the clearing firms. Compliance (or another person designated to review critical third party plans) will review the clearing firms plan or a summary of the plan at least annually when T3TG's Plan is reviewed.

5.10.9 Mission Critical Systems

Mission critical systems are systems that are necessary to ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement, maintaining customer/member accounts, and providing access to customer/member funds and securities.

The Mission Critical Systems element of T3TG's Business Continuity Plan identifies systems (or generally describes procedures) that are critical to the operation of T3TG's business; identifies third parties that provide those systems; and potential alternate procedures or systems for handling these critical functions in the case of a disruption.

5.10.10 Financial and Operational Assessments

The following describes procedures for assessing changes in operational, financial, and credit risk exposures in the event of a significant business disruption.

5.10.11 Operational Risk

In the event of a significant business disruption, alternative systems will be implemented to communicate with customer/members, associates, critical business constituents (banks, counter-parties, if applicable, etc.), regulators, and other key parties depending on the nature and impact of the disruption. Communication systems are described in the section *Alternative Communications*.

5.10.12 Financial and Credit Risk

In the event of a significant business disruption, T3TG's financial status will be evaluated to determine the need for additional financing or identify capital deficiencies, including the following:

- Review the impact of the disruption on T3TG 's ability to conduct business
- Identify inability to satisfy obligations with counter-parties
- Contact banks or other counter-parties to secure needed additional financing
- Notify regulators of capital deficiencies
- Reduce or cease business as may be required due to capital deficiencies or inability to conduct business
- Transfer business to other financial institutions until T3TG may resume conducting business

5.10.13 Alternative Communications

T3TG may use a wide range of communication systems to communicate with its customer/members, associates, counter-parties, and regulators, including telephone; mail; fax; email; vendor systems (such as Bloomberg); and personal meetings. Procedures for instituting alternative communications in the event of a significant business disruption include the following, depending on the nature of the disruption:

- Identify the most expedient remaining means of communication
- Notify associates if an off-site command center has been activated
- Notify associates of alternative communication systems to be used
- Transfer communications to another firm

Determination of what communication system will be used depends on the nature of the disruption and which communication systems (electronic mail, telephone calls, *etc.*) are functional, and the availability of personnel in the event telephone contact is necessary.

5.10.14 Between Customer/Members and the Firm

In the event of a significant business disruption that disables communications systems, alternative system procedures will be implemented, including the following:

- Identify the most expedient remaining means of communication
- Notify associates regarding how to contact customer/members
- Contact customer/members about how to enter orders, how to access accounts and account assets, and other alternative business operations

5.10.15 Between The Firm and Its Associates

In addition to the above, T3TG has developed a system to enable senior management to contact associates in the event of an emergency. The system may include, depending on geographic dispersion of associates:

- "Call trees" that provide contact initiated at senior management level and pyramiding down to reach affected personnel

5.10.16 Between The Firm and Regulators

Communications with regulators will be conducted using the most expedient available communication system. The designated Response Team person will contact regulators regarding any major business disruption and plans for continuing business.

5.10.17 Regulatory Reporting

In the event of a significant business disruption affecting offices responsible for regulatory reporting, regulators will be contacted to determine which means of filing are available under the circumstances to meet filing requirements. In the event T3TG cannot contact regulators, required reports will be filed using communications means available.

5.10.18 Business Constituent, Bank, and Counter-Party Impact

This section describes business continuity procedures regarding third parties that are critical to the conduct of T3TG's business. In most instances, contracts with critical third parties will include assurances regarding the third party's disaster recovery plans. A disruption impacting T3TG's ability to conduct business may occur either at T3TG itself or at the third party.

The Business Constituents, Bank, and Counter-Party, if applicable, are identified key parties in the event of a disruption.

5.10.19 Business Constituents

- Determine whether the third party is able to continue providing critical services.
- If not, identify and contact an alternate third party to provide services.

5.10.20 Banks and Other Financial Institutions

- Determine whether the bank/financial institution is able to continue providing financing.
- If not, identify and secure alternative financing.

5.10.21 Critical Counter-Parties

- Determine whether transactions may be completed with counter-parties.
- If not, contact counter-parties directly (or T3TG's clearing firms, if business is introduced) to make alternative arrangements to complete transactions.

5.10.22 Other Obligations to Customer/Members

5.10.23 Accepting Customer/Member Orders

In the event T3TG's systems for accepting customer/Member orders are disrupted, alternative systems will be communicated to customer/Members and to associates including, where appropriate:

- Accepting orders by telephone or other alternative means
- Communicating orders to trading desks (internal or external) or order execution systems by telephone or other alternative means

5.10.24 Prompt Access to Funds and Securities

When customer/member access to funds and securities is impacted by a significant business disruption, customer/members will be notified by whatever expedient means is available (telephone, email, *etc.*) regarding who may be contacted to request funds or securities through T3TG's clearing agent(s). T3TG will contact customer/members and notified them of any alternative financial institution where they may conduct business and access their funds and securities.

5.10.25 SIPC Liquidation

In the event SIPC liquidation of T3TG's business is required, designated personnel will work with the SIPC-appointed trustee to wind down T3TG's operations and transfer customer/member funds and securities.

5.10.26 Disclosure of Business Continuity Plan

[FINRA Rule 4370(e)]

Information about T3TG's Business Continuity Plan is provided to customer/members as follows:

- Available at the time of account opening
- Though other written notice, as appropriate
- Upon request, electronically or by mail

5.10.27 Emergency Contact Information

[FINRA Rule 4370, FINRA Rule 4517]

T3TG has provided FINRA with the names of two emergency contact persons, one who must be a registered principal and member of senior management and a second who may be unregistered (such as T3TG 's attorney, accountant, or a clearing firm's contact) and who has knowledge of T3TG 's business.

Emergency contact information will be promptly updated, when necessary. FINRA Executive Representative (or other designated Employee/Member) will review the contact information within 17 business days of the end of each calendar year and will retain a written record of the review. If the Executive Representative delegates this responsibility, a written memorandum designating another Employee/Member will be provided to Compliance, where it will be retained with the current Plan. The annual review of the Plan will include verification that only the Executive Representative or delegate is conducting the review and updates.

5.10.28 Widespread Health Emergencies

[Federal government Business Pandemic Influenza Planning Checklist: http://www.pandemicflu.gov/plan/pdf/businesschecklist.pdf]

A widespread pandemic or any biologically based threat could have significant impact on the ability of T3TG to continue conducting business. This section outlines the steps T3TG has taken, and will take, in the event of a widespread pandemic.

5.10.29 Preparatory Steps

- Document government resources for information about a pending pandemic
- Identify and document an alternative firm or firms to handle T3TG ’s business for extended periods of time
- Identify and document medical resources to assist associates, including administering vaccinations or other medications
- Stock antibacterial and other hygiene products for use by associates
- Identify associates that can telecommute and establish a list of those associates and what computers and technology will be necessary

5.10.30 Action If a Pandemic Occurs

The following procedures will be followed in the event of a threatened health emergency:

1. The Emergency Response Team will meet to determine the potential seriousness of the threat and what action to be taken as the threat escalates.
2. Notify associates of:
    - available vaccinations or other medication and whether they are mandated
    - necessary conduct, such as avoiding personal contact such as handshaking
    - access to antibacterial or other hygiene products to reduce infections and transmission of communicable diseases
    - requirement to stay home and telecommute
    - transfer of business/functions to other firms
    - contact list of key personnel
3. Restrict access to T3TG by outsiders (customer/members, vendors, *etc.*).
4. The Emergency Response Team will meet or communicate regularly to determine steps to be taken.

5.10.31 Education of Associates

The Business Continuity Plan is communicated to associates as follows:

- A summary is included in the chapter *GENERAL EMPLOYEE/MEMBER POLICIES* in the section *Emergency Business Recovery Procedures* and is available to all associates.
- A current copy of the Plan is provided to the Emergency Response Team and key associates with responsibilities for aspects of the Plan.
- The most recent Emergency Contact List is provided to key associates.

5.10.32 Updating, Annual Review, and Testing

The Plan will be reviewed on at least an annual basis and revised as needed. Each revision will be approved by the designated senior manager and copies of the revised Plan distributed to the Emergency Response Team and key associates. Some material events require updating the Plan when they occur, including:

- Material changes to T3TG ’s business
- A change in T3TG ’s main office location
- Added office locations
- A change in a major service provider

When the Plan is reviewed, the procedures and accompanying lists and charts will be reviewed annually and updated as needed.

A written record of the annual review, including the date reviewed and name and signature of the reviewer, will be retained by Compliance.

5.11 Customer/Member Payments for Purchases

When an order to purchase securities is accepted from a customer/member, payment from the customer/member's bank account or other depository must be authorized in writing by the customer/member. Payment is not acceptable based only on the customer/member's oral authorization to withdraw funds. Examples of acceptable payment include:

- Wired Funds

Questions regarding proper payments should be referred to Operations or Compliance.

5.11.1 Checks Payable to Clearing firms

T3TG's clearing firms do not accept checks.

5.11.2 Inadvertent Receipt of Customer/member Funds or Securities

T3TG does not hold funds or securities for, or owe money or securities to, its customer/members. Therefore, T3TG is exempt from customer/member protection requirements under Reg. Section 240.15c3-3(k) (2) (ii). In the event that funds or securities are inadvertently received by T3TG, an entry will be made in a log maintained for that purpose recording the date, the amount, and, in the case of securities, a description of the securities received, and the action taken to return such funds or securities to their rightful owner.

No later than the next business day, T3TG will return the funds or securities to the sender. If the sender cannot be immediately determined, T3TG will open a separate bank account, to be designated as "Special Account for the Exclusive Benefit of the Owner of Funds and Securities," into which the funds or securities will be deposited and held until the rightful owner has been identified.

5.11.3 Guaranteed Accounts

A customer/member (the "guarantor") may provide a written guarantee to cover the margin calls in another account (the "guaranteed" account) using the equity in the guarantor's account. Written agreements for such guarantees must be provided to Operations and Compliance.

Associated Persons are prohibited from guaranteeing payment in another customer/member's account (unless the other customer/member is an Employee/Member-related account and approval has been obtained from Operations).

5.12 Transmittals of Customer/Member Funds and Securities

[FINRA Rule 3120(a) (2) (B)]

This section describes T3TG's procedures for transmitting funds or securities from customer/member accounts. The following summarizes requirements:

- All transfers require **written** letters of authorization (LOAs) when funds and/or securities will be transmitted. The Firm does not generally permit any transfer to a third party. LOAs may be received by mail, fax, delivery, or other means including electronic transmission that provides for written authorization with the customer/member's verifiable signature.
- If an LOA copy is not presented in person by the customer/member, the customer/member's signature will be verified against existing account records.
- LOAs will be forwarded to the clearing firms.
- Copies of LOAs are retained in the Firm's records.
- Any authorized third party receiving a customer/member's assets in person will be required to present photo ID and the third party authorization (LOA) will be verified.
- Notation will be made on Firm records of the verification of IDs, signatures, and existence of LOAs, including who verified, the date verified, and the related transactions (issuance of a check or sending of other assets from the account).
- Suspicious or questionable activity must be brought to the attention of the AML Compliance Officer, who is responsible for determining whether a Suspicious Activity Report must be filed.

5.12.1 Checking Account Safeguards

Responsibility	• CCO / COO
Resources	• N/A
Frequency	• Ongoing • Annual - review of supervisory controls
Action	• Train personnel regarding required procedures • Limit authorized check signers to CEO, his designees individually or collectively, and request additional signers as necessary. • Review checking account safeguards as part of the annual supervisory controls review (Compliance or other reviewer)
Record	• Records of checks issued, including approvals, are retained in files of the FINOP and Compliance and/or records may be retained by a clearing firm.

Not applicable at this time. The following procedures must be followed to safeguard the use of checks.

- Blank checks and check registers must be kept in a secure operations area or locked location, with access limited only to authorized personnel.
- At the end of the business day, all blank checks must be locked in a safe or similarly secured area.
- If using a clearing firm's account:
    - Approval must be obtained from the clearing firm prior to writing a check, and approval noted in records retained for checks issued.

    - Transmit to the clearing firm, by the end of the business day, information regarding checks issued that day.
- If a clearing firm issues checks, promptly transmit the customer/member's request for issuance of a check or sending of securities
- Checks must be used in numerical sequence.
- T3TG maintains a list of authorized check signers. Checks **must not** be signed in blank, in anticipation of a check signer's ab**sence. T**he manager of Operations must be contacted if alternate arrangements are necessary in the absence of an authorized check signer.

5.12.2 Prepayments and Extensions

Prepayments (customer/member requests payment prior to settlement date on a sale) or extensions of time to make payment must be approved by the Compliance.

5.12.3 Issuing Checks to Customer/members

T3TG does not issue checks. All funds are sent or received via wire or ACH.

5.12.4 Letters of Authorization

A Letter of Authorization (LOA) is an important required document whenever a customer/member asks that funds or securities are to be sent to a third party out of the customer/member's account. LOAs are an important record for T3TG, both to ensure the customer/member's instructions are followed and to ensure T3TG has a written record in the event there is a question in the future about disbursements from an account. The Firm does not generally permit payments or receipts from third parties.

5.12.5 LOA Instructions

Associated Persons or their sales assistants are responsible for obtaining completed LOAs, when necessary.

- A completed LOA is required **prior to** disbursements to third parties.
- All blank information must be completed on the LOA.
- The customer/member's original signature is required. In the case of a joint account, all joint owners must sign the LOA. For corporations, trust accounts, and other accounts, the authorized person must sign the LOA.
- Completed LOAs are submitted to Operations and should accompany the request to disburse funds or send securities.

5.12.6 Transmittals to an Alternate Address

Funds and securities will only be sent to the customer/member's address of record.

5.12.7 Transmittals between Customer/members and Registered Representatives

T3TG does not permit any Associated Person or other T3TG associate to personally deliver a check to the customer/member.

5.13 Safekeeping of Customer/member Funds and Securities

['34 Act Rules 8c-1, 15c2-1, 15c3-3 and 17a-13; FINRA Rules 2150 and 4330, Notice to Members 99-44]

5.13.1 Introduction

SEC Rule 15c3-3 specifies requirements for broker-dealers to properly protect customer/members' funds and securities. These rules include segregation of certain funds and securities. Broker-dealers that self-clear are responsible for complying with these rules. Broker-dealers that do not hold customer/member funds and securities may qualify for exemptive provisions of the Rule. Two significant elements of the Rule are:

- a formula for a cash reserve which restricts a broker-dealer from using customer/member funds and securities in their own business; and,
- a requirement that brokers or dealers maintain and obtain physical possession or control, as defined in the Rule, of fully paid and excess margin securities.

5.13.2 Exemption from 15c3-3

Because of the nature of T3TG's business, T3TG qualifies for an exemption under Rule 15c3-3(k). The FINOP is responsible for determining that T3TG qualifies for an exemption.

5.14 Customer/member Confirmations and Statements

5.14.1 Customer/member Statements Only Are Provided To Customer/members

Associated Persons are not permitted to create supplemental customer/member statements or reports for the purpose of consolidating investments not shown on customer/member monthly statements issued by T3TG. The customer/member monthly statement provided by T3TG through its clearing agent(s)] is the only record to be provided to customer/members.

5.14.2 Change of Customer/member Addresses on Accounts

[FINRA Rule 3120(a) (2) (B)]

Responsibility	• Compliance / Or Designee
Resources	• Request to change address on account from customer/member or Associated Person
Frequency	• As required
Action	• Change address • Send a confirming letter to the customer/member's old address, notifying that the address has been changed on the account
Record	• Copies of confirming letters are retained by Compliance

When a customer/member requests a change of address, a notification confirming the change of address will be sent to the customer/member's old address. Customer/member inquiries responding to the change of address notification will be forwarded to Compliance for follow-up.

5.14.3 Undeliverable Mail

When customer/member mail is returned to T3TG as undeliverable, Compliance will contact the Associated Person's supervisor to obtain an updated address. When a new address is provided, the customer/member will be sent a letter at the new address asking for signed confirmation that the new address is correct. When the letter is returned, the customer/member's signature will be compared to other account documents on file. Signature anomalies will be referred to Compliance for follow up. If the customer/member fails to return the form, a second letter will be sent notifying the customer/member his or her account will be frozen unless an affirmation is received.

If a corrected address is not provided, the account will be frozen to preclude securities or money transactions (other than expiration of options or similar passive transactions) until a correct address is provided.

5.14.4 Holding Customer/member Mail Prohibited

T3TG will not hold mail on a customer/member's behalf, even for a short duration. Associated Persons are **not** permitted to hold customer/member mail. A customer/member, who cannot receive mail at the address established on the account, must be instructed to provide a third party mailing address that is not related to T3TG or any associate of T3TG.

5.14.5 Confirmation Disclosures

['34 Act Rule 10b-10]

Responsibility	• Compliance / Or Designee
Resources	• Trade data
Frequency	• Daily
Action	• Establish operations procedures for including necessary disclosures in addition to standard information included on confirmations
Record	• Copies of confirmations

The designated operations supervisor is responsible for establishing procedures to include special required disclosures on customer/member confirmations. Examples of some types of special disclosures are explained in the following sections.

5.15 Expense-Sharing Agreements

[SEC Letter July 11, 2003 to FINRA and NYSE Regarding 'Recording Certain Broker-Dealer Expenses and Liabilities;' FINRA Notice to Members 03-63]

The SEC specifies requirements for incorporating an expense-sharing agreement into a broker-dealer's operations and how these agreements are recorded in the broker-dealer's financial records. The FINOP is responsible for ensuring T3TG complies with the SEC's guidelines if it enters into any such agreements.

In addition, the FINOP is responsible for notifying T3TG’s Designated Examining Authority (DEA) if it enters into an expense-sharing agreement and does not record each of the expenses it incurs relating to its business on the reports it is required to file with the SEC or with the DEA. The notice will include the date

of the agreement and the names of the parties to the agreement; a copy of the agreement will be provided to the DEA upon request.

5.16 Electronic Delivery

[SEC Interpretive Releases 33-7233 and 33-36345 dated 10/6/95 and 33-7288 dated 5/96]

The FINOP is responsible for establishing procedures for the delivery of annual reports and other financial reporting disclosure materials by electronic media.

5.17 Transfer of Accounts

For accounts introduced to a clearing firm, the clearing firm is responsible for timely transfer of customer/member accounts to another broker-dealer.

5.18 Solicitation of Proxies

['34 Act Sec. 14]

Associated Persons are not permitted to solicit proxies from customer/members. Federal securities rules prohibit solicitation of proxies, except in very limited situations. Questions should be referred to Compliance.

5.19 Customer/member Requests for References

Responsibility	• Branch Manager
Resources	• Requests from customer/members or prospective customer/members for reference letters
Frequency	• As required
Action	• Review requests and determine what, if any, reference letter may be issued • If appropriate, write reference letter with a copy to the Associated Person
Record	• Letters must be sent to Compliance for review • Letter must be retained by Compliance

Customer/members, or prospective customer/members, sometimes request letters of reference from broker-dealers regarding their accounts or future business to be done. Some of these requests in the past have been scams by unscrupulous individuals seeking to capitalize on a broker-dealer's good name. Any such requests should be referred to Compliance for handling.

5.20 Audit Letters

Responsibility	• Compliance / Or Designee
Resources	• Letters from auditors requesting verification of balances in customer/member accounts
Frequency	• As required
Action	• Forward requests to Compliance for response

Record	• Compliance will maintain copies of responses in customer/member account files

Auditors sometimes send letters asking T3TG to verify funds and securities on behalf of their customer/members who also have accounts with T3TG.

All requests should be forwarded to the Compliance for response. In no instance should an Associated Person or other branch personnel respond to these requests.

5.21 Annual Disclosure of FINRA BrokerCheck

As required by FINRA rule, at least annually customer/members will be provided with the following information in writing about FINRA BrokerCheck (formerly known as FINRA Public Disclosure Program):

- the hotline number
- the Website address
- a statement regarding the availability of an investor brochure regarding FINRA BrokerCheck

5.22 Clearing Agreement

[FINRA Rule 4311, Notice to Members 05-72; NASDAQ Rule 3230]

T3TG introduces its accounts and customer/member transactions to its clearing firms. T3TG has executed clearing agreements consistent with regulators' requirements and will amend its clearing agreement when necessary. Any new clearing agreement or amendment will be submitted by the Clearing Firm to its designated SRO for review and approval.

If T3TG has an agreement to act as an intermediary for another introducing firm ("piggybacking" arrangement), it will maintain data for the piggybacking firm in a way that enables regulators and the clearing firms to separately identify data on proprietary and customer/member accounts of the piggybacking firm.

5.23 Clearing firms Exception Reports

Responsibility	• CCO
Resources	• Clearing firms lists of reports available and currently received
Frequency	• Annually, at or around July 31 of each year
Action	• Review list of reports available from clearing firms and adjust list of reports received, if appropriate
Record	• Notice from the clearing firms and request for change to reports received are retained in a file for clearing firms exception reports.

In compliance with SRO rules, T3TG's clearing firm is required to provide annual notice, by July 31 of each year, as follows:

- Notice to T3TG of:
    - exception reports available, and,

- exception reports currently supplied to T3TG.

- A copy of this notice is forwarded to T3TG's designated examining authority or other appropriate regulator by the clearing firms.

When the list of available reports is received, Compliance will review the list and contact the clearing firms regarding changes to the list of reports currently received.

5.24 Short Interest Report

[FINRA Rule 4560]

T3TG's clearing firms are responsible for filing required short interest reports.

5.25 Electronic Blue Sheets

T3TG's clearing firms receive and are responsible for filing Electronic Blue Sheet (EBS) responses. Regulators may request information regarding customer/member or T3TG transactions as part of their ongoing market surveillance activities. Information is transmitted electronically through the Electronic Blue Sheet (EBS) system.

5.26 Regulatory Fees and Assessments

['34 Act Sec. 31; FINRA By-Laws, Schedule A, Notices to Members 04-63 and 05-11]

The FINOP is responsible for paying fees and assessments required by regulators. A record of information reported and fees or assessments paid are retained in the FINOP's files.

5.27 Regulatory Requests

Requests received by associates must be referred to Compliance. Generally, responses to regulatory requests may only be provided by the Compliance Department unless otherwise approved in writing by the CCO.

5.27.1 Information Provided Via Portable Media Device

Information provided to FINRA by portable media device in response to requests under FINRA 8210 (Provision of Information and Testimony and Inspection and Copying of Books) will be encrypted using a method that meets industry standards for strong encryption. FINRA staff will be **provided with the confidential process or key regarding the encryption in a communication** separate from the encrypted information itself (separate email, fax, letter, *etc.*).

The Compliance, Legal, or other authorized person providing the requesting information is responsible for ensuring that the information is encrypted when a portable media device is used for transmission of the information.

5.28 Outsourcing

[FINRA Notice to Members 05-48]

Responsibility	• Operations Manager or delegate
Resources	• Third party vendors • Reviews of vendor performance • Customer/member complaints
Frequency	• As required

Action	• Identify areas of T3TG ’s business where outsourcing is appropriate
	• Identify third party vendors that provide the needed services
	• Evaluate potential third parties and determine whether to engage using the Outsourcing Review Worksheet
	• Execute contract
	• Establish procedures to determine periodically that outsourced services are fulfilling T3TG ’s requirements and complying with applicable rules
	• When problems with outsourced services are identified through customer/member complaints, monitoring of services, or from the vendor itself:
	  o Review the problem to determine whether the source is the vendor or is internal
	  o Take corrective action which may include the following:
	  ▪ Contact the vendor and determine what corrective action will be taken and follow-up to determine corrective action has been taken
	  ▪ If the problem continues or is significant, determine whether vendor should be replaced
	  ▪ If the problem is internal, contact the appropriate supervisor to determine corrective action
	  o Consult with Compliance when necessary to determine action to be taken

Record	• Outsourcing Review Worksheet • Contracts with third parties • Records of third party vendor reviews • Records of corrective action taken

Some services may be outsourced to third parties (vendors). While third parties are responsible for providing agreed-upon services in an accurate manner, regulators have stated that firms remain responsible for ultimate compliance with rules governing the outsourced activity.

When choosing an outside vendor, a number of factors will be considered depending on the type of service provided. Factors that may be considered when engaging a third party include:

- Length of time in business
- Financial stability

- Prior knowledge of the vendor
- Other users of the vendor's services
- Technology and ability to deliver services
- Security of customer/member or other financial information, if applicable
- Who at T3TG is responsible for monitoring the vendor's services

5.29 Protection of Firm and Customer/member Systems and Data

[SEC Regulation S-P, Rule 30(a) and SEC Release No. 34-50781; Fair and Accurate Credit Transactions Act of 2003, Section 216; FINRA Notice to Members 05-49; FINRA web page: Customer/member Information Protection http://www.finra.org/Industry/Issues/Customer/memberInformationProtection/index.htm]

Responsibility	• Technology Department
Resources	• Internal and outside security systems • Computers, phones, PDAs, other data-retaining devices • Customer/member and Firm data
Frequency	• Clearing of data from devices: when device is to be retired or re-assigned • Ongoing - review of integrity of systems • Annual - review of internal controls and procedures • As required - when intrusions are detected • Annual - provide training to personnel regarding use of systems
Action	• Clear data from retired or re-assigned devices (internally or using an outside service) • Provide training to personnel (may be part of annual compliance or other meetings or may be written instructions provided periodically) • Test systems regularly and correct anomalies • Conduct review of internal controls and procedures (Compliance or other assigned personnel)
Record	• Record of clearing data from retired or re-assigned devices • Record of training provided • Record of intrusions and actions taken • Record of annual review (Compliance or other)

T3TG's designated supervisor (*i.e.,* chief financial officer, chief information officer) is responsible for developing and implementing procedures to protect T3TG's internal systems and data. Included in those procedures are the following:

- **Control of access to systems.** Authorized personnel are issued passwords to access systems and records; these passwords are periodically changed.
- **Firewalls and other security systems.** Firewalls and other security systems are utilized to protect internal systems and data from unauthorized intrusions.
- **Action when intrusions occur.** If an intrusion is identified, it will be reported to Compliance, senior management, and appropriate authorities, if necessary. Security systems will be reviewed for

necessary upgrades or changes. Customer/members whose information was potentially compromised will be contacted.

- **Retirement of equipment, including computers, phones, PDAs, or other equipment that retain customer/member information.** Computers or other data-retaining equipment that will be disposed of will be subject to clearing of hard drives and other repositories of data prior to disposal. If a computer is re-assigned to someone who is not authorized to view data stored on that computer, the hard drive will be cleared prior to reassignment. Flash drives and other portable data devices that will no longer be used or reassigned will be destroyed or cleared of all data prior to disposal or re-use.
- **Training of personnel.** Proper use of systems and equipment and requirements for confidentiality are included in Employee/Member training.

5.29.1 Protection of Customer/member Information and Records

T3TG has adopted procedures to protect customer/member information, including the following:

- Customer/members will be provided the Firm's Privacy Policy at the time an account is opened.
- Accounts that opt out will be coded to block release of non-public financial information to nonaffiliated third parties.
- Computerized customer/member information is accessed by password protection or other established controls within the Firm's (or clearing firm's) system to ensure only authorized persons gain access. For example, sales personnel may access information regarding accounts assigned to them but not the accounts assigned to others.
- Associates are prohibited from downloading sensitive information.
- Requests for customer/member information from outside parties such as regulators, the IRS, and other government or civil agencies, are referred to Compliance for review and response.
- Customer/member non-public financial information is provided to nonaffiliated third parties by written agreement only.
- All agreements with clearing firms and other service providers include the third party's privacy policies.
- Other information sharing arrangements with nonaffiliated third parties (such as marketers) are disclosed in the Firm's Privacy Policy and non-public financial information is provided only on behalf of customer/members who do not opt out.
- The integrity of the Firm's internal computer systems, including privacy protection, is subject to regular review.
- If required by state law, states will be notified if customer/member information is stolen, making it subject to potential identity theft.

5.29.2 Social Security Numbers (SSNs)

SSNs are part of the information subject to protection of customer/member records. SSNs are obtained when accounts are opened, as required by federal law. SSNs are retained with account records and used for federally-required year-end reporting of transactions and/or income. Access is limited to authorized associates (operations personnel, managers, *etc.*) and are provided to outsiders only when required by law or court/arbitration action or other authorized authority.

5.29.3 Access to Customer/member Information via Wi-Fi

Because of risk of unauthorized access by outside parties and the difficulty of ensuring the security of wireless connections to the Internet, associates are not permitted to use wireless fidelity (Wi-Fi) to access customer/member account information, unless:

- the Employee/Member is working on Firm premises; or
- the Employee/Member has installed Firm-required firewalls or other protections and has prior approval from T3TG's designated information officer to use Wi-Fi for Firm business.

5.29.4 Remote Access to Customer/member Accounts

Some associates may be authorized to work at home or while traveling during which time T3TG's network will be accessed. Authorization must be requested from the designated information officer who will assign passwords and retain a record of authorized associates. Firewalls and other protections are in place to prevent intrusion by outsiders and breaches of confidentiality.

5.29.5 Disposal of Customer/member Information and Records

[SEC Regulation S-P, Rule 30(b) and SEC Release No. 34-50781; Fair and Accurate Credit Transactions Act of 2003, Section 216]

Customer/member information and records will be disposed of in a manner to prevent unauthorized access or use. Procedures include the following:

- Responsible associates will be identified and trained in proper disposal procedures.
- Information subject to these procedures will be identified in a written memo maintained and updated by the designated supervisor.
- There will be secure removal of trash involving customer/member information.
- Paper information will be burned, pulverized, or shredded so that it cannot be practicably read or reconstructed. On occasion a third party paper shredding company may be used. All third party shredding will be done on our premises by the third party under the direct supervision of the designated supervisor or Compliance.
- Electronic information will be destroyed or erased so the information cannot be practicably read or reconstructed.

5.29.6 Third Party Service Provider

T3TG has engaged a third party to provide disposal services and will notify the third party when consumer report or customer/member information is being provided for disposal in accordance with acceptable disposal procedures. The designated supervisor will:

- identify a qualified third party service provider;
- contract with the service provider for agreed-upon disposal services; and
- include in the contract agreement a method for notifying the third party when consumer report information is being provided for disposal, to enable compliance with acceptable disposal procedures.

6 ANTI-MONEY LAUNDERING (AML) PROGRAM

6.1 Firm Policy

It is the policy of the firm to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets.

Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses. Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes.

FINRA Rule 3310, FINRA website AML page (http://www.finra.org/RulesRegulation/IssueCenter/Anti-MoneyLaundering/index.htm); Bank Secrecy Act; Financial Crimes Enforcement Network (FinCEN) website (http://www.fincen.gov/index.html); FinCen regulatory guidance: http://www.fincen.gov/reg_guidance.html; Office of Foreign Assets Control (OFAC) website (http://www.treas.gov/offices/enforcement/ofac); SEC website AML page (http://www.sec.gov/spotlight/moneylaundering.htm), SEC Anti-Money Laundering (AML) Source Tool: (http:/www.sec.gov/about/offices/ocie/amlsourcetool.htm)]

6.1.1 Introduction

This chapter explains T3TG's Anti-Money Laundering (AML) Program. An explanation of money laundering and guidance for all associates to detect money laundering is included in the chapter *GENERAL EMPLOYEE/MEMBER POLICIES* in the section *Money Laundering*.

These policies will be updated and appropriate procedures and action effected when new rules are adopted.

6.1.2 Definitions

Monetary instruments (Bank Secrecy Act, 103.11):

1. Currency;
2. Traveler's checks in any form;
3. All negotiable instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) that are either in bearer form, endorsed without

restriction, made out to a fictitious payee (for the purposes of Section 103.23), or otherwise in such form that title thereto passes upon delivery;

4. Incomplete instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) signed but with the payee's name omitted; and
5. Securities or stock in bearer form or otherwise in such form that title thereto passes upon delivery.
6. Monetary instruments do not include warehouse receipts or bills of lading.

6.2 AML Compliance Officer

[FINRA Rule 4517, FINRA Rules 3310(d) and 3310.02]

Responsibility	• AML Compliance Officer
Resources	• Computer and other reports developed for the Program • Internal 6.4, 2.4, 6.10.1 or outside audits of the Program • Regulations and rules for broker-dealer anti-money laundering programs • OFAC website • Other sites and resources available
Frequency	• Annual - review policies and procedures • Annual and more frequently, as needed - develop and schedule AML education for associates • As needed - update program and provide revisions to senior management for review and approval • Annually - review AML contact information on file with FINRA • Ongoing - review new regulations • Ongoing - monitor activity
Action	• Develop and update T3TG 's anti-money laundering program • Obtain senior management approval for the program and any changes to the program • Monitor (or designate monitoring) the activity of T3TG, its associated persons, and customer/members to reasonably detect and prevent money laundering activities • Develop AML education program for associates and schedule training • File required reports • Retain required records • Provide contact information to FINRA and update contact information if necessary
Record	• Designation of AML Compliance Officer • Current and past copies of anti-money laundering program with senior management approval • Records of AML education including who attended, date of training, and material covered • Reports filed • Other records to be retained, as listed in the Program

T3TG has designated Steven Pikowski as AML Compliance Officer who is responsible for developing policies, procedures, and internal controls reasonably designed to achieve compliance with AML rules and regulations.

6.3 Independent Testing

[FINRA Rule 3310.01]

Responsibility	• AML Compliance Officer
Resources	• Policies and procedures • Independent testing results
Frequency	• Annual - schedule, conduct, and follow up testing (unless the firm qualifies for testing every two years)
Action	• Identify person(s) to conduct testing • Conduct testing • Report results to CEO in annual compliance report • Revise policies and procedures as necessary • Conduct follow-up to determine corrective action has been taken
Record	• Independent testing results, including who conducted and dates of review • Report to CEO • Record of changes to policies and procedures resulting from testing • Record of follow-up actions

The AML Compliance Officer will arrange for annual (on a calendar-year basis) independent testing of T3TG's policies and procedures regarding money laundering and the effectiveness of the program. The review is conducted by member personnel or a qualified outside party. More frequent reviews will be conducted, if necessary, as determined by the AML Compliance Officer.

Independent testing must be conducted by someone with a working knowledge of the Bank Secrecy Act and implementing regulation requirements. Anyone who conducts this audit will be fully vetted as to their qualifications to perform the audit. Potential auditors will be checked for experience, background, and the qualifications needed to perform the testing. Independent testing may not be conducted by:

- A person who performs the functions being tested;
- The designated AML Compliance Officer; or
- A person who reports to a person described in the above two items.

At the end of the audit, all findings will be reported to the senior management of the firm.

6.4 Education of Associates

All associates are provided with the Firm's Money Laundering policy when they are hired. The policy is included in the chapter *GENERAL EMPLOYEE/MEMBER POLICIES*.

In addition, ongoing education will include inclusion of the subject in T3TG element continuing education program, periodic circulation of T3TG's policy, and other educational programs directed at specific associates. This will be done at least on a yearly basis.

6.5 OFAC List and Blocked Property

The property of sanctioned persons or entities will be blocked, and transfer of assets prevented, for persons or entities included on the OFAC list of blocked persons or entities. In addition, securities issued by sanctioned countries and other sanctioned issuers will be blocked. OFAC (the Office of Foreign Assets Control of the U.S. Treasury Department) enforces the sanctions and publishes, on its website (*www.treas.gov/ofac*), information about sanctions. The information is divided into several categories including:

- Persons and entities subject to sanctions, *Special Designated Nationals and Blocked Persons* (SDN list)
- Persons and entities engaged in drug trafficking, *Specially Designated Narcotics Traffickers* (SDNTKs)
- Terrorists and terrorist organizations, *Specially Designated Terrorists* (SDTs)
- Countries, governments, and other entities subject to sanctions

OFAC requirements apply to all persons and entities under U.S. jurisdiction, including foreign branches of U.S. institutions. This also includes foreign institutions that operate in the U.S.

The term "OFAC list" in this section includes all sanctions published by OFAC even though the information may appear in multiple lists. T3TG relies on its clearing firms to monitor OFAC lists and block accounts and securities where appropriate and to file necessary reports.

6.5.1 Prohibited Transactions

T3TG is prohibited from conducting transactions in any account on behalf of a sanctioned party or in certain blocked securities. Securities and funds may not be released and securities transactions may not be executed. Securities and funds may be deposited to a blocked account, but no securities or funds will be released until the account is no longer subject to sanctions. Funds or securities may not be transferred to sanctioned parties.

Because transactions are prohibited, all open orders for a blocked account will be cancelled.

6.5.2 Risk Factors

Following are risk factors identified by OFAC that may warrant a heightened level of scrutiny.

6.5.3 International transactions, including wire transfers

At this time T3 **does not allow** international wire transactions

a. High number of international transactions, cross-border transactions, or investments in a foreign investment fund or on a foreign exchange;
b. Presence of overseas branches or multiple correspondent accounts with foreign financial institutions, including correspondent accounts subject to enhanced due diligence under Section 312 of the USA PATRIOT Act.

6.5.4 Foreign customer/members/accounts

At this time T3 **does not allow** foreign accounts.

a. A large, fluctuating client base across a number of foreign jurisdictions involving a large number of security transactions;
b. Customer/members located in or having accounts in high-risk jurisdictions, such as countries found to be of "primary money laundering concern" pursuant to Section 311 of the USA PATRIOT Act;
c. Customer/members located in or having accounts in countries that are havens for money laundering or are inadequately regulated, including countries identified by the Financial Action Task Force as maintaining an inadequate AML/CFT regime;
d. Customer/members located in or having accounts in countries where local laws, regulations, or provisions (such as privacy laws) prevent or limit the collection of client identification information;
e. Customer/members located in an offshore financial center as identified by the U.S. Department of State;
f. Accounts for senior political or government officials ("politically exposed persons") of a foreign government;
g. Accounts of closely held corporations;
h. Accounts for unregistered or unregulated investment vehicles;
i. Accounts for non-resident aliens;
j. Accounts maintained at an offshore bank.
k. Foreign broker-dealers who are not subject to OFAC regulations:
l. Lack of information regarding beneficial owners of securities; and
m. Foreign broker-dealers that act as introducing brokers.

6.5.5 Risks of Investments in Foreign Securities:

Practical exposure increases when investing in a foreign investment fund or foreign exchange, because of the risk that the securities are issued by a sanctioned country or party or otherwise in violation of OFAC sanctions, *e.g.,* securities of an issuer that provides financing for a sanctions target. Other risk factors include:
a. Cross-border settlements involving the interaction of different settlement systems and laws in different countries;

b. Foreign securities that may be more prone to misidentification in the course of a trade, *e.g.,* similar names between two foreign issuers;

c. Foreign companies that issue shares in bearer form.

6.5.6 Personal Investment Corporations or Personal Holding Companies:

Beneficial ownership by a non-U.S. person that maintains a private banking account with a U.S. financial institution.

6.5.7 High Net Worth Accounts

High Net Worth Institutional Accounts, Hedge Funds, Funds of Hedge Funds and Other Alternative Investment Funds (Private Equity, Venture Capital Funds) and Intermediary Relationships have potential risks including:

a) Lack of transparency regarding securities/investments and beneficial owners;

b) U.S. hedge funds may have related offshore fund accounts where beneficial owners are offshore investors; and

c) Subscription funds that originate from or are routed through an account maintained at an offshore bank, or a bank organized or chartered in an inadequately supervised and poorly regulated jurisdiction, or a foreign shell bank.

6.5.8 Omnibus Accounts/Use of Intermediaries:

a) Potential for the use of code names to invest funds in the United States on behalf of sanctions targets, concealing the identities of the beneficial owners;
b) Accounts for intermediaries held in street name that trade on behalf of third parties, such as other broker-dealers, banks, and mutual funds; and
c) Cross-border trades executed for unregulated investment vehicles, *e.g.,* hedge funds, private equity funds, and other private pools of capital.

6.5.9 Third-Party Introduced Business:

Business introduced by an overseas bank, affiliate, or other investor based in high risk or inadequately regulated countries.

6.5.10 Confidential Accounts:

Private banking accounts established or maintained for non-U.S. persons or services, including financial and related services, to wealthy clients who use offshore accounts for tax avoidance purposes.

6.5.11 Blocking Requirements

Blocking requirements are generally triggered under the following circumstances:

- An account is opened for someone included on an OFAC list.
- The owner of an existing account is added to an OFAC list.
- A security is identified in a customer/member account where the issuer is the subject of sanctions.
- A request is made by a customer/member to pay or transfer funds or securities to a blocked person or entity.

While title to blocked property remains with the blocked person or entity, transactions affecting the property (including transfer of the assets) cannot be made without authorization from OFAC. Debits to blocked accounts are prohibited, but credits may be accepted. Cash balances in blocked accounts must earn interest at commercially reasonable rates. Blocked securities may not be paid, withdrawn, transferred (even in book transfer), endorsed, guaranteed, or otherwise dealt in.

It is not a violation to open an account for a blocked person. The violation occurs when the account is not frozen and assets are allowed to transfer out of the account. In addition, OFAC restrictions may vary depending on the blocked person or entity; details of blocking requirements are explained on the OFAC website.

6.5.12 Monitoring Procedures

Monitoring is to be conducted as follows:

- Operations personnel should be aware of the countries included on the OFAC list, to watch for new accounts to be opened for or requests to transfer funds or securities to residents of those countries.
- T3TG has procedures to monitor new accounts, existing accounts, security positions, and potential disbursements of funds or securities.

6.5.13 Other Requests to Monitor Accounts

Regulators or law enforcement agencies may ask the industry's cooperation in identifying accounts for individuals or entities under investigation or suspected of criminal activities.

The AML Compliance Officer is responsible for responding to such requests; providing the necessary information; and retaining records of requests, reviews conducted pursuant to requests, and information provided to authorities.

6.5.14 Bank Affirmations

Banks are obligated to block property and comply with sanction requirements. Where T3TG has bank accounts used to disburse funds to customer/members or to third parties at the customer/member's request, T3TG will obtain a letter of affirmation that the bank has procedures in place to comply with federal requirements to block property.

6.5.15 Blocking Property and Disbursements

Any blocked account will not be permitted to engage in transactions other than the acceptance of deposits of funds or securities. Open orders of blocked accounts will be cancelled.

Disbursements of funds or securities may not be made to sanctioned parties. T3TG (and the clearing firms) is responsible for monitoring requests for disbursements.

6.5.15 Reporting Blocked Property and Legal Actions

When an account or disbursement is blocked or a blocked security is identified, OFAC will be notified within 10 days of blocking. If T3TG blocks an account or security, it will file the necessary report with OFAC. Reports filed by T3TG will be retained in a file of blocked accounts or securities. Information to be reported includes:

- Owner or account party
- Property and property location
- Existing or new account number
- Actual or estimated value
- Date property was blocked
- Copy of the payment or transfer instructions
- Confirmation that funds have been deposited in a blocked account that is identified as blocked
- Name and phone number of contact person at T3TG

For rejected disbursements, the following information is to be filed:

- Name and address of the transferee financial institution
- Date and amount of the transfer
- Copy of the payment or transfer instructions
- Basis for rejection
- Name and phone number of contact person at T3TG

6.5.17 Annual Report of Blocked Property

On an annual basis by September 30th, Form TDF 90-22.50 will be filed with OFAC for any blocked property held as of June 30.

6.5.18 Legal Actions Involving Blocked Property

U.S. persons involved in litigation, arbitration, or other binding alternative dispute resolution proceedings regarding blocked property must provide notice to OFAC. Copies of all documents associated with the proceedings will be submitted by Compliance to the OFAC Chief Counsel at the U.S. Treasury Department within 10 days of their filing. In addition, information about the scheduling of any hearing or status conference will be faxed to the Chief Counsel.

6.5.19 Role of Operations Personnel

Operations personnel are an important first line of defense in preventing transactions with sanctioned parties. The following guidance is provided to assist Operations personnel in identifying blocked parties. Any questioned accounts or transactions should be referred to Compliance.

- Be familiar with countries included on the OFAC list. These are countries considered potential havens for money laundering, drug trafficking, or terrorist activities. Information is included on the OFAC website at *www.treas.gov/ofac*.
- When processing the opening of accounts, question accounts for residents of countries included on the OFAC list.
- Question requests to transfer funds or securities to residents or entities domiciled in any country included on the OFAC list.

6.6 Currency Reporting Requirements

['34 Act Rule 17a-8; Bank Secrecy Act; FinCEN pamphlet on CTR reporting: http://www.fincen.gov/whatsnew/html/20090224.html]

The following summarizes the reporting requirements under the Bank Secrecy Act. T3TG's AML Compliance Officer is responsible for maintaining records of any currency reports required to be filed by T3TG and retaining them for five years.

6.6.1 Transactions Involving Currency over $10,000

If T3TG accepts a currency deposit exceeding $10,000, it is required to file a Currency Transaction Report (CTR) with the Financial Crimes Enforcement Network (FinCEN). Multiple transactions by the same person equaling over $10,000 in any one day must also be reported. T3TG generally prohibits currency deposits from customer/members.

"Currency" is defined as the coin and paper money of the U.S. or legal tender of other countries. Currency also includes U.S. silver certificates, U.S. notes, Federal Reserve notes, and official foreign bank notes customarily used and accepted as a medium of exchange in a foreign country. CTRs must be filed by the 15th calendar day after the day of the transaction and kept for 5 years.

6.6.2 Transactions Involving Transfers of Currency Or Bearer Instruments

Broker-dealers are required to file a Currency and Monetary Instrument Transportation Report (CMIR) with the U.S. Customs Service to report transactions in currency and/or bearer instruments which alone or in combination exceed $10,000 and which are shipped or transported into or outside the U.S. This filing is not required for currency or other monetary instruments mailed or shipped through the postal service or by common carrier. T3TG is responsible for filing these reports and maintaining records of them. CMIRs must be filed within 15 days after the receipt of the currency or monetary instruments.

6.6.3 State Reporting Requirements

States have adopted various currency and suspicious activity reporting requirements. Most states have entered into an agreement with FinCEN to provide them with duplicate copies of forms filed by broker-

dealers. Some states, however, require duplicate filing with the states themselves at the time the broker-dealer files with a federal agency. T3TG will file reports as required under state requirements.

6.7 Recordkeeping Requirements (Joint Rule and Travel Rule)

[Bank Secrecy Act 31 CFR 103.32]

In addition to maintaining records of reports filed with the IRS or other authorities, broker-dealers are obligated to maintain records of certain transactions, for potential inspection by regulators and other authorities. These records must be retained for five years.

6.7.1 Fund Transfers and Transmittals

Broker-dealers are required to collect and retain information (such as name, address, account number of customer/member, date and amount of wire, payment instructions, name of recipient institution, and name and account information of wire payment recipient) and maintain records for domestic and international funds transfers (including wire fund transfers) of $3,000 or more, with certain exceptions.

T3TG and its clearing firms are responsible for complying with the requirements to record information regarding fund transfers and, when required, verifying information regarding transmitters and recipients who are not established customer/members. Examples of verification information include:

- Name and address
- ID reviewed (type and number on the ID)
- Taxpayer ID number (or alien ID or passport number including country of issuance)
- Copy or record of method of payment (*e.g.,* credit card, check)

6.8 Detecting Potential Money Laundering

Responsibility	• AML Compliance Officer • Other designated individuals for review of AML Compliance Officer accounts (i.e., Surveillance Manager)
Resources	• Internal reports of transactions, available exception or other reports (e.g., blotters) reports
Frequency	• Daily and ongoing
Action	• Review reports of transactions (cash and security transactions) to identify potential money laundering (including any Employee/Member personal trading accounts) • Another designated supervisor will review the AML Compliance Officer's personal trading accounts, if any • Report suspicious activity (see the policy in this chapter) • Notify Associated Persons, supervisors, and close accounts when necessary
Record	• Reports reviewed • Action taken, when necessary • Suspicious activity reports

6.8.1 T3TG Procedures

T3TG has an ongoing program to identify potential money laundering. Monitoring will be conducted using available exception reports or review of a sufficient amount of account activity to permit identification of unusual patterns of trading or types of transactions, geographic factors such as whether jurisdictions designated as "non-cooperative" are involved, or involve "red flags" (indicators of potential money laundering) which are included in the *Money Laundering* policy in the chapter titled *GENERAL EMPLOYEE/MEMBER POLICIES*. Items reviewed include trading and wire transfer transactions in the context of other account activity to determine if a transaction lacks financial sense or is suspicious because it is an unusual transaction or strategy for that customer/member. Among the information used to determine whether to file a suspicious activity report are exception or transaction reports that include transaction size, location, type, number, and nature of the activity.

Trading accounts will be identified and monitored where a series of financial transactions may help obscure the origins of the funds. This may include effecting securities transactions, closing the account, and transferring funds to a bank or other account, particularly to an offshore location. Trading penny or low-priced stocks (which may involve unregistered distributions) or engaging in retail forex trading will, if offered, in particular, be monitored when they occur.

T3TG has developed written supervisory procedures and a continuing education program to provide rules, guidelines and educational material to associates regarding money laundering and guidelines for detecting money laundering activities. Periodically detection of money laundering and the obligation to report suspicious activities will be included in continuing education and other educational programs for associates.

6.8.2 Clearing firms AML Procedures

T3TG will work with the clearing firms to exchange information, records, data and exception reports as necessary to comply with AML laws. Required certifications for information sharing are on file. T3TG's and the clearing firm's responsibilities are included in the clearing agreement and each firm is responsible for its own independent compliance with AML laws. T3TG and the clearing firms cannot disclaim their respective responsibilities to comply with AML requirements.

6.9 Information Sharing Between Financial Institutions

[USA PATRIOT Act Sec. 314(b); FinCEN certification: http://www.fincen.gov/fi_infoappb.html]

Under an AML regulation, financial institutions are permitted to share information regarding those suspected of terrorist or money laundering activities. Information sharing is not required but is permitted solely for the purpose of facilitating identification and reporting. The regulation provides immunity from other laws restricting information sharing if certification and confidentiality requirements of the regulation are satisfied.

Institutions that share information are required to provide FinCEN with annual certification that confirms, among other things, the name of the institution; that the institution will maintain adequate procedures to protect the security and confidentiality of the shared information; that the information will be used only for the authorized purpose; and the identity of a contact person at the institution.

T3TG may share information about those suspected of terrorist financing and money laundering with other financial institutions for the purpose of identifying and reporting activities that may involve terrorist acts or money laundering activities and to determine whether to establish or maintain an account or engage in a transaction. If T3TG elects to share information, the AML Compliance Officer will file the required certification with FinCEN and re-certify annually. All information will be treated as confidential and will be maintained in the AML Compliance Officer's files which may either be hard-copy files or password-protected electronic files.

In addition, if required, the AML Officer will verify that any financial institution with which T3TG shares information (including affiliates) has itself filed the requisite certification. A written letter or attestation will be required from the other financial institution and maintained in the AML Officer's files or a list provided by FinCEN will be consulted and a record made that the other institution has filed the required certification.

6.10 Suspicious Activity Reports (SARs)

Responsibility	• AML Compliance Officer
Resources	• Reports from associates of crimes or suspected crimes • Suspicious activities detected through ongoing reviews • Other available information
Frequency	• As required
Action	• Review and investigate suspicious transactions referred by associates • Determine whether the Firm will file a SAR • If appropriate, file Form SAR-SF with FinCEN and state authorities • Notify senior management, as appropriate, of forms filed • File SARs jointly with other financial institutions, if applicable
Record	• Notes and other documented reviews are retained in a suspicious activity file • Copies of SARs filed by T3TG are retained in the SAR file with notation of when and to whom sent

T3TG will file Suspicious Activity Reports (SARs) for transactions that may be indicative of money laundering activity. Suspicious activities include a wide range of questionable activities.

6.10.1 Identifying Potential Suspicious Activity

T3TG uses a number of tools to identify potential suspicious activity including:

- Transaction information including disbursement of funds or securities
- Education of Firm personnel, particularly supervisors in Operations areas
- Employee/Member reports of potential suspicious activity forwarded to the AML Compliance Officer. Any Employee/Member who reports a suspected AML event will be protected from any retaliation from anyone associated with T3.

- Information or reports provided by a clearing firm, if applicable for business introduced to a clearing firm.

6.10.2 When a Report Must Be Filed

A SAR must be filed for any transaction that, alone or in aggregate, involves at least $5,000 in funds or other assets, if T3TG knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is part) falls into one of the following categories:

- Transactions involving funds derived from illegal activity or intended or conducted to hide or disguise funds or assets derived from illegal activity.
- Transactions designed, whether through structuring or other means, to evade the requirements of the Bank Secrecy Act (BSA).
- Transactions that appear to serve no business or apparent lawful purpose or are not the sort of transactions in which a particular customer/member would be expected to engage, and for which T3TG knows of no reasonable explanation after examining the available facts.
- Transactions that involve the use of T3TG to facilitate criminal activity.

Excluded from the filing requirement are violations otherwise reported to law enforcement authorities such as:

- a robbery or burglary that is reported to law enforcement authorities
- lost, missing, counterfeit, or stolen securities reported pursuant to 17f-1
- a violation of federal securities laws or SRO rules by T3TG, its officers, directors, associates, or Associated Persons that are reported to the SEC or SRO, except for violations of Rule17a-8 (filing of Currency and Transaction Reports) which must be reported on a SAR

6.10.3 Filing A Report and Emergency Notification

If T3TG determines to file a SAR with FinCEN, the AML Compliance Officer or designee will file:

- within 30 days of initial detection of facts of the suspicious transaction; or
- if no suspect has been identified within 30 calendar days of detection, reporting may be delayed an additional 30 calendar days or until a suspect has been identified, but no later than 60 days from date of initial detection.

In situations involving violations that require immediate attention (such as terrorist financing or ongoing money laundering schemes), the AML Compliance Officer may immediately notify by telephone an appropriate law enforcement agency. Suspicious transactions that may relate to terrorist activity may also be reported to FinCEN's Financial Institutions Hotline. In either event, a SAR will be filed.

All SARS reports are to be kept confidential and are to be accessed only by appropriate personnel on a “need to know” basis. Anyone requesting to review a SARS report must be completely vetted by the Chief Compliance Officer and confidentiality concerns must be addressed and documented before permission will be granted. Any review of a SARS report must be done in the branch office under the supervision of

the Chief Compliance Officer. The firm will maintain a log of anyone who accesses a SARS report to ensure confidentiality.

If the Firm receives a request for supporting documentation for a SARS that comes from a representative of FinCen or other government agency the firm must verify the request before submitting any documentation. Depending on the request this verification will be done via phone, email or online. Once the verification is confirmed, only then will the CCO release the information to the appropriate party. All verification performed by the CCO will be documents and filed in the office of T3 Securities.

6.10.4 Emergency Notification

[FINRA Notice to Members 02-21]

When conducting due diligence or opening an account, Federal authorities will be notified immediately by the AML Compliance Officer, when necessary, in the following situations:

- A legal or beneficial account holder or person is engaged in a transaction listed on or located in a country or region listed on the OFAC list.
- An account is held by an entity that is owned or controlled by a person or entity listed on the OFAC list.
- A customer/member tries to use bribery, coercion, or similar means to open an account or carry out a suspicious activity.
- There is reason to believe a customer/member is trying to move illicit cash out of the government's reach.
- There is reason to believe the customer/member is about to use funds to further an act of terrorism.

Emergency contacts include:

- OFAC Hotline
- Financial Institutions Hotline
- Local U.S. Attorney's office
- Local FBI office
- Local SEC office

6.10.5 Retention of Records

The AML Compliance Officer maintains a file of copies of SARs filed with FinCEN and all related documents for a period of 5 years from the filing date.

6.10.6 Prohibition against Disclosure

By statute and regulation, T3TG may not inform customer/members or third parties that a transaction has been reported as suspicious. U.S. Treasury and Federal Reserve Board regulations also require T3TG to decline to produce SARs in response to subpoenas and to report to FinCEN and the Federal Reserve Board the receipt of such requests and T3TG’s response.

Compliance (or T3TG's counsel) is responsible for responding to subpoena requests and Compliance will notify FinCEN and the Federal Reserve Bank of any subpoenas for SARs.

6.11 Requests from Regulators, Law Enforcement, or Other Authorized Persons

Under the Bank Secrecy Act, financial institutions are required to respond to federal banking agency requests for information relating to anti-money laundering compliance. The Rule requires provision of information and account documentation for any account opened, maintained, administered or managed in the U.S. The AML Compliance Officer and/or the CCO maintains records of information provided in response to regulators' requests, including the request, date of response, and information provided.

6.11.1 Federal Banking Agency Requests -- 120-Hour Rule

[USA PATRIOT Act Sec. 319 (b)]

Upon receiving a request from a Federal banking agency, the AML Compliance Officer will provide the requested information within 5 days (120 hours) of receiving the request or will make available the information for inspection by the banking agency.

6.11.2 Information Sharing With Enforcement Agencies

Responsibility	• AML Compliance Officer
Resources	• Deposit records, purchase/sale records, account records, other records as required
Frequency	• Upon request
Action	• Conduct a search of the required records • If a match is found, submit the information to the requesting agency
Record	• Copies of the request, notation of records searched, and information submitted (if a match is found) are retained

Enforcement agencies (FinCEN, state, local, and certain foreign law enforcement agencies eligible to make requests) send requests to financial institutions under Section 314 of the USA PATRIOT Act.

Requests for information will be forwarded to the AML Compliance Officer for response. T3TG has 2 weeks from the date of transmission to respond to the request. For FinCEN requests, the Subject Information Form (included with FinCEN's request) will be forwarded to FinCEN by electronic mail to *sys314a@fincen.treas.gov* or, if email is not available, by fax at 703-905-3660.

Enforcement agency requests are confidential and may not be disclosed to the subject of the request. T3TG will not use information provided to enforcement agencies for any purpose other than (1) to report to an agency as required under Section 314; (2) to determine whether to establish or maintain an account, or to engage in a transaction; or (3) to assist T3TG in complying with any requirement of Section 314.

6.11.3 National Security Letters

National Security Letters (NSLs) are written investigative demands that may be issued by the local Federal Bureau of Investigation and other federal government authorities conducting counterintelligence and counterterrorism investigations to obtain, among other things, financial records of broker-dealers. **NSLs are *highly* confidential. T3TG and its associates are barred from disclosing to any person that a government authority or the FBI has sought or obtained access to records.**

The AML Compliance Officer or designee is responsible for responding to an NSL and maintaining the confidentiality of the letter and the response. If an SAR-SF is filed after receiving an NSL, the SAR-SF cannot make reference to the receipt or existence of an NSL. The SAR-SF will only contain detailed information about the facts and circumstances of the detected suspicious activity.

6.11.4 Grand Jury Subpoenas

The receipt of a grand jury subpoena concerning a customer/member does not in itself require the filing of a Suspicious Activity Report (SAR-SF). When a grand jury subpoena is received, the AML Compliance Officer will:

- Conduct a risk assessment of the customer/member subject to the subpoena as well as review the customer/member's account activity.
- If suspicious activity is identified during the risk assessment and review, the risk assessment will be elevated and an SAR-SF will be filed. The SAR-SF will not contain any reference to the receipt or existence of the subpoena. The SAR-SF will only contain detailed information about the facts and circumstances of the detected suspicious activity.

The existence of a subpoena and any response are confidential and may not be disclosed directly or indirectly to the person who is the subject of the subpoena. The AML Compliance Officer will maintain the subpoena and any response in a confidential file and will only share information with those authorized.

6.11.5 Foreign Bank Correspondent Accounts

[USA PATRIOT Act Sec. 313; Bank Secrecy Act 103.185]

Upon receipt of a written request from a Federal law enforcement officer for information about a foreign bank correspondent account, the AML Compliance Officer will provide the requested information no later than 7 days after receipt of the request.

Compliance will terminate any correspondent relationship with a foreign bank within 10 business days of receiving a notice from the Treasury Dept. or the U.S. Attorney General that the foreign bank failed either to comply with a summons or subpoena or to contest it in a U.S. court. T3TG generally does not maintain any foreign bank correspondent accounts.

6.11.6 Requests by Law Enforcement to Maintain Accounts

[FinCEN Guidance on Requests by Law Enforcement for Financial Institutions to Maintain Accounts: http://www.fincen.gov/Maintaining_Accounts_Guidance.html]

Law enforcement agencies may have an interest in having accounts remain open in spite of suspicious or potential criminal activity in connection with the account. The AML Compliance Officer will consider such requests and, if the account will remain open, require the federal law enforcement agency to provide a written request issued by a supervisory agent or by an attorney within the U.S. Attorney's Office or another office of the Department of Justice. If requested by a state or local law enforcement agency, the letter must be issued by a supervisor or local prosecutor's office.

The written request must include:

- the agency's request that the account remain open;
- the purpose of the request; and
- the duration of the request (not to exceed 6 months).

The request will be retained for 5 years.

If T3TG is aware the account is under investigation (because of a subpoena, 314[a] request, National Security Letter, or similar communication), the requesting law enforcement agency will be advised before making a decision about the status of the account.

6.12 Customer/member Identification Program (CIP)

[USA PATRIOT Act Sec. 326; FinCEN Frequently Asked Questions: http://www.fincen.gov/cip_faq.html; FinCEN No-Action position on CIP requirements under clearing arrangements: FIN-2008-G002; FINRA Notice to Members 03-34]

6.12.1 New Accounts

The opening of new accounts is subject to customer/member identity verification requirements under T3TG's Customer/member Identification Program (CIP). Requirements for associates opening accounts as explained in the chapter *ACCOUNTS* are duplicated in this section to consolidate all AML requirements within this chapter.

The use of the term "customer/member" in this section is understood to include prospective customer/members. The use of the term "Member" is for associated persons involved in the proprietary trading business.

6.12.2 Other Financial Institutions Providing AML Risk Assessment and CIP Services

Responsibility	• AML Compliance Officer
Resources	• Other financial institution's CIP • Contract with other financial institution
Frequency	• At inception of CIP program and as part of annual AML program review • Annual - obtain certification
Action	• Evaluate other firm's CIP • Contract with other firm to provide CIP

	• Include CIP in AML program approved by senior management • Obtain annual certification
Record	• The contract and annual certification are maintained in the AML Compliance Officer's files

Other financial institutions (such as a McDonald Information Services (MIS) and BIG (Business Information Group)) providing AML risk assessment and CIP services will sign a contract outlining the services to be provided. MIS provides background checks into the personal finances of customers / members and Members. Further background checks are conducted via FINRA's fingerprinting system. This system does background checks with the FBI for any criminal activity.

6.12.3 Accounts Requiring Approval by the AML Compliance Officer

The following accounts require review and approval by the AML Compliance Officer at the time of opening. The AML Compliance Officer may require additional customer/member identification information for these accounts.

- **Numbered accounts** (accounts designating a number rather than a name as the account name).
- **Any account requesting confidential handling** of its name, mailing of confirmation and statements, *etc.*
- **Accounts domiciled in high-risk countries.** Accounts domiciled in countries identified by OFAC or the Financial Action Task Force on Money Laundering (FATF) as having inadequate anti-money laundering standards or representing high risk for crime and corruption.
- **Foreign public officials.** Includes individuals in high offices of foreign governments, political party officials and their families and close associates (if known and/or readily identifiable).
- **Correspondent and Private Banking accounts.** See the section *Due Diligence for Correspondent and Private Banking Accounts*.

6.12.4 Customer/Member Due Diligence

This section is duplicated from the chapter *ACCOUNTS*.

Responsibility	• Compliance
Resources	• New account application and other customer/member ID information
Frequency	• When accounts are opened
Action	• Before approving an account, determine that customer/Member identification (ID) verification information is included with the new account application and meets T3TG 's requirements • For non-documentary verification, check the information included with the new account application for completeness and consistency with other customer/member-provided information (name, address, phone number, taxpayer ID number, *etc.*) • For unacceptable verification information (incomplete, inconsistent, non-readable), return the application to the supervising manager for further information or disapprove the account

Record	• New account records include customer/Member ID verification as well as the supervisor's approval

When opening new accounts, the customer/member's/Member's identity must be verified, as required by federal law. Customer/member identification (ID) information must be completed on the new account application. This information will be shared with the clearing firms.

Customer/Member ID verification does NOT apply to accounts for:

- persons with an existing account at T3TG (unless the account requires approval by the AML Compliance Officer)
- US banks
- governmental entities
- issuers of listed equity securities
- other financial institutions subject to regulation by the SEC, CFTC, Federal Reserve Board, OCC, FDIC, Office of Thrift Supervision, or the National Credit Union Administration
- persons opening accounts to participate in an ERISA plan (not currently available at T3TG)

6.12.5 Required Customer/Member Information

Basic information required by law **prior to opening the account** includes:

- **Name**
- **Date of birth,** for an individual
- **Address:**
    - for an individual, residential or business street address. If no street address exists or is available, an APO or FPO box number or the residential or business street address of a next of kin or another contact individual
    - for a non-individual (corporation, trust, *etc.*) a principal place of business, local office, or other physical location.
- **Taxpayer identification number, if available,** for a U.S. person (U.S. citizen or non-individual established or organized under U.S. or state laws).
- **Identification number for non-U.S. person** which may include a taxpayer ID number; passport number (and country of issuance); alien identification card number; or other identity card number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photo or similar safeguard.

In the case of a customer/member who has applied for a taxpayer identification number but has not yet received it, notation must be made on the new account application that the taxpayer ID has been applied for. The account will be restricted to liquidating transactions if the taxpayer ID number is not received within 30 days of opening the account.

- **Government Photo ID are also required for all subaccount holders, as applicable, or agents with trading authority on behalf of a customer/member, even if they are not the beneficial owner of the account and do not possess the power to open an account or subaccount on behalf of customer/member.**

6.12.6 Accounts for Individuals

When opening an account for an individual, the following information is required:

- At least one unexpired government-issued identification including a photo and nationality or residence such as a driver's license or passport and record information from it on the new account application, **OR**
- A copy of the photo ID with the new account application. If the photo ID is not available at the time the new account application is being completed, the Associated Person, supervisor or Compliance must
- Assure that the customer/member will provide a copy of photo ID within 30 days of account opening **OR,** if the customer/member cannot provide a photo ID, the reason **wh**y not.
- If the photo ID is not received within 30 days, the account may be restricted to liquidating transactions only until the ID is received, depending on the circumstances.

If the customer/member has not appeared in person at T3TG's office, "non-documentary" information may also be required, as explained in the section that follows.

If the customer/member cannot produce the required photo ID, an explanation must be included on the new account application AND non-documentary information will be required to open the account.

6.12.7 Obtaining and Retaining Beneficial Ownership Information

For some accounts, beneficial owner information may not be immediately identified when an account is opened. Under AML requirements, firms have an obligation to identify and verify customer/member accounts and relationships and enhanced due diligence may be necessary depending on the risk profile of the account. Exceptions apply where the customer/member opening the account is subject to AML rules, such as registered investment advisers and registered broker-dealers.

General obligations when opening accounts that include underlying owners or beneficiaries include:

- Determining whether the customer/member is acting as an agent for or on behalf of another, and if so, obtaining information regarding the capacity in which and on whose behalf the customer/member is acting.
- Where the customer/member is a legal entity that is not publicly traded in the United States, such as an unincorporated association, a private investment company (PIC), trust or foundation, obtaining information about the structure or ownership of the entity so as to allow T3TG to determine whether the account poses heightened risk and identify the individuals who may have beneficial ownership interest.
- Where the customer/member is a trustee, obtaining information about the trust structure to allow T3TG to establish a reasonable understanding of the trust structure and to determine the provider of funds and any persons or entities that have control over the funds or have the power to remove the trustees.

If T3TG has affiliates with public customer/members, information may be shared across the enterprise to cross-check beneficial ownership information.

T3 will not open accounts where the beneficial ownership cannot be identified.

6.12.8 Enhanced Due Diligence (EDD)

Some types of accounts, because of the potential risk for hiding the identity of underlying beneficial owners or money laundering activities, are subject to enhanced due diligence. The AML Compliance Officer will determine which accounts are subject to EDD and what reviews are necessary. Procedures for correspondent and private banking accounts are included in a separate section of this AML program. Certain trusts, corporate entities, shell entities, and private investment companies are examples of customer/members that may pose heightened risk.

EDD may include steps, in accordance with the level of risk presented, to identify and verify beneficial owners, to reasonably understand the sources and uses of funds in the account, and to reasonably understand the relationship between the customer/member and the beneficial owner. EDD information may be used for monitoring purposes and to determine whether there are discrepancies between information obtained regarding the account's intended purpose and expected account activity and the actual sources of funds and uses of the account.

6.12.9 Registered Investor Adviser Accounts

[SEC Division of Market Regulation No-Action Letters dated 2/12/04, 2/10/05 and 1/10/08]

For accounts established by registered investment advisers, T3TG may rely on the adviser to have obtained information to comply with federal Customer/member Identification Program (CIP) rules under the following circumstances:

- it is reasonable to rely on the adviser's assurances;
- the adviser is federally regulated (state-only registered IAs do not qualify); and
- the adviser signs an agreement that it will annually certify to T3TG that it has implemented an anti-money laundering program and will perform (or its agents will perform) specified requirements of T3TG’s CIP.

6.12.10 Accounts for Non-Individuals

Account documents usually obtained for non-individual accounts (trust instruments, articles of incorporation, partnership agreements, government-issued business license, *etc.*) will usually satisfy customer/member ID requirements. In the case of corporations, a certified copy of the articles of incorporation is required. These documents must be obtained within 30 days of account opening to satisfy the requirement.

6.12.11 Non-Documentary Methods of Verifying Customer/member Identification

Non-documentary methods of verifying customer/member ID involve other procedures. Non-documentary methods must be used in the following circumstances:

- An individual is unable to present acceptable photo ID.
- The documents presented are unfamiliar.
- The account is opened without obtaining documents.

- The customer/member opens the account without appearing in person at T3TG.
- Other circumstances, at the discretion of the Associated Person's supervisor, New Accounts, and/or the AML Compliance Officer, where T3TG is unable to verify the customer/member's identity.

In these circumstances, a non-documentary method must be indicated by the Associated Person, supervisor or Operations Manager on the new account application:

- Direct customer/member contact information
- Information from a consumer reporting agency or other database
- References from another financial institution
- Obtained a financial statement

6.12.12 Additional Verification for Certain Customer/members

For the following types of customer/members, a review of the account is required by the AML Compliance Officer, who may also require additional forms of photo identification or documentary information **prior to** opening the account or shortly thereafter. The accounts include:

- Numbered accounts
- Foreign Accounts domiciled in "High-risk and non-cooperative jurisdictions" as published by the Financial Action Task Force's (FATF) website (http://fatf-gafi.org/topics/high-riskandnon-cooperatievjurisdictions/) or those included on the Treasury Dept. OFAC list (check with Operations personnel for a list of those countries or go to *http://www.treas.gov/offices/enforcement/lists/*)
- Accounts for foreign public officials (individuals in high office in other countries, their families and close associates, political party officials)

6.12.13 Lack of Customer/member ID Verification

For **customer/members presenting unacceptable customer/member ID** at the time of account opening, the account will not be opened.

For **customer/members who fail to provide required ID or documents within 30 days of account opening,** the account will be restricted to liquidating transactions only until satisfactory ID verification is received.

For **accounts where non-documentary verification results in substantive, unresolved discrepancies** (information that is inconsistent such as name, address, taxpayer ID number, *etc.*), either the account will not be opened or will be immediately closed.

Where inability to verify raises questions about the customer/member, filing a Suspicious Activity Report will be considered (see the section *Suspicious Activity Reports*).

Questions regarding accounts that do not comply with requirements to verify customer/member ID should be referred to the AML Compliance Officer.

6.12.14 Customer/member Notice

Customer/members are provided notice, prior to opening an account, that their identification will be verified. This notice may be on T3TG's website, if applicable, on new account applications, or in other disclosures provided at the time of account opening.

6.12.15 CIP Records

Customer/Member identification verification records are retained with new account application records in accordance with rule recordkeeping requirements and the terms of the other financial institution's CIP, including:

- all identifying information recorded on the new account application
- documentary verification including information from, or copies of, government-issued IDs or passports
- non-documentary verification, as applicable
- account approval or disapproval
- resolution of discrepancies
- referral of the account to the AML Compliance Officer
- closing of an account that fails to meet CIP requirements
- third-party CIP information (i.e., MIS)
- other records as may be required

Records are retained for at least 5 years after the account is closed.

6.12.16 Comparison with Government Lists

As required by law, T3TG compares customer/Member information against government lists (US and International). The section *OFAC List and Blocked Property* in the Anti-Money Laundering Program describes comparison of accounts with lists published by the Treasury Dept.

6.13 Identity Theft Prevention Program (FTC FACT Act Red Flags Rule)

Responsibility	• AML Compliance Officer
Resources	• New account information • Order records • Transaction information about cash or security transfers • Information reported by associates • Information from third party providers, customer/members, victims of identity theft, law enforcement agencies or others about potential identity theft
Frequency	• When new accounts are opened • When account addresses are changed • Ongoing - review of order records and transaction information • As received - Employee/Member information

	• As required - when a third party is engaged, confirm third party providers (including clearing firms) have identity theft program procedures which may be included in an affirmation in the third party's contract with T3TG • Annually - review of controls and procedures • As required - provide revised procedures to CEO • Annually - report to CEO • Annually (or more frequently) - provide training for associates

Action	• Establish and maintain the Identity Theft Program
	  ○ Provide initial Program and subsequent material changes to the CEO for review and approval
	  ○ Review controls and procedures annually as part of the annual testing described in the chapter *SUPERVISORY SYSTEM, PROCEDURES AND CONTROLS*
	• Conduct reviews of orders and transactions to identify red flags
	• When red flags are identified, take corrective action which may include:
	  ○ Consultation with the Associated Person and/or supervisor
	  ○ Monitoring the account
	  ○ Contacting the customer/member
	  ○ Changing passwords, security codes, or other security devices that permit access to an account
	  ○ Reopening an account with another account number
	  ○ Not opening a new account
	  ○ Closing an existing account
	  ○ Filing a Suspicious Activity Report
	  ○ Notifying law enforcement
	  ○ Taking no action if warranted
	• Conduct other reviews which may include:
	  ○ Periodic use of internet search engines to identify websites using T3TG's name
	  ○ Review online advertising to identify websites for unauthorized links to promote stock fraud or that appear to be illegitimate
	• If T3TG's identity is being used in a scam, take action which may include notifying regulators and the FBI, lodging a complaint at www.ftc.gov, and if it involves email solicitation or spoofing, forwarding email to spam@uce.gov
	• If a customer/member's account has been compromised, take action (described in a section that follows)
	• Include Identity Theft Prevention Program in the annual report to CEO (see the chapter *SUPERVISORY SYSTEM, PROCEDURES AND CONTROLS*), reporting:
	  ○ Effectiveness of the policies and procedures in addressing the risk of identity theft
	  ○ Third party provider arrangements
	  ○ Significant incidents involving identity theft and management's response

	○ Recommendations for material changes to the Program • Review third party providers (including clearing firms) for adequacy of identity theft programs ○ Contractually require them to have policies and procedures to detect Red Flags included in Firm policies and report them to T3TG and/or take appropriate steps of their own to prevent/mitigate identity theft • Send confirmation of address change to the customer/member's old address when a change of address is made (see the section *Change Of Addresses On Accounts* in the chapter *FINANCIAL AND OPERATIONS PROCEDURES*) • Training: ○ Include identity theft in AML training ○ Develop training, identify target associates, and administer training
Record	• Policies and procedures and revisions • Reviews of orders and transactions with record of action taken • Red flags identified and record of action taken • Annual testing of procedures (see *SUPERVISORY SYSTEM, PROCEDURES AND CONTROLS*) • Annual report to CEO (see *SUPERVISORY SYSTEM, PROCEDURES AND CONTROLS*) • Confirmation that third party providers (including clearing firms) have adequate ITPPs and include in the contracts with third parties • Records of training, including subjects included, date, who administered and who attended

6.13.1 Introduction

Under the Federal Trade Commission's (FTC's) FACT Act (also referred to as the Red Flags Rule), financial institutions with "covered accounts" are required to establish an Identity Theft Prevention Program (ITPP) to prevent, detect, and act on the theft of customer/Members'' identity. "Covered accounts" include accounts for individuals (vs. institutions) and accounts where credit is extended. Because T3TG has individuals as customer/members, or it offers credit to customer/members, T3TG is subject to the FACT Act requirements.

T3TG has established an ITPP which incorporates the Customer/member Identification Program as a tool for recognizing identity theft. Related policies and procedures include the responsibilities of all associates (and designated supervisors, in particular) as listed below. The chapter is in upper case and the section is in lower case.

- *GENERAL EMPLOYEE/MEMBER POLICIES - Money Laundering*
- *GENERAL EMPLOYEE/MEMBER POLICIES - Identity Theft*
- *COMMUNICATIONS WITH THE PUBLIC – Customer/Member Privacy Policies And Procedures*
- *FINANCIAL AND OPERATIONS PROCEDURES - Risk Management - Firm Computers And Computerized Data*
- *ANTI-MONEY LAUNDERING (AML) PROGRAM - Customer/member Identification Program (CIP)*

- *ACCOUNTS – Customer/Member Account Information*
- *ACCOUNTS - Identity Theft*

6.13.2 Establishment, Administration, and Updates of the ITPP

The CEO has approved the ITPP and receives updates from the AML Compliance Officer. The ITPP will be included in the annual report to the CEO (see the chapter *SUPERVISORY SYSTEM, PROCEDURES AND CONTROL* and the section *Annual Report to CEO*).

The AML Compliance Officer is responsible for:

- Establishing the program and obtaining Board, Board committee, or CEO approval
- Updating the program when necessary and communicating changes to appropriate personnel, including the Board/CEO
- Administering the program, including:
    - identifying supervisors' responsibilities and communicating those responsibilities to respective supervisors
    - monitoring regulatory changes and industry trends
- Establishing training for supervisors and Associated Persons
- Maintaining records of the ITPP and any updates
- Maintaining records of training or delegation of training to supervisors; records include subjects covered, who administered the training, date of training, and who attended

6.13.3 Red Flags

The ITPP is based on identifying "red flags" that indicate identity theft may have occurred. This section describes T3TG's methods of identifying red flags and responding to them. Regulators have identified red flags as potential indicators of identity theft. All of the red flags may not apply to T3TG because of the nature of its business and types of customer/Members. The following section identifies red flags, how they are detected, and potential action when red flags are identified.

The following factors were considered in establishing the ITPP and are assessed in annual reviews of the program in determining identity theft risks at T3TG:

- Types of accounts offered by T3TG
- Methods to open and access accounts
- Prior experience with identity theft
- Regulatory/industry releases and industry experience with identity theft
- Technology/reports available to identify red flags
- Use of third parties (including clearing firms) for processing accounts and/or transactions
- Sources of red flags, including: reports from credit agencies; suspicious documents; suspicious personal identifying information; suspicious account activity; and notice from other sources, including the customer/member himself/herself

This list is not intended to be an exhaustive or mandatory list of items but provides guidelines for where risks may appear. Some areas may not be relevant to T3TG's business at a particular time.

6.13.4 Identifying and Responding To Red Flags

The chart on the following page identifies identity theft red flags and potential responses which depend on the nature and seriousness of the red flags.

Red Flag	Action
Category: Alerts, Notifications or Warnings from a Consumer Credit Reporting Agency	
1. A fraud or active duty alert is included on a consumer credit report.	Verify that the fraud or active-duty alert covers an applicant or customer/member and review the allegations in the alert.
2. A notice of credit freeze is given in response to a request for a consumer credit report.	Verify that the credit freeze covers an applicant or customer/member and review the freeze.
3. A notice of address or other discrepancy is provided by a consumer credit reporting agency.	Verify that the notice of address or other discrepancy covers an applicant or customer/member and review the address discrepancy.
4. A consumer credit report shows a pattern inconsistent with the person's history, such as a big increase in the volume of inquiries or use of credit, especially on new accounts; an unusual number of recently established credit relationships; or an account closed because of an abuse of account privileges.	Verify that the consumer credit report covers an applicant or customer/member, and review the degree of inconsistency with prior history.
Category: Suspicious Documents	
5. Identification presented looks altered or forged.	Scrutinize identification presented in person to make sure it is not altered or forged.
6. The identification presenter does not look like the identification's photograph or physical description.	Determine that the photograph and the physical description on the identification match the person presenting it.
7. Information on the identification differs from what the identification presenter is saying.	Determine that the identification and the statements of the person presenting it are consistent.
8. Information on the identification does not match other information our firm has on file for the presenter, like the original account application, signature card or a recent check.	Determine that the identification presented and other information we have on file from the account are consistent.
9. The application looks like it has been altered, forged or torn up and reassembled.	Scrutinize each application to identify alterations or forgery (for example, a form that has been cut up and reassembled).
Category: Suspicious Personal Identifying Information	
10. Inconsistencies exist between the information presented and other things we know about the presenter or can find out by checking readily	Check personal identifying information to determine that the SSN given has been issued but is not listed on the SSA's Master Death File. If we receive a

available external sources, such as an address that does not match a consumer credit report, or the Social Security Number (SSN) has not been issued or is listed on the Social Security Administration's (SSA's) Death Master File.	consumer credit report, check to see if the addresses on the application and the consumer report match.
11. Inconsistencies exist in the information that the customer/member gives us, such as a date of birth that does not fall within the number range on the SSA's issuance tables.	Check personal identifying information to confirm that it is internally consistent by comparing the date of birth to see that it falls within the number range on the SSA's issuance tables.
12. Personal identifying information presented has been used on an account our firm knows was fraudulent.	Compare the information presented with addresses and phone numbers on accounts or applications that were reported to be fraudulent.
13. Personal identifying information presented suggests fraud, such as an address that is fictitious, a mail drop, or a prison; or a phone number is invalid, or is for a pager or answering service.	Validate the information presented when opening an account by looking up addresses on the Internet to ensure they are real and not for a mail drop or a prison; call the phone numbers given to ensure they are valid and not for pagers or answering services.
14. The SSN presented was used by someone else opening an account or other customer/members.	Compare the SSNs presented to see if they were given by others opening accounts or other customer/members.
15. The address or telephone number presented has been used by many other people opening accounts or other customer/members.	Compare address and telephone number information to see if they were used by other applicants and customer/members.
16. A person who omits required information on an application or other form does not provide it when told it is incomplete.	Track when applicants or customer/members have not responded to requests for required information and follow up with the applicants or customer/members to determine why they have not responded.
17. Inconsistencies exist between what is presented and what our firm has on file.	Verify key items from the data presented with information we have on file.
18. A person making an account application or seeking access cannot provide authenticating information beyond what would be found in a wallet or consumer credit report, or cannot answer a challenge question.	Authenticate identities for existing customer/members by asking challenge questions that have been prearranged with the customer/member and for applicants or customer/members by asking questions that require information beyond what is readily available from a wallet or a consumer credit report.
Category: Suspicious Account Activity	
19. Soon after T3TG gets a change of address request for an account, we are asked to add additional access means (such as debit cards or checks) or authorized users for the account.	Operations (or the clearing firms) verify changes of address requests by sending a notice of the change to both the new and old addresses so the customer/member will learn of any unauthorized changes and can notify T3TG.

20. A new account exhibits fraud patterns, such as where a first payment is not made or only the first payment is made, or the use of credit for cash advances and securities easily converted into cash.	Review new account activity to ensure that first and subsequent payments are made, and that credit is primarily used for other than cash advances and securities easily converted into cash.
21. An account develops new patterns of activity, such as nonpayment inconsistent with prior history, a material increase in credit use, or a material change in spending or electronic fund transfers.	Review accounts on at least a monthly basis and check for suspicious new patterns of activity such as nonpayment, a large increase in credit use, or a big change in spending or electronic fund transfers.
22. An account that has been inactive for a long time is suddenly used again.	Review our accounts on at least a monthly basis to see if long inactive accounts become very active.
23. Mail T3TG sends to a customer/member is returned repeatedly as undeliverable even though the account remains active.	Note any returned mail for an account and immediately check the account's activity.
24. We learn that a customer/member is not getting his or her paper account statements.	Record on the account any report that the customer/member is not receiving paper statements and immediately investigate them.
25. We are notified that there are unauthorized charges or transactions to the account.	Verify if the notification is legitimate and involves a firm account, and then investigate the report.
Category: Notice From Other Sources	
26. An outside agency, law enforcement, a clearing firms, or other source notifies T3TG that an account has been opened or used fraudulently.	Verify that the notification is legitimate and involves a Firm account, and then investigate the report.
27. T3TG is notified of potential unauthorized access to customer/member personal information due to data loss from an outside provider or a breach of an outside provider's data.	In consultation with the outside provider, determine the extent of the loss of data or breach of the provider's systems and determine action to be taken which may include notification of customer/members and notification of regulatory authorities including states depending on state requirements.
28. Notice from a customer/member of the loss of information (e.g., loss of wallet, birth certificate, etc.).	Contact the customer/member to learn the details of the unauthorized access to determine if other steps are warranted.

6.13.5 Compromised Accounts

[FINRA Checklist for Compromised Accounts:
http://www.finra.org/Industry/Issues/Customer/memberInformationProtection/p117443]

If an unauthorized person may have gained entry or attempted entry to a customer/member's/Member's account, the AML Compliance Officer will take the following actions, depending on the nature and scope of the intrusion.

- Monitor, limit, or temporarily suspend activity in the account
- Contact the customer/Member using CIP information on file for him/her, describe what has been found, and verify that there has been an attempted or actual identity theft
- Determine if there is a heightened risk of ease of access, such as a customer/member's/Member's lost wallet, mail theft, a data security incident, or the customer/member gave account information to an imposter claiming to represent T3TG or the customer/Member gave information to a fraudulent website
- Check similar accounts where there may be unauthorized access
- Collect incident information including (if available):
    - Firm information (both introducing and clearing firms: Firm name, CRD number, contact name and telephone number)
    - Dates and times of activity
    - Securities involved (name and symbol)
    - Details of trades or unexecuted orders
    - Details of wire transfer activity
    - Customer/Member accounts affected by the activity including name and account number
    - Whether the customer/Member will be reimbursed and by whom
- Alert other appropriate Firm personnel to be aware of unusual activity in other customer/Member accounts and notify the AML Compliance Officer of any such incidences
- Identify, to the extent possible, the cause of the account intrusion (*i.e.,* T3TG 's system was compromised; individual account was hacked); whether the customer/Member has been subject to identity theft; whether intrusion is limited to one account or whether it involves multiple accounts
- Notify clearing firms, if applicable
- Contact the SEC, FINRA, and state regulators
- If appropriate, contact law enforcement such as the FBI or the U.S. Postal Inspector, if mail is involved
- Determine whether T3TG must provide a specific type of notification to the customer/Member or others under state law
- Determine whether a SAR should be filed
- Review T3TG 's insurance policy, which may require timely notice or prior consent for any settlement
- Provide customer/Member assistance to minimize the impact of potential or actual identity theft, as applicable and determined by the AML Compliance Officer:
    - Consider changing passwords, security codes or other ways to access threatened accounts
    - Offer to close the account and reopen with a new account number
    - Consider not collecting on the account or selling it to a debt collector
    - Advise the customer/Member to go to the FTC Identity Theft Website (http://www.ftc.gov/bcp/edu/microsites/idtheft); calling the FTC's Identity Theft Hotline (877-438-4338); or writing the Identity Theft Clearinghouse (FTC, 6000 Pennsylvania Avenue, NW, Washington, D.C. 20580)

6.14 Due Diligence for Correspondent and Private Banking Accounts

[USA PATRIOT Act Secs. 312 and 313; FinCEN Fact Sheet (http://www.fincen.gov/312factsheet.pdf); Dept. of Treasury 31 CFR Part 103, RIN 11506-AA29, January 4, 2006 Federal Register; FinCEN guidance regarding Rule 312 due diligence requirements: http://www.sia.com/moneyLaundering/pdf/SIA-FIAfromFinCEN05-02-06.pdf]

Responsibility	• AML Compliance Officer
Resources	• New account application • Foreign bank certification • Information about a foreign bank subsequent to opening that indicates it is a foreign shell bank where an account may not be maintained
Frequency	• As required when accounts are opened • Monthly - review of accounts identified for due diligence reviews
Action	• Conduct due diligence for correspondent and private banking accounts • Review selected accounts for potential money laundering activity and, if potential activities are identified, take corrective action which may include: o Restricting activity in the account o Closing the account o Filing an SAR • For foreign bank accounts: o Review certification to determine: ▪ All required information is included ▪ Inconsistencies (*i.e.,* location of the foreign bank's regulated affiliate is consistent with the designated banking authority that supervises the foreign bank and its regulated affiliate) o Ensure procedures are in place to restrict transactions in accounts that do not provide certification within 30 days of opening the account o Close existing prohibited accounts for foreign shell banks o Review re-certifications o Ensure procedures are in place to re-certify foreign banks within three years of original certification
Record	• Record of the AML Officer's review is maintained in new account records on the applicable form: o New account application o Certification form o Re-certification form • Records of account reviews including corrective action taken • Records of closing or restricting accounts are retained with new account records

Due diligence requirements apply when opening and handling correspondent and private banking accounts that are maintained in the U.S. for non-U.S. persons. "Enhanced due diligence" is required for:

- Correspondent accounts for foreign banks in jurisdictions of money laundering concern or operating under an off-shore license
- Private banking accounts for senior foreign political figures

The purpose of these requirements is to detect and report known or suspected money laundering activity.

6.14.1 Definitions

Correspondent account: Includes any account established for a foreign financial institution to receive deposits from, or to make payments or other disbursements on behalf of, the foreign institution, or to handle other financial transactions related to such foreign financial institution. This type of account presumes a formal relationship through which the financial institution provides regular services.

Private banking account: A private banking account is an account that is established or maintained for the benefit of one or more non-U.S. persons, requires minimum aggregate deposit of funds or other assets of not less than $1,000,000, and is assigned to a bank Employee/Member who is a liaison between the financial institution and the non-U.S. person. If the account otherwise satisfies the definition but the institution does **not** require a minimum balance of $1,000,000, the account does not qualify as a private banking account.

Senior foreign political figure ("politically exposed person") includes:

- a current or former senior official in the executive, legislative, administrative, military, or judicial branches of a foreign government, whether or not they are or were elected officials
- a senior official of a major foreign political party
- a senior executive of a foreign government-owned commercial enterprise (senior executives are individuals with substantial authority over policy, operations, or the use of government-owned resources.)
- immediate family members of the above, and those who are widely and publicly known (or actually known) close associates of a senior foreign political figure
- a corporation, business, or other entity formed by or for the benefit of one of the above individuals
- a person "widely and publicly known" as a close associate of such a person

Proceeds of foreign corruption: any asset acquired by, though, or on behalf of a senior foreign political figure through misappropriation, theft, or embezzlement of public funds, the unlawful conversion of property of a foreign government, or through acts of bribery or extortion, and include any other property into which any such assets have been transformed or converted.

Foreign bank: defined under the Bank Secrecy Act as a bank organized under foreign law, or an agency, branch, or bank office located outside the United States. The term does not include an agent, agency, branch or office within the U.S. of a bank organized under foreign law.

Foreign shell bank: a foreign bank without a physical presence in any country.

"Owner" of a foreign bank for purposes of enhanced due diligence: Any person who directly or indirectly owns, controls, or has the power to vote 10% or more of any class of securities of the bank.

Payable-through account: A correspondent account maintained by a covered financial institution for a foreign bank by means of which the foreign bank permits its customer/members to engage, either directly or through a subaccount, in banking activities usual in connection with the business of banking in the U.S.

Regulated affiliate: a foreign shell bank that (1) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and (2) is subject to supervision by a banking authority in the foreign country regulating such affiliated depository institution, credit union, or foreign bank.

6.14.2 Due Diligence for Correspondent Accounts For Foreign Financial Institutions

T3TG will not be opening accounts for Foreign Financial Institutions. These procedures are in place in case there is a change to the policy. Due diligence requirements apply to the following types of foreign financial institutions:

- Foreign bank
- Foreign branch of a U.S. Bank
- A business organized under a foreign law that, if located in the U.S., would be a securities broker-dealer, futures commission merchant, introducing broker in commodities, or a mutual fund
- A money transmitter or currency exchanger organized under foreign law

The Dept. of Treasury has established the following minimum due diligence requirements:

- determine whether the account is subject to enhanced due diligence
- assess the money laundering risk posed, based on risk factors. Potential risk factors include:
    - the nature of the foreign financial institution's business and the markets it serves
    - the type, purpose, and anticipated activity of the correspondent account
    - the nature and duration of T3TG ’s relationship with the foreign financial institution
    - the AML and supervisory regime in which the foreign financial institution is chartered or licensed
    - information known or reasonably available to T3TG about the foreign financial institution's AML record
- apply risk-based policies, procedures and controls to each account, including periodic review of activity

Factors considered in determining due diligence include:

- nature of services provided to the account
- length of relationship
- the AML supervisory regime in the account's home country
- any information known or reasonably available about the account's AML record

Due diligence procedures include the following:

Correspondent accounts for foreign financial institutions are forwarded to the AML Compliance Officer, at the time of opening, for review.

- Review the account's home country vs. OFAC lists of jurisdictions of money laundering concern and blocked persons.
    - If identified on an OFAC list, report the account and close it.
- Review new account information about the account, including source of revenue and assets, whether the person/entity has existing accounts with T3TG, length of time the Associated Person has known the account, who referred the account, and other available information about account background and how the account came to T3TG.
- Conduct a risk-based assessment considering factors listed above.
- If there is inadequate information or due diligence procedures cannot be performed, refuse to open the account or close an existing account.
    - File a SAR, if appropriate.
- If the account is approved for opening, determine whether ongoing review is necessary.
    - If ongoing review is appropriate, establish duplicate statements or another method for review of account activity by the AML Officer.
    - Review will include identifying patterns of securities transactions and securities/money transfers that may be indicative of money laundering activity, and report such activity if necessary and close the account.

6.14.3 Enhanced Due Diligence for Some Foreign Banks

Enhanced due diligence is required for a correspondent account for a foreign bank that is operating:

- under an offshore license;
- under a license issued by a country that has been designated as being non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the U.S. is a member and with which the U.S. concurs regarding the designation; or
- under a license issued by a country designated by the Secretary of the Treasury as warranting special measures due to money laundering concerns.

Such accounts are subject to risk-based enhanced due diligence, including the following:

- Compliance is responsible for identifying and monitoring such accounts.
- If the bank's shares are not publicly traded, identify the owners of the bank and verify they do not appear on U.S. lists of restricted individuals or companies.
- Obtain and consider information about the bank's AML program to assess money laundering risk.
- Obtain information from the bank about the identity of any person with authority to direct transactions through any correspondent account that is a payable-through account and the sources and beneficial owner of funds or other assets in the payable-through account.

- Determine whether the foreign bank for which the correspondent account is established or maintained in turn maintains correspondent accounts for other foreign banks that use the foreign correspondent account established or maintained by T3TG and, if so, take reasonable steps to obtain information relevant to assess and mitigate money laundering risks associated with the foreign bank's correspondent accounts for other foreign banks, including, as appropriate, the identity of those foreign banks.
- Monitor such accounts for potential money laundering, either manually or electronically depending on available information.
- Report the account, upon initial review or in the course of monitoring, if necessary.

If enhanced due diligence cannot be performed, the account will not be opened, trading will be suspended, a suspicious activity report will be filed, and/or the account will be closed.

6.14.4 Prohibition against Correspondent Accounts for Foreign Shell Banks

[USA PATRIOT Act Sec. 313]

T3TG is prohibited from establishing, maintaining, administering, or managing a correspondent account in the United States for an unregulated foreign shell bank. The prohibition does not apply to a foreign shell bank that is a regulated affiliate. If an account is inadvertently opened for an unregulated foreign shell bank, the AML Compliance Officer must be notified and the account will be immediately closed.

6.14.5 Foreign Bank Certification

[FinCEN Frequently Asked Questions re Certification: http://www.fincen.gov/faqsguidance.pdf]

When opening an account for a foreign bank, T3TG is obligated to ensure the bank is not a foreign shell bank and must obtain information about the foreign bank's owners and an agent for service of process. The bank must complete the Foreign Bank Certification, which must be submitted to the AML Compliance Officer with a copy of the new account application for review. Every three years the bank is also required to re-certify the information filed with T3TG.

6.14.6 Special Measures

[USA PATRIOT Act Section 311; Bank Secrecy Act Section 5318A; FinCEN information on all special measures issued: http://www.fincen.gov/reg_section311.html; FINRA Notice to Members 06-41]

Some foreign jurisdictions, foreign financial institutions, international transactions, or types of accounts are designated to be of "primary money laundering concern" by the Secretary of the Treasury. This designation obligates T3TG to take certain "special measures" against the primary money laundering concern. The Secretary of Treasury announces when an entity is considered to be a primary money laundering concern. These special measures include:

- A prohibition against opening or maintaining a correspondent account in the U.S. for or on behalf of the primary money laundering concern including at the time of announcement, review of existing account records to identify any prohibited accounts
- Notification to correspondent accountholders that the account may not be used to provide the primary money laundering concern with access to T3TG [sample notification is included in Notice

to Members 06-41 and may be transmitted by a one-time notice by mail, fax, or email or by including the information in the next regularly occurring transmittal to the account, such as an account statement]

- Reasonable steps to identify an indirect use of correspondent accounts by the primary money laundering concern by review of transaction-based records

The clearing firm is responsible for complying with special measures, including notification of correspondent accounts and retaining records of compliance.

6.14.7 Due Diligence for Private Banking Accounts

Private banking accounts:

- include accounts established for a non-U.S. beneficial owner.
- include accounts where the beneficial owner is an individual:
    - who has a level of control over, or entitlement to, the funds in the account
    - who directly or indirectly controls, directs, or manages the account
    - for whom an account is established, maintained, or administered in the U.S.
- exclude accounts for hedge funds (and other pooled vehicles) and corporations (that are not personal investment companies ["PICs"].
- include accounts for PICs and trusts for the benefit of individual owners.

Requirements for due diligence:

- Determine the identity of all nominal and beneficial owners of the private banking account.
- Determine the purpose and expected use of the account.
- Determine whether any such owner is a senior foreign political official.
- Determine the source(s) of funds deposited into the private banking account and the purpose and expected use of the account.
- Review the account activity:
    - to ensure consistency with information about the account.
    - to report suspected money laundering activity.

Factors considered in determining due diligence include:

- Is the client from a jurisdiction identified by the federal government as a jurisdiction subject to OFAC restrictions or as having weak AML controls?
- Is the customer/member's business cash intensive?

T3TG cannot rely on foreign institutions to perform due diligence for private banking accounts, and due diligence obligations are ongoing. If appropriate due diligence cannot be performed for the account, the account will be closed.

6.14.8 Enhanced Scrutiny for Accounts of Senior Foreign Political Figures

Accounts for senior foreign political figures (including persons and entities defined in this section) are subject to enhanced scrutiny:

Prior to opening, the account is referred to the AML Officer for review and approval.

- Review the account's home country vs. OFAC lists of jurisdictions of money laundering concern and blocked persons.
    - If identified on an OFAC list, report the account and close it.
- Review new account information about the account, including employment history, sources of income and assets, whether the person/entity has existing accounts with T3TG, length of time the Associated Person has known the account, who referred the account, and other available information about account background of the account and how the account came to T3TG.
- If there is inadequate information or due diligence procedures cannot be performed, refuse to open the account or close an existing account.
- Review MIS information regarding the individual.
    - File a SAR, if appropriate.
- If the account is approved for opening, determine whether ongoing review is necessary.
    - If ongoing review is appropriate, establish duplicate statements or another method for review of account activity by the AML Officer.
    - Review will include identifying patterns of securities transactions and securities/money transfers that may be indicative of money laundering activity, and report such activity if necessary and close the account.

6.15 Shell Companies

[FinCEN advisory on shell companies: http://www.fincen.gov/AdvisoryOnShells_FINAL.pdf]

T3TG will not be opening customer/member accounts for Shell Companies. These procedures are in place in the event the policy changes.

Shell companies can represent a potential money laundering risk. Most shell companies are formed for legitimate business reasons, but some have been used for illicit purposes.

"Shell Company" refers to non-publicly traded corporations, limited liability companies (LLCs), and trusts that typically have no physical presence (other than a mailing address) and generate little or no independent economic value. Legitimate purposes including holding stock or intangible assets of another business entity (such as subsidiary company shares) but are not engaged in active business operations or facilitating domestic and cross-border currency and asset transfers and corporate mergers. State laws allow shell companies to obscure company structure, ownership, and activities, so there is little transparency to enable T3TG to understand with whom they are dealing.

Agents that act as intermediaries or nominee incorporation services (NIS) can play a central role in creating, maintaining, and supporting shell companies. Some agents and NIS firms also provide individuals and businesses with nominee services that preserve the anonymity of underlying officers, directors, and stockholders.

Shell companies are subject to review which may include:

- Checking accounts and owners (if information is available) against OFAC restrictions (applies to all accounts)
- Obtaining information about underlying owners
- Obtaining assurances from the shell company representative that principals have been screened

6.16 FBAR – Report of Foreign Bank and Financial Accounts

If a firm has a financial interest in or signature authority over a foreign financial account, including a bank accounts, brokerage account, mutual fund, trust, or other type of foreign financial account, exceeding certain thresholds, the Bank Secrecy Act may require you to report the account yearly to the Department of Treasury by electronically filling a FinCEN 114, *Report of Foreign Bank and Financial Accounts* (FBAR).

At this this T3 Securities does not do business with any foreign individuals, companies or entities so this rule is not applicable. If that should ever change, the WSP will be updated appropriately.

7 INSIDER TRADING

[Insider Trading and Securities Fraud Enforcement Act of 1988; '34 Act 10b-5; FINRA Notice to Members 89-5; SEC Guidance on the use of company websites (application of Regulation FD): http://www.sec.gov/rules/interp/2008/34-58288.pdf]

Responsibility	• Operations Manager or Designees / Compliance
Resources	• Daily Transaction Report, exception reports and/ or trade blotters • Employee/Member transactions (see the section *Employee/Member, Employee/Member-Related and Proprietary Trading*) • Inquiries from regulators • Transactions in securities on T3TG 's Watch or Restricted Lists (see the sections *Watch List* and *Restricted List*) • Questions or transactions referred by managers or other T3TG personnel
Frequency	• Daily and as required
Action	• Supervisors reviewing trades: refer questioned trades to Compliance • Compliance will review the transaction and take appropriate action which may include: o Determination if further information is necessary o Consultation with Associated Person or other T3TG personnel regarding the nature of the transaction(s) including reason for transaction, solicited vs. unsolicited o Review of other transactions by the same customer/member and/or Associated Person o Consultation with in-house or outside counsel o Referral of transaction(s) to appropriate regulator
Record	• Evidence of review on Daily Transaction Report by the designated reviewer • Compliance's review is documented in a file of reviewed transactions, including who conducted the review; when reviewed; identification of the transaction(s) reviewed; copies of the records used to conduct the review; and notation of action taken.

7.1 Insider Trading Policies and Procedures

Broker-dealers are required to establish, maintain, and enforce policies and procedures to prevent the misuse of material non-public information ("inside information"). These requirements are included in the Insider Trading and Securities Fraud Enforcement Act of 1988. T3TG has established policies and procedures reasonably designed to prevent the misuse of inside information considering the Firm's business, structure, size and other relevant factors.

At the time of hire, associates are provided with the *Firm Policy Memorandum Regarding Insider Trading* included in this chapter. Updates to this policy are provided by Compliance when required.

7.2 Prohibition against Acting on or Disclosing Inside Information

T3TG policy prohibits associates and associated persons from effecting securities transactions while in the possession of material, non-public information. Associates are also prohibited from disclosing such information to others. The prohibition against insider trading applies not only to the security to which the inside information directly relates, but also to related securities, such as options or convertible securities.

If associates receive inside information, they are prohibited from trading on that information, whether for the account of T3TG or any customer/member, or their own account, any accounts in which they have a direct or indirect beneficial interest (including accounts for family members) or any other account over which they have control, discretionary authority or power of attorney.

7.3 Annual Certification

Associated persons are required to annually certify their knowledge of and compliance with T3TG's insider trading policy. This certification is included in the Annual Certification form.

7.4 Firm Policy Memorandum Regarding Insider Trading

This policy memorandum is intended to provide information and guidance concerning the restrictions on insider trading, which is an enforcement priority of the Securities and Exchange Commission and the Department of Justice. It also explains policies adopted by T3TG to prevent fraudulent or deceptive practices relating to trading on material, non-public information ("insider trading"). Trading in securities on the basis of material, non-public information ("inside information") is prohibited and contrary to T3TG policy. The penalties for insider trading can be considerable, including loss of profits plus treble damages, criminal sanctions including incarceration, loss of employment and permanent bar from the securities industry. This policy applies to all associates of T3TG. Specific departments of T3TG may have insider trading policies that supplement this policy.

READ THE FOLLOWING VERY CAREFULLY. You will be asked to sign a statement affirming that you have read and understand the policies set forth herein and that you will abide by them.

7.4.1 The Prohibition

The prohibition against insider trading includes the following: if you are in possession of material non-public information about a company or the market for a company's securities, you must either publicly disclose the information to the marketplace or refrain from trading. Generally, disclosure is not an option and the effect is to require an individual to refrain from trading. You also may not communicate inside information to a second person who has no official need to know the information.

Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in deciding to buy or sell a security. In addition, information that, when disclosed, is likely to have a direct effect on a security's price should be treated as material. Examples include information concerning impending tender offers, leveraged buy-outs, mergers, sales of subsidiaries, significant earnings changes and other major corporate events.
Information is non-public when it has not been disseminated in a manner making it available to investors generally. Information is public once it has been publicly disseminated, such as when it is reported on the

Dow Jones or other news services or in widely disseminated publications, and investors have had a reasonable time to react to the information. Once the information has become public or stale (*i.e.,* no longer material), it may be traded on or disclosed freely.

Generally, a person violates the insider trading prohibition when that person violates a duty owed either to the person on the other side of the transaction or to a third party (such as a customer/member or employer) by trading on or disclosing the information. The insider trading prohibition applies to an issuer's directors, officers and associates, investment bankers, underwriters, accountants, lawyers and consultants, as well as other persons who have entered into special relationships of confidence with an issuer of securities.

Virtually anyone can become subject to the insider trading prohibition merely by obtaining material non-public information by unlawful means or by lawfully obtaining such information and improperly using it. This is known as misappropriation. If you receive material, non-public information as part of your legitimate business dealings on behalf of T3TG or its customer/members and you use that information to trade in securities, or if you transmit that information to another person for purposes of trading in securities (so-called "tipping"), you would likely be guilty of insider trading. Insider trading liability may also be derivative. A person who has obtained inside information from a person who has breached a duty or who has misappropriated information may also be held liable.

The foregoing is just a synopsis of the insider trading prohibition. Because the law in this area is complex, T3TG has adopted the following guidelines which are designed to prevent violations of the insider trading rules.

7.4.2 When T3TG Is An Insider

T3TG at this time will never be an insider based on research. T3TG may be deemed an insider when it comes into possession of inside information through its various activities, such as investment banking.

T3TG will remain an insider as long as it has inside information, regardless whether the prospective banking client decides to engage another investment banking firm or whether T3TG declines to accept the proposed engagement.

7.4.3 Regulation FD (Fair Disclosure)

SEC Regulation FD governs the release by public companies of information that may reasonably be expected to affect the market price of securities issued by the public company. While obligations under the Regulation fall primarily on public companies, it is equally important for associates of T3TG to be aware of the requirements and to act appropriately if an Employee/Member becomes privy to inside information about the company.
The goal of the Regulation is to create a "level playing field" so that the dissemination of information that is reasonably likely to affect the market price of a security is released simultaneously to all investors. In general, the issuer, its executive officers, directors, investor relations personnel or other associates with similar duties are prohibited from selectively disclosing material, nonpublic information to securities analysts, to other securities professionals, or to a shareholder when it is foreseeable that a recipient of

such information will trade on the information. The Regulation requires action by the issuer if there is intentional or unintentional selective disclosure of such information.

Associates must not expect or seek to obtain, other than in the normal course of confidential investment banking activities, material non-public information from issuers and their associates.

7.4.4 Treatment Of Customer/Member Information

T3TG considers confidential all information concerning its customers / members, including, by way of example, their financial condition, prospects, plans and proposals. The fact that we have been engaged by a company, as well as the details of that engagement, are also confidential. T3TG's reputation is one of its most important assets. The misuse of customer/member information can damage that reputation as well as customer/member relationships.

7.4.5 What To Do If You Learn Inside Information

It is not illegal to learn inside information. T3TG may learn material non-public information from its customer/members and is permitted to use that information in a lawful manner to advise and assist them. It is, however, illegal for you to trade on such information or to pass it on to others who have no legitimate business reason for receiving such information.

If you believe you have learned inside information, other than in the ordinary course of business (such as investment bankers who learn inside information when working on an engagement), contact Compliance immediately so that we may address the insider trading issues and preserve the integrity of T3TG's activities. Do not trade on the information or discuss the possible inside information with any other person at T3TG. If you become aware of a breach of these policies or of a leak of inside information, advise Compliance immediately.

7.4.6 Investigations Of Trading Activities

From time to time, the Exchanges, FINRA and the SEC request information from T3TG concerning trading in specific securities. Requests for information should be referred directly to Compliance. You may be asked to sign a sworn affidavit that, at the time of such trading, you did not have any inside information about the securities in question. Your employment may be terminated if you refuse to sign such an affidavit. T3TG may submit these affidavits to the Exchanges, FINRA or SEC.

7.4.7 Confidentiality Of Material Non-Public Information

If you are in a position within T3TG to access inside information, the following are steps you must take to preserve the confidentiality of inside information:

1. Material inside information should be communicated only when there exists a justifiable reason to do so on a "need to know" basis inside or outside T3TG. Before such information is communicated to persons within T3TG, your department, or another person you believe needs to know, contact your department manager or Compliance.
2. Do not discuss confidential matters in elevators, hallways, restaurants, airplanes, taxicabs or any place where you can be overheard.

3. Do not leave sensitive memoranda on your desk or in other places where they can be read by others. Do not leave a computer terminal without exiting the file in which you were working.
4. Do not read confidential documents in public places or discard them where they can be retrieved by others. Do not carry confidential documents in an exposed manner.
5. On drafts of sensitive documents, use code names or delete names to avoid identification of participants.
6. Do not discuss confidential business information with spouses, other relatives or friends.
7. Avoid even the appearance of impropriety. Serious repercussions may follow from insider trading and the law proscribing insider trading can change. Since it is often difficult to determine what constitutes insider trading, you should consult with Compliance whenever you have questions about this subject.

7.4.8 Your Own Securities Trading

T3TG policy is to require all associates to maintain their securities accounts at T3TG except with the approval of Compliance or Operations Manager. If you have an account outside of T3TG and have not already done so, please advise Compliance immediately. This includes outside accounts in which you have a financial interest or direct the trading.

7.4.9 Conclusion

T3TG has a vital interest in its reputation, the reputation of its associates, and in the integrity of the securities markets. Insider trading would destroy that reputation and integrity. T3TG is committed to preventing insider trading and to punishing any Employee/Member who engages in this practice or fails to comply with the above steps designed to preserve confidentiality of inside information. These procedures are a vital part of T3TG's compliance efforts and must be adhered to.

7.5 Employee/Member, Employee/Member-Related, and Proprietary Trading

Responsibility	• Branch Manager / Compliance
Resources	• Daily Transaction Report • Confirmations/statements for associates' outside accounts
Frequency	• Daily
Action	• Identify transactions in securities included on T3TG's Restricted or Watch Lists (refer to sections on those procedures), if applicable.
Record	• Notations are included in Compliance's files regarding identified transactions, including details of each trade, action taken and initials or signature of reviewer.

Employee/Member and proprietary trades are reviewed by Compliance for trades contrary to restrictions because of potential underwriting activities, other restrictions, and potential insider trading. This review includes review of associates' outside securities accounts to identify transactions in securities on T3TG's Restricted List or Watch List, if applicable.

8 ACCOUNTS

Form CRS (Customer Relationship Summary)

SEC Rule Best Interest and Form CRS Instructions
Regulation Best Interest and the Form CRS Customer Relationship Summary

8.1.1 Overview

Regulation Best Interest requires the Firm to, among other things, act in the best interest of its retail customers when making a recommendation without placing the financial or other interest of the Firm, or its Registered Representatives, ahead of the interests of its retail customers. All customer activity at T3 is self-directed and therefore registered representatives do not make any recommendations for the purchase or sale of any investment products to customers of the Firm. In addition, T3 Registered Representatives do not make recommendations regarding account types or rollovers from retirement plans. If this policy changes in the future, the Firm will implement appropriate Regulation Best Interest supervision and update its written supervisory procedures (WSPs).

Form CRS is a disclosure document that is distributed to all retail investors and fully and fairly describes the services, fees, conflicts, and disciplinary history of the Firm and its associated persons.

8.1.2 Retail investor

For purposes of this WSP, the term retail investor refers to a natural person, or the legal representative of a natural person who seeks to receive services primarily for personal, family, or household purposes.

8.1.3 Form CRS Requirements

The CCO consults with the heads of the Firm's business groups and determines the services offered, fees charged, conflicts present, and disciplinary history of the Firm and its associated persons. The Form CRS disclosures are written to comply with all formatting and prescriptive requirements, such as having the contents written in plain English, complying with required text features, and providing the disclosures in accordance with the Form CRS Instructions. The CCO periodically reviews the Firm's Form CRS to confirm that it remains accurate and reflects the Firm's procedures and practices.

The Form must be no longer than two pages in length.
The form requires five individual items: (i) introduction; (ii) Relationships and Services; (iii) Fees, Costs, Conflicts and Standards of Conduct; (iv) Disciplinary history; and (v) Additional Information
In addition to these sections, the Form requires "conversation starters" related to each category. This will include things like relevant experience, licensing, system access, how fees and costs are assessed, potential Conflicts of interest, disciplinary history and for what type of conduct, and identifying the customer's primary contact.

8.1.4 Material Accuracy

The CCO or a Designated Principal updates and files the Form CRS, as prescribed below, if it becomes materially inaccurate. The updated Form CRS is distributed to existing customers and is posted on the Firm's website.
Whenever any information in the customer relationship summary becomes materially inaccurate, the Firm updates the form and files it with FINRA within 30 days. The Firm communicates any changes in the

updated relationship summary to retail investors who are existing customers within 60 days after the updates are required to be made and sends it to its customers without charge. The Firm communicates the changes to its customers by delivering the amended Form CRS or by communicating the information through another disclosure that is delivered to the customer. The Firm marks the revised text of the Form CRS or includes a summary of material changes.

8.1.5 Distribution

The Form CRS is distributed before, or at the earliest of, either opening an account or providing a new brokerage service.

8.1.6 Electronic Delivery

The Firm delivers its Form CRS electronically, therefore the Firm records consent from each retail customer to electronic delivery, provides notice of delivery, ensures that delivery is not burdensome to the customer receiving access, and maintains a record evidencing the delivery. The Form CRS is delivered to each customer in the manner in which the customer has consented to account materials delivery, generally in electronic form.

8.1.7 Delivery upon Request

Upon request from a customer, the Firm will deliver a current Form CRS pursuant to the account delivery instructions within 30 days.

8.1.8 Delivery of Updates

On an annual basis the compliance department sends out a reminder of the existence of Form CRS to all of its retail clients for review. In addition, the Firm will deliver to existing retail investors, any updates and file the updated Form CRS with FINRA within 30 days and deliver the updates to customers within 60 days. These subsequent deliveries of the updated form will highlight the changes as described above.

8.1.9 Prominence

When the Form CRS is delivered by email it is featured prominently in the email with a direct link to the Form on the T3 website.

8.1.10 Filing Form CRS Updates with FINRA

Form CRS, and all subsequent amendments to Form CRS, will be uploaded into the FINRA Gateway. Any changes or updates to the Form will also be filed via the FINRA Gateway within 30 days and sent to all pending and existing clients within 60 days of the change.

8.1.11 Website Posting

The CCO instructs the designated staff member to post Form CRS prominently on the Firm's website along with any materials referenced within the Form.

8.1.12 Training

The CCO confirms that the Firm's staff member are adequately trained regarding the purpose and contents of the Form CRS, including when and how the Form CRS must be delivered to retail customers.

8.1.13 Recordkeeping

The Firm maintains all records as prescribed in 17 CFR 240.17a-3(a)(24) and 17 CFR 240.17a-4(e)(10). Specifically, the Firm maintains for six years (1) a record of the date on which each Form CRS was provided to a retail investor; and (2) a copy of each version of the Form CRS. Further, the Firm maintains a record of all electronically-delivered materials consistent with SEC guidance.

8.2 New Accounts

[SEC Rule 17a-3(a) (17); FINRA Rules 2111 and 3110, FINRA Information Notice 10/21/08: New Account Application Template]

Obtaining information about the customer/member is important when opening a new account, enabling the Associated Person to "know the customer/member" and provide suitable recommendations and service to the account. Key requirements include the following:

- The new account application (which is designed to include information required by rules) must be complete prior to submission for approval. If the customer/member refuses to provide certain information, this must be indicated on the new account application.
- If recommendations will be made to a non-institutional customer/member (T3TG does not provide securities recommendations) account information includes the customer/member's financial status, tax status, investment objectives, and other information used or to be considered to determine the suitability of recommendations.
- The new account form must be signed by the Associated Person opening the account.
- Under anti-money laundering requirements, the customer/member's identification must be verified.
- Required account documents, which vary depending on the type of account opened, must be obtained. Failure to obtain required documents may result in closure of the account.
- The customer/member's new account information will be sent to the customer/member for verification within 30 days of opening the account and every three years thereafter. When account information is changed, the changed information will be sent to the customer/member for verification within 30 days of the change.

This section provides an explanation of certain requirements that apply to new accounts.

8.2.1 Designation of Accounts

[FINRA Rule 3250]

All accounts must be in the name of the customer/member,

8.2.2 Master Accounts and Sub-Accounts

Accounts are sometimes established as "master accounts" that represent multiple sub-accounts. This is a method often used by investment advisers which identify the beneficial owners. T3TG has an obligation to identify any beneficial owners, particularly as it relates to satisfying anti-money laundering requirements regarding customer/member identification (refer to the *Customer/member Identification Program* section of the *ANTI-MONEY LAUNDERING (AML) PROGRAM* chapter and the *Customer/member Due Diligence* section of the *ACCOUNTS* chapter). At this time T3TG does not allow for sub-accounts.

In some instances, the sub-accounts' ownership identity is not disclosed to T3TG. Investment advisers and others (such as firms in omnibus clearing arrangements) may use this method of opening accounts for legitimate business reasons. In these limited circumstances involving a registered investment adviser or a registered broker-dealer, T3TG may rely on information provided to it by the adviser or the broker-dealer as to whether to treat a master/sub-account as having a single beneficial owner, or otherwise affirm that all securities transactions in the omnibus or subaccount are initiated by the financial intermediary holding the omnibus account and any beneficial owners of the omnibus or subaccount would have no direct control of the transactions effected in the account (See SEC National Exam Alert dated September 29, 2011).

If T3TG has actual notice that the sub-accounts have different owners (but does not know the identity of the owners), or if there are red flags that reasonably raise the issue of whether there are different owners, the Associated Person and T3TG are obligated to obtain the identity of the beneficial owners. Examples for T3TG (or the Associated Person) of red flags identified by FINRA that indicate there may be different owners include the following:

1. the sub-accounts are separately documented and/or receive separate reports;
2. the sub-accounts are addressed separately in terms of transaction, tax or other reporting;
3. the services provided to the sub-accounts engender separate surveillance and supervision of the sub-accounts for compliance with rules or for risk management purposes consistent with the review of separately owned accounts;
4. there are financial arrangements or transactions with the sub-accounts, or separate account terms, that reasonably raise questions concerning whether such accounts represent separate beneficial owners;
5. the sub-accounts incur charges for commissions, clearance and similar expenses, separately, based upon the activity only of that subject sub-account;
6. there is evidence of financial transactions or transfers of assets or cash balances that would reasonably evidence separate beneficial ownership of the sub-accounts;
7. T3TG (or Associated Person) is aware of or has access to a master account or like agreement that evidences that the sub-accounts have different beneficial owners;
8. there is evidence that a party maintaining a master/sub-account arrangement has interposed sub-accounts that have or are intended to have the effect of hiding the beneficial ownership interest; or
9. the number of sub-accounts maintained is so numerous as to reasonably raise questions concerning whether such accounts represent separate beneficial owners.
10. Items 3, 4, 5, 6, 8 and 9 above would not apply in the case of accounts opened by a registered BD or a bona fide investment adviser.

When an Associated Person or T3TG becomes aware of the identities of the beneficial owners of the sub-accounts, T3TG will be required to recognize the sub-accounts as separate customer/member accounts for purposes of applying FINRA rules, the federal securities laws and other applicable federal laws.

8.2.3 Customer/member Due Diligence

Responsibility	• Branch Manager / Operations Manager / Compliance
Resources	• New account application and other customer/member ID information
Frequency	• When accounts are opened
Action	• Before approving an account, or shortly thereafter, if not practical, determine that customer/member identification (ID) verification information is included with the new account application and meets T3TG 's requirements • For non-documentary verification, check the information included with the new account application for completeness and consistency with other customer/member-provided information (name, address, phone number, taxpayer ID number, *etc.*) • For unacceptable verification information (incomplete, inconsistent), return the application to the supervising branch manager for further information or disapprove the account
Record	• New account records include customer/member ID verification as well as the supervisor's approval

When opening new accounts, the customer/member's identity must be verified, as required by federal law. Customer/member identification (ID) information must be completed on the new account application.

Customer/member ID verification does NOT apply to accounts for:

- persons with an existing account at T3TG (unless the account requires approval by the AML Compliance Officer)
- banks
- governmental entities
- issuers of listed equity securities
- other financial institutions subject to regulation by the SEC, CFTC, Federal Reserve Board, OCC, FDIC, Office of Thrift Supervision, or the National Credit Union Administration
- persons opening accounts to participate in an ERISA plan (not currently available at T3TG)

8.2.4 Required Customer/member Information

['34 Act Rule 17a-3(17) (i) (A); FINRA Rules 3110]

Basic information required by law **prior to opening the account** includes:

- **Name**
- **Date of birth,** for an individual
- **Address:**
    - for an individual, residential or business street address. If no street address exists or is available, an APO or FPO box number or the residential or business street address of a next of kin or another contact individual

    - for a non-individual (corporation, trust, *etc.*) a principal place of business, local office, or other physical location.
- **Taxpayer identification number** for a U.S. person (U.S. citizen or non-individual established or organized under U.S. or state laws).
- **Identification number for non-U.S. person** which may include a taxpayer ID number; passport number and country of issuance; alien identification card number; or the number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photo or similar safeguard.

In the case of a customer/member who has applied for a taxpayer identification number but has not yet received it, notation must be made on the new account application that the taxpayer ID has been applied for. The account will be restricted to liquidating transactions if the taxpayer ID number is not received within 0 days of opening the account.

- **Government ID are also required for all subaccount holders or agents with trading authority on behalf of a customer/member, even if they are not the beneficial owner of the account and do not possess the power to open an account or subaccount on behalf of customer/member.**

8.2.5 Accounts for Individuals

When opening an account for an individual, the following information is required:

- An unexpired government-issued identification including a photo and nationality or residence such as a driver's license or passport and record information from it on the new account application, **OR**
- A copy of the photo ID with the new account application. (If the photo ID is not available at the time the new account application is being completed, the Associated Person, supervisor or Compliance is to indicate on the new account application whether the customer/member will provide a copy of photo ID within 30 days of account opening **OR,** if the customer/member cannot provide a photo ID, the reason **why** not.
- If the photo ID is not received within 30 days, the account will be restricted to liquidating transactions only until the ID is received.

If the customer/member has not appeared in person at T3TG's office, "non-documentary" information may ALSO be required, as explained in a section that follows.

If the customer/member cannot produce the required photo ID, an explanation must be included on the new account application AND non-documentary information will be required to open the account.

8.2.6 Obtaining and Retaining Beneficial Ownership Information

For some accounts, beneficial owner information may not be immediately identified when an account is opened. Under AML requirements, firms have an obligation to identify and verify customer/member accounts and relationships, and enhanced due diligence may be necessary, depending on the risk profile of the account. Exceptions apply where the customer/member opening the account is subject to AML rules, such as registered investment advisers and registered broker-dealers.

General obligations when opening accounts that include underlying owners or beneficiaries, include:

- Determining whether the customer/member is acting as an agent for, or on behalf of, another, and if so, obtaining information regarding the capacity in which, and on whose behalf, the customer/member is acting.
- Where the customer/member is a legal entity that is not publicly traded in the United States, such as an unincorporated association, a private investment company (PIC), trust or foundation, obtaining information about the structure or ownership of the entity so as to allow T3TG to determine whether the account poses heightened risk and identify the individuals who may have beneficial ownership interest.
- Where the customer/member is a trustee, obtaining information about the trust structure to allow T3TG to establish a reasonable understanding of the trust structure and to determine the provider of funds and any persons or entities that have control over the funds or have the power to remove the trustees.

If T3TG has affiliates with public customer/members, information may be shared across the enterprise to cross-check beneficial ownership information.

8.2.7 Enhanced Due Diligence (EDD)

Some types of accounts, because of the potential risk for hiding the identity of underlying beneficial owners or money laundering activities, are subject to enhanced due diligence. The AML Compliance Officer or CCO will determine which accounts are subject to EDD and what reviews are necessary. Procedures for correspondent and private banking accounts are included in a separate section of this AML program. Certain trusts, corporate entities, shell entities, and private investment companies are examples of customer/members that may pose heightened risk.

EDD may include steps, in accordance with the level of risk presented, to identify and verify beneficial owners, to reasonably understand the sources and uses of funds in the account, and to reasonably understand the relationship between the customer/member and the beneficial owner. EDD information may be used for monitoring purposes and to determine whether there are discrepancies between information obtained regarding the account's intended purpose and expected account activity and the actual sources of funds and uses of the account.

8.2.8 Third Party Accounts

Customer/member ID required for third party accounts includes the following:

With power of attorney or trading authorization held by a third party: Obtain customer/member ID of the owner of the account. “Customer/member ID” is also required for any individual with trading authority over an account or with their authority to open an account or subaccount on behalf of the customer/member-owner.

On behalf of an incompetent person: T3TG generally does not open accounts for incompetent individuals, even though an individual may have proper representation and others are duly appointed to act on their behalf. Any exceptions must be approved by the Chief Compliance Officer.

8.2.9 Registered Investment Adviser Accounts

[SEC Division of Market Regulation No-Action Letters dated 2/12/04 and 2/10/05]

For accounts established by registered investment advisers, T3TG may rely on the adviser to have obtained information to comply with federal Customer/member Identification Program (CIP) rules under the following circumstances:

- It is reasonable to rely on the adviser's assurances;
- the adviser is federally regulated (state-only registered IAs do not qualify); and,
- the adviser signs an agreement that it will annually certify to T3TG that it has implemented an anti-money laundering program and will perform (or its agents will perform) specified requirements of T3TG's CIP.

8.2.10 Accounts for Non-Individuals

Registered Investment Adviser Account documents usually obtained for non-individual accounts (trust instruments, articles of incorporation, partnership agreements, government-issued business license, *etc.*) will usually satisfy customer/member ID requirements. In the case of corporations, a certified copy of the articles of incorporation is required. These documents must be obtained within 30 days of account opening to satisfy the requirement. The authorizing documents must indicate who has the authority to act on behalf of the account.

8.2.11 Non-Documentary Methods of Verifying Customer/member Identification

Non-documentary methods of verifying customer/member ID involve other procedures. Non-documentary methods may be considered in the following circumstances:

- An individual is unable to present acceptable photo ID
- The documents presented are unfamiliar
- The account is opened without obtaining documents
- The customer/member opens the account without appearing in person at T3TG
- Other circumstances, at the discretion of the Associated Person's supervisor, New Accounts, and/or the AML Compliance Officer, where T3TG is unable to verify the customer/member's identity

In these circumstances, a non-documentary method must be indicated by the Associated Person, supervisor or Compliance on the new account application:

- Direct customer/member contact information
- Information from a consumer reporting agency or other database
- References from another financial institution
- Obtaining a financial statement

8.2.12 Additional Verification for Certain Customer/members

For the following types of customer/members, a review of the account is required by the AML Compliance Officer, who may also require additional forms of photo identification or documentary information **prior to** opening the account or shortly thereafter.
The accounts include:

- Numbered accounts
- Accounts domiciled in high-risk countries included on the Treasury Dept. OFAC list (check with Operations personnel for a list of those countries or go to http://www.treas.gov/offices/enforcement/lists/)
- Accounts for foreign public officials (individuals in high office in other countries, their families and close associates, political party officials)

8.2.13 Lack of Customer/member ID Verification

For **customer/members presenting unacceptable customer/member ID** at the time of account opening, the account will not be opened.

For **customer/members who fail to provide required ID or documents within 30 days of account opening,** the account will be restricted to liquidating transactions only until satisfactory ID verification is received.

For **accounts where non-documentary verification results in substantive, unresolved discrepancies** (information that is inconsistent such as name, address, taxpayer ID number, *etc.*), either the account will not be opened or will be immediately closed.

Questions regarding accounts that do not comply with requirements to verify customer/member ID should be referred to the AML Compliance Officer.

8.2.14 Customer/member Notice

Customer/members are provided notice, prior to opening an account, that their identification will be verified. This notice may be on T3TG's website, if applicable, on new account applications, or in other disclosures provided at the time of account opening.

8.2.15 Identity Theft (FACT Act Red Flags Rule)

[Fair and Accurate Credit Transactions Act (FACT Act) Sections 114 and 315]

Responsibility	• Branch Manager and Compliance or Designees
Resources	• New account information • Order and transactions records (including transfers of funds/securities) • Available reports
Frequency	• Daily and ongoing
Action	• Identify "red flags" when reviewing new accounts, orders, and transactions

	• If red flags are identified, contact the AML Compliance Officer to consult regarding further action • Include identity theft in training
Record	• New account records • Order and transactions records • Referral of red flags to Compliance and notation of action taken • Records of training including when conducted, subject matter, and who attended

Identity thieves use someone's personal identifying information to open new accounts and misuse existing accounts. T3TG has established an Identity Theft Prevention Program (ITPP) to help detect and prevent identity theft. Many elements of detecting or preventing identity theft are similar to anti-money laundering (AML) requirements that are included in these policies. A more detailed explanation of the Program is included in the section *Identity Theft Prevention Program (FACT Act Red Flags Rule)* in the chapter *ANTI-MONEY LAUNDERING (AML) PROGRAM*.

The ITPP is based on identifying "red flags" that indicate identity theft may have occurred. ***It is the responsibility of all associates to be alert and report to the AML Compliance Officer any new or existing customer/members who may be engaged in violations of anti-money laundering regulations or identity theft or who have reported identity theft.***

8.2.16 Identity Theft and Money laundering Red Flags

The following two tables include "red flags" that are possible indicators of identity theft or money laundering.

Red Flags Indicating Potential Identity Theft
Category: Alerts, Notifications or Warnings from a Consumer Credit Reporting Agency
1. A fraud or active duty alert is included on a consumer credit report. An "active duty" alert is an alert a military person may add to his/her credit report to identify potential identity theft.
2. A notice of credit freeze is given in response to a request for a consumer credit report.
3. A notice of address or other discrepancy is provided by a consumer credit reporting agency.
4. A consumer credit report shows a pattern inconsistent with the person's history, such as a big increase in the volume of inquiries or use of credit, especially on new accounts; an unusual number of recently established credit relationships; or an account closed because of an abuse of account privileges.
Category: Suspicious Documents
5. Identification presented looks altered or forged.
6. The identification presenter does not look like the identification's photograph or physical description.
7. Information on the identification differs from what the identification presenter is saying.
8. Information on the identification does not match other information our firm has on file for the presenter, like the original account application, signature card or a recent check.
9. The application looks like it has been altered, forged or torn up and reassembled.

Category: Suspicious Personal Identifying Information
10. Inconsistencies exist between the information presented and other things we know about the presenter or can find out by checking readily available external sources, such as an address that does not match a consumer credit report, or the Social Security Number (SSN) has not been issued or is listed on the Social Security Administration's (SSA's) Death Master File.
11. Inconsistencies exist in the information that the customer/member gives us, such as a date of birth that does not fall within the number range on the SSA's issuance tables.
12. Personal identifying information presented has been used on an account our firm knows was fraudulent.
13. Personal identifying information presented suggests fraud, such as an address that is fictitious, a mail drop, or a prison; or a phone number is invalid, or is for a pager or answering service.
14. The SSN presented was used by someone else opening an account or other customer/members.
15. The address or telephone number presented has been used by many other people opening accounts or other customer/members.
16. A person who omits required information on an application or other form does not provide it when told it is incomplete.
17. Inconsistencies exist between what is presented and what our firm has on file.
18. A person making an account application or seeking access cannot provide authenticating information beyond what would be found in a wallet or consumer credit report, or cannot answer a challenge question.
Category: Suspicious Account Activity
19. Soon after T3TG gets a change of address request for an account, we are asked to add additional access means (such as debit cards or checks) or authorized users for the account.
20. A new account exhibits fraud patterns, such as where a first payment is not made or only the first payment is made, or the use of credit for cash advances and securities easily converted into cash.
21. An account develops new patterns of activity, such as nonpayment inconsistent with prior history, a material increase in credit use, or a material change in spending or electronic fund transfers.
22. An account that has been inactive for a long time is suddenly used again.
23. Mail T3TG sends to a customer/member is returned repeatedly as undeliverable even though the account remains active.
24. We learn that a customer/member is not getting his or her paper account statements.
25. We are notified that there are unauthorized charges or transactions to the account.
Category: Notice From Other Sources
26. An outside agency, law enforcement, a clearing firm, or other source notifies T3TG that an account has been opened or used fraudulently.
27. T3TG is notified of potential unauthorized access to customer/member personal information due to data loss from an outside provider or a breach of an outside provider's data.
28. Notice from a customer/member of the loss of information (e.g., loss of wallet, birth certificate, etc.).
Red Flags Indicating Potential Money Laundering
The customer/member exhibits unusual concern regarding T3TG’s compliance with government reporting requirements and T3TG’s AML policies, particularly with respect to his or her identity, type

of business and assets, or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspect identification or business documents.
The customer/member wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer/member's stated business strategy.
The information provided by the customer/member that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
Upon request, the customer/member refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
The customer/member (or a person publicly associated with the customer/member) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
The customer/member exhibits a lack of concern regarding risks, commissions, or other transaction costs.
The customer/member appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
The customer/member has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
The customer/member attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents, or asks for exemptions from T3TG's policies relating to the deposit of cash and cash equivalents.
The customer/member engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the $10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
For no apparent reason, the customer/member has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
The customer/member is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force (FATF).
The customer/member's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity.
The customer/member's account shows numerous currency or cashier's check transactions aggregating to significant sums.
The customer/member's account has a large number of wire transfers to unrelated third parties inconsistent with the customer/member's legitimate business purpose.
The customer/member's account has wire transfers that have no apparent business purpose to or from a country identified as a money laundering risk or a bank secrecy haven
The customer/member's account indicates large or frequent wire transfers, immediately withdrawn by check or debit card without any apparent business purpose.
The customer/member makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another firm, without any apparent business purpose.

The customer/member makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer of the proceeds out of the account.
The customer/member engages in excessive journal entries between unrelated accounts without any apparent business purpose.
The customer/member requests that a transaction be processed in such a manner to avoid T3TG's normal documentation requirements.
The customer/member, for no apparent reason or in conjunction with other "red flags," engages in transactions involving certain types of securities, such as penny stocks, Regulation "S" (Reg S) stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer/member's activity.)
The customer/member's account shows an unexplained high level of account activity with very low levels of securities transactions.
The customer/member maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent business purpose or other purpose.
The customer/member's account has inflows of funds or other assets well beyond the known income or resources of the customer/member.

8.2.17 Notifying the AML Compliance Officer

If an Employee/Member identifies suspicious activity or red flags involving new or existing accounts, it is the Employee/Member's obligation to **immediately** notify his or her supervisor and/or the AML Compliance Officer. Supervisors are responsible for contacting the AML Compliance Officer if notified by an Employee/Member of suspicious activity or red flags or when he or she personally identifies them.

8.2.18 SIPC Disclosure

[FINRA Rule 2266]

When new accounts are opened, new customer/members will be provided information about the Securities Investor Protection Corporation (SIPC), including SIPC's website address and phone number. This information is also provided annually in writing to all customer/members.

8.2.19 Approval

['34 Act Rule 17a-3(17) (i) (A); FINRA Rules 2111 and 3110(c)]

Responsibility	• Branch Manager and Compliance
Resources	• New Account Form
Frequency	• Daily

Action	• Review new account form for:
	  ○ Completeness
	  ○ Proper styling of account
	  ○ Unacceptable accounts (accounts in name of minor only, fictitious accounts, numbered accounts without disclosure of owner, *etc.*)

	○ Potential improper addresses (post office boxes, addressed to Associated Person, supervisor or T3TG, etc.) ○ Consistency of investment objectives with financial status, prior investment experience, *etc.* ○ Initial transaction consistent with investment objectives ○ Associated Person registration in state of customer/member's residency
Record	• Supervisor's signature on New Account Form • New account forms are retained by Operations

A completed new account form, signed by the Associated Person or supervising manager, is required for each new account opened. The designated supervisor is responsible for reviewing the new account form for the necessary information and will promptly approve each new account.

8.2.20 Customer/member Account Information

['34 Act Rule 17a-3(17) (i) (A); FINRA Rule 3120(a) (2) (B)]

Within 30 days of opening an account (or with the next scheduled account statement), the clearing firm will send the customer/member a copy of new account information for verification. In addition, account information will be verified with the customer/member every three years. In the event there is a change to the customer/member's account (including changes in investment objectives), the changed account information will be sent to the customer/member for verification within 30 days of submission of the change.

8.2.21 Addresses on Customer/member Accounts

['34 Act Rule 17a-3(17) (i) (B) (2); FINRA Rule 3120(a) (2) (B)]

Responsibility	• Compliance / Or Designee
Resources	• New account forms
Frequency	• Daily
Action	• Identify improper address on new account forms at time of approval • When approving new accounts, ensure beneficial owner of the account will receive confirmations consistent with the policy
Record	• Supervisor's signature on New Account Form

Confirmations and statements and other account information will be transmitted to the customer/member at the address requested by the customer/member. T3TG or an Employee/Member may not be the sole addressee for a customer/member's account unless the account is for the direct benefit of T3TG or Employee/Member.

Acceptable addresses include:

- **for an individual:** residential or business street address. If no street address exists or is available, an APO or FPO box number or the residential or business street address of a next of kin or another contact individual

- **for a non-individual (corporation, trust, *etc.*):** a principal place of business, local office, or other physical location.
- **for a P.O. Box address:** a legal address for the customer/member must also be provided. Please note, however, that T3TG does not generally allow P.O. Boxes to be used as a mailing address for customer/member accounts. An acceptable P.O. box may occur when the USPS does not deliver to the remote location. Compliance will need to verify this USPS information.

Accounts **may not** be addressed to T3TG, an Associated Person or other Employee/Member of T3TG, with the exception of accounts for the beneficial ownership of the Associated Person or Employee/Member. Accounts **may not** be addressed care/of (c/o) someone else, unless the customer/member provides written authorization requesting such an address. As noted earlier, the Firm does not generally permit the use of a P.O. Box as a mailing address.

Address changes require written instructions from the customer/member. Upon notification of a change of address, a notice will be sent to the customer/member's old address confirming that an address change has been made to the account. Compliance will follow up regarding questions about address changes.

8.2.22 Account Documents

Responsibility	• Compliance / Or Designee
Resources	• New Account Form • Missing Documents Sheet
Frequency	• Daily
Action	• Establish procedures to ensure required account documents are obtained for each new account
Record	• Most current Missing Documents Report retained for follow up • New account files in Operations include documents obtained

Additional account documents may be required depending on the type of account opened. The designated supervisor is responsible for establishing procedures outlining the necessary account documents and follow-up regarding missing documents.

8.2.23 Pre-dispute Arbitration Agreements with Customer/members

[FINRA Rule 2268, Notices to Members 05-32 and 05-09]

Customer/members will be provided with copies of any signed agreements that include a pre-dispute arbitration agreement within 30 days of signing; the customer/member will acknowledge receipt of the arbitration agreement on the agreement itself or on a separate document.

In addition, within 10 days of request by a customer/member, T3TG will provide a copy of any pre-dispute arbitration agreement the customer/member has signed, as well as relevant arbitration forum rules, if requested. The customer/member will be notified if the signed agreement cannot be located.

8.2.24 Revisions to Customer/member Agreements

Firm policy does not permit revisions to pre-printed language on customer/member agreements. Requests for changes should be referred to Compliance for review.

8.2.25 Accounts Requiring Notification to Customer/member's Employer

[FINRA Rules 31102070), and 3210]

Responsibility	• Compliance / Or Designee
Resources	• New Account Form
Frequency	• Daily
Action	• Code or note account for duplicate confirmations and/or statements as requested by other broker-dealers • For accounts of associates of FINRA or the AMEX, code the accounts for duplicate confirmation and statements to FINRA or the AMEX
Record	• Record of duplicate confirmations and statements is included with new account records

8.2.26 Associates of Other Broker-Dealers

When opening an account for a person employed by another broker-dealer (including accounts where the Employee/Member has control or a personal financial interest), the other broker-dealer must be notified. T3TG will provide duplicate confirmations, statements, or other information requested by the employing broker-dealer.

8.2.27 Transactions Involving FINRA Associates

[FINRA Rule 2070]

When T3TG has notice that a FINRA Employee/Member has a financial interest in, or controls trading in, an account, T3TG will obtain and implement instructions from the Employee/Member to provide duplicate account statements to FINRA.

T3TG or its associates are prohibited from making a loan of money or securities to any FINRA Employee/Member other than disclosed, routine banking and brokerage agreements (or loans originating from a personal or family relationship).

T3TG or its associates cannot directly or indirectly give anything (other than something of nominal value such as a logo hat, pen, *etc.*) to a FINRA Employee/Member who has responsibility for a regulatory matter involving T3TG. "Regulatory matter" includes examinations, disciplinary proceedings, membership applications and dispute-resolution proceedings.

8.2.28 Post Office Box Addresses

Generally. T3TG does not permit the use of P.O. Boxes. However, there may be instances where a P.O. Box Is warranted, such as customer/members who reside in rural areas where mail is not delivered to the home address and the post office address is the only address for mail delivery. In such instances, it will

be the responsibility of Compliance to confirm this mailing arrangement with the Post Office and record the information with the new account documents.

8.2.29 Initial Deposits

If the initial transaction in a new account is a purchase order, a minimum deposit of $25,000.00 of the value of the transaction is required for T3TG Retail accounts. For Prop Traders the initial minimum is $5,000.00 and $2,500 thereafter. Management may allow for lesser initial amounts at its discretion. Prop Traders are permitted to make deposits of lesser amounts to cover debits once they leave the firm. The Firm generally does not permit the use of foreign banks.

If the initial transaction is a sell order, receipt of the securities prior to entering the order is recommended, particularly where the Associated Person is unfamiliar with the new account. Potential items of concern include certificates not registered in the seller's name, restricted or legend stock, expired warrants or rights, and other securities that would not constitute "good delivery."

8.2.30 Unacceptable Accounts

The following are examples of accounts that are unacceptable. Questions regarding whether new accounts may be opened should be referred to Compliance.

Unacceptable accounts include:

- Fictitious accounts in a name other than the name of the legal owner
- Accounts in the name of a minor
- Margin accounts for minors

8.3 Transferring Accounts

[FINRA Rules 2140 and 11870]

8.3.1 Accounts Transferring In

When new accounts are transferred from another broker-dealer, a transfer form must be completed by the customer/member authorizing the transfer and provided to the receiving firm. Most accounts transfer via ACATS which expedites validation and transfer from the other BD.

Orders to sell securities to be transferred from the other firm may not be entered until validation is received. Associated Persons should contact Compliance to confirm whether the transfer has been validated.

8.3.2 Accounts Transferring Out

When validated instruction has been received to transfer a customer/member's securities account assets to another firm, the account will be "frozen," *i.e.,* all open orders (with the exception of option positions that expire within 7 business days) must be canceled and no new orders taken.

T3TG and its associates may not interfere with a customer/member's request to transfer his or her account unless there is a *bona fide* reason for doing so, such as a lien for money owed.

8.4 Accounts and Securities Subject To Blocking

[Various Treasury Dept. regulations]

T3TG is prohibited from doing business in specific countries or with organizations or individuals the subject of Government sanctions. The U. S. Treasury Department's Office of Foreign Assets Control (OFAC) is responsible for administering and enforcing economic and trade sanctions. Sanctions target foreign countries, terrorism sponsoring organizations, narcotics traffickers, money launderers, and other entities and individuals. Sanctions include the freezing of assets and blocking securities issued by embargoed foreign issuers.

As part of its anti-money laundering program, T3TG monitors accounts and securities included on OFAC's lists, available at OFAC's website at *www.treas.gov/ofac*. OFAC information is updated whenever the Government issues new sanctions that result in blocking requirements.
Blocking will occur under the following circumstances:

- An account is opened for someone included on an OFAC list.
- The owner of an existing account is added to an OFAC list.
- A security is identified in a customer/member account where the issuer is the subject of blocking requirements.
- A request is made by a customer/member to pay or transfer funds or securities to a blocked person or entity.

Associated Persons will be notified if one of their customer/member accounts; a security held in one of their accounts; or a requested transfer of funds or securities is blocked. In addition to the above, open orders will be cancelled for any account that is blocked.

Compliance with blocking requirements is very important. Violations can result in substantial fines against T3TG or persons engaging in prohibited transactions. Questions regarding blocked accounts, transfers, or securities should be referred to Compliance.

8.5 Updating Account Information and Periodic Affirmation

['34 Act Rule 17a-3(a) (17);]

Responsibility	• Compliance / Or Designee
Resources	• Information obtained from customer/member • Responses from customer/members
Frequency	• As required: update account information based on information provided by customer/member • Within 30 days of changes: send written information about changes to account • At least every 36 months: send customer/members a copy of new account information

Action	• Associated Person: Record changes to customer/member information reported by customer/member • Send information to customer/members • Compliance: follow up customer/member responses (contact Associated Person, Associated Person's supervisor, New Accounts)
Record	• New account records • Record of furnishing information within 30 days • Notation of action by Compliance for responses received from customer/members

Associated Persons should promptly notify Compliance to update customer/member new account information whenever they are informed or become aware of changes. Updates may be recorded by making revisions to existing forms or completing new forms. New forms require the approval of the designated supervisor and signature of the customer/member, where required.

Within 30 days of changes to a customer/member's investment objectives, T3TG (or its clearing firms, if applicable) will send a copy of new account information, including the change, to the customer/member with a request for correction of any inaccurate information.

At least every 36 months, customer/members will be provided with new account information on record for their accounts and will be asked to advise of any changes or updates. Responses will be forwarded to Compliance. This notification is not required for accounts that have been inactive for 36 months or where no recommendations are made to the customer/member.

8.6 Margin Accounts

[Federal Reserve Regulation T; FINRA Rule 4210]

8.6.1 Opening Margin Accounts

Prior to engaging in margin transactions, the customer/member's account must have on deposit at least $2,000 in cash or securities. Customer/members must sign T3TG's margin agreement, which must be received within five days from the first margin trade.

The clearing firms, acting as T3TG's agent, shall carry customer/members' margin accounts introduced by T3TG and accepted by the clearing firm on a fully disclosed basis, Certain services will be performed by T3's clearing firms. They include:

a. Execute transactions in the customer/members' accounts and release or deposit money or securities to or for the accounts, only upon T3TG's instructions.
   Provide, electronically, confirmations and summary monthly statements to T3TG's customer/members disclosing that the account is carried on a fully disclosed basis for T3TG.

b. Settle contracts and transactions in securities and securities futures contracts and options thereon (collectively referred to as "securities") (i) between T3TG and other brokers and dealers, (ii) between T3TG and its customer/members and (iii) between T3TG and third persons.

c. Perform cashiering functions for such customer/members' accounts, including receipt and delivery of securities purchased, sold, borrowed and loaned; remittance and receipt of payments therefor, provision of custody and safekeeping of securities and cash; and handling of margin accounts, dividends and exchanges, rights, warrants, redemptions, and tender offers with respect to such securities.

d. Mail to each customer/member a copy of the Notice to Customer/members notifying said customer/member in writing upon the opening of his account of the existence of the agreement and of the relationship between the introducing and carrying organization.

e. Complete the transfer of securities and accounts on behalf of customer/members.

f. Assist T3TG in seeking to ensure compliance with restricted and control securities under the Securities Act of 1933.

g. The clearing firm will furnish any written customer/member complaint it receives regarding T3TG, or T3TG's associated persons, and relating to the responsibilities allocated to T3TG.

T3 will utilize its back-office systems, Prop Reports and our proprietary risk monitor for monitoring margin activity. These systems will be monitored throughout the day by supervisory personnel at our main office. Margin or day trading calls will be sent by the clearing firms to T3 via email. The trade desk communicates with the customer/member and acts accordingly. If necessary, the trade desk will cover or liquidate positions to meet a margin call.

8.6.2 Employee/Member Accounts

Extensions and prepayments are not permitted in Employee/Member accounts, except under extraordinary circumstances and with approval of the designated supervisor.

8.6.3 Margin Disclosure Statement

[FINRA Rule 2264]

Under FINRA rules, all non-institutional customer/members who open a margin account must be provided with a margin disclosure statement when the account is opened. T3TG's disclosure statement must be included when the margin agreement is sent to the customer/member for signing. In addition, all margin customer/members will be provided annually with a copy of the disclosure statement or an abbreviated version of the statement. T3 New Accounts staff are responsible for providing the initial disclosure statement to customers; T3TG (or its clearing firms, if applicable) will send annual disclosures. The margin disclosure statement also appears on T3TG's website.

Under this requirement, the term **"non-institutional customer/member"** includes all customer/members **except**:

- A bank, savings and loan association, insurance company, or registered investment company.
- An investment adviser registered either with the SEC or with a state securities commission
- Any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least $50 million

New Accounts is responsible for providing the initial disclosure document to new non-institutional margin account customer/members.

T3TG's clearing broker, Clear Street LLC ("Clear Street") is responsible for providing the annual disclosure documents.

8.6.4 Disclosure of Credit Terms

['34 Act Rule 10b-16; The Fair Credit Reporting Act]

Upon opening a margin account, the customer/member is provided a written statement explaining the operation of a margin account and the calculation of interest charges on debit balances.

8.6.5 Equal Credit Opportunity Act Requirements

T3TG does not discriminate in the extension of credit to customer/members. T3TG or the clearing broker will provide information to the credit applicant in accordance with the provisions of the Equal Credit Opportunity Act.

8.6.6 Arranging Credit

T3T3 associated Persons are not permitted to assist a customer/member in making credit arrangements to purchase securities outside of T3TG, other than on terms consistent with those permitted by Regulation T and other rule requirements.

8.6.7 Suitability

Margin accounts generally involve more risk than cash accounts, depending on a number of factors, including leverage used and types of transactions. As T3TG's clearing broker provides margin and day-trading related services, to the extent applicable, and as the Firm's representatives make no recommendations, the relevant member is responsible for determining the suitability of margin trading in a customer/member's account, including confirming that the customer/member's investment objectives and financial profile are aggressive and consistent with such activity.

8.6.8 Margin Requirements

Initial and maintenance requirements are available by contacting the Operations Manager.

8.6.9 (Reserved)

8.6.10 Portfolio Margin Accounts (PMA)

[FINRA Rule 4210, Notices 08-41, 07-14 and 07-11]

Portfolio margin is offered by T3's clearing firm. The clearing firm will determine if the account qualifies for portfolio margin. The clearing firm supplies to T3 the necessary documents for the client.

Customer/members with portfolio margin accounts must be provided with a special written disclosure describing the nature of, and risks associated with, portfolio margining. Customer/members must sign and acknowledge that they have read and understand the disclosure statement and agree to the terms of maintaining a portfolio margin account. Compliance is responsible for providing the disclosure and obtaining signed acknowledgment, which will be retained in the customer/member's account file. These documents are provided by the respective clearing agents and signed by the appropriate customer/members.

Portfolio margining is a margin methodology that sets margin requirements for an account, based on the greatest projected net loss of all positions in a product class or group, using computer modeling to perform risk analysis using multiple pricing scenarios. It is applicable to all margin equity securities, listed options, security futures products, unlisted derivatives, warrants, index warrants and related instruments.

There are eligibility requirements for customer/members (other than broker-dealers) which can vary by clearing firm, but generally:

- Meet basic standards for having an account approved for uncovered writing
- Have and maintain at all times account net equity of at least $500,000 (waived for accounts solely limited to listed security futures contracts and listed single stock options) aggregated across all accounts under identical ownership at the clearing broker or other minimums established by the clearing firms providing such services.

Portfolio margining generally permits greater leverage resulting in greater risk of loss. The time limit for meeting margin calls is shorter than for a standard margin account. T3 will monitor and review all trading both real time and T+1. Margin calculations and calls are calculated by the clearing firm. Any issues are communicated by the clearing broker to T3 who contacts the client for funds or liquidation. Compliance should be consulted for more detailed information regarding portfolio margining requirements. All PMA applications are submitted to T3TG’s clearing agent(s) for review and approval, if appropriate.

8.7 Third Party Accounts

When a third party who is not the principal or named person on the account gives instructions regarding orders, disposition of funds, or other actions involving an account, T3TG must have a signed third-party trading authorization. The authorization is signed by the principal of the account and the third party, giving the third party authority to act on behalf of the principal. An example of a third party account is an account for a wife whose husband will give instructions regarding his wife's account. The signed trading authorization must be received BEFORE accepting instructions from the third party.

There are generally two types of trading authorizations:

- Limited trading authorizations limit the third party to giving instructions regarding the purchase and sale of securities and does NOT give authority regarding the disposition of funds or securities.
- Full trading authorizations give the third party authority to give instructions regarding purchases and sales as well as the disposition of funds or securities in the account.

T3TG generally only permits limited trading authorizations for its customer/member accounts.

8.8 Discretion for Orders and Accounts

[SEC no-action letters regarding cash management accounts (http://sec.gov/divisions/investment/noaction/ubs092905.htm) and family/related accounts (http://sec.gov/divisions/investment/noaction/morganlewis111705.htm)]

T3TG does **not** permit discretionary accounts where the customer/member signs a discretionary trading authorization and permits the Associated Person to make decisions for the account without consulting with the customer/member first. However, the Firm permits unsolicited orders to be taken on a "not held' basis.

8.9 Accounts for Minors

[Uniform Gifts to Minors Act; Uniform Transfers to Minors Act]

T3TG generally does not accept accounts for minors. Any exceptions must be approved by the Chief Compliance Officer.

8.10 Accounts for Senior Investors

Responsibility	• Compliance / Or Designee
Resources	• New account information • Order records • Daily Transaction Report • Customer/member monthly transaction records • Advertising targeting senior investors • Seminar materials
Frequency	• Training - as scheduled • Ongoing - other actions

Action	• Conduct training on dealing with senior investors
	• When reviewing investments for seniors, take into particular consideration the factors included in the subsection *Recommendations To Senior Investors*
	• Refer to new account information when necessary to identify investment objectives and other customer/member information
	• Review account activity when appropriate
	• For escalated issues:
	  ○ Consider direct contact with the investor
	  ○ Notify state or other authorities (after conferring with Compliance) regarding potential elder abuse
	• Confer with Associated Person regarding suitability questions
	• Confer with Compliance when necessary
	• Contact customer/member when necessary to confirm customer/member's understanding of, and agreement with, transactions
	• Modify or restrict future transactions, as appropriate

Record	• Initials and comments of action taken on order records, Daily Transaction Report, monthly transaction records, and other available account information

8.10.1 General Requirements

When opening and handling accounts for senior investors, there are certain considerations in addition to usual account handling procedures. There is no benchmark for what constitutes a "senior" or "older" investor, but generally these are individuals who are approaching or have achieved retirement.

8.10.2 Opening Accounts for Senior Investors

When opening accounts, the following should be considered when serving senior investors:

- encourage customer/members to identify a 3rd-party emergency contact and obtain permission to contact that person in the event there is an issue or event that requires clarification (such as the customer/member suffers diminished mental capacity in the future)
- indicate "retired" on the new account form to assist in evaluating the investor's status as someone potentially withdrawing from investments vs. accumulating assets
- obtain "lifestyle" information such as when the investor plans to retire, if not already retired; how much money will be needed after retirement; whether a dependent is supported by the investor; other expenses anticipated by the investor; the existence of a will and financial power of attorney

Accounts must NOT be opened for a senior investor if there is evidence of financial abuse or diminished capacity; orders should not be accepted under such circumstances, either.

8.10.3 Recommendations to Senior Investors

[FINRA Regulatory Notice 07-43]

It is against T3TG's policy to recommend or solicit any securities transaction to any investor, particularly senior investors who are retired.

8.11 Incompetent Persons

T3TG does not open accounts for incompetent individuals, even though the individuals may have proper representation and others who are duly appointed to act on their behalf.

8.12 (Reserved)

8.13 High Risk Banking Accounts and Senior Foreign Political Figures

[USA PATRIOT Act Secs. 312 and 313; FinCEN Fact Sheet (http://www.fincen.gov/312factsheet.pdf); Dept. of Treasury 31 CFR Part 103, RIN 11506-AA29, January 4, 2006 Federal Register]

Under anti-money laundering (AML) rules, there are special requirements that apply to "correspondent" and "private banking" accounts as well as to accounts for "senior foreign political figures." Definitions of

these and other terms follow the summary of requirements. Questions should be referred to the AML Compliance Officer.

8.13.1 Summary of Requirements

- Correspondent accounts require due diligence to determine ownership of the account.
- Accounts cannot be opened for foreign shell banks.
- When opening an account for a foreign bank, the Foreign Bank Certification form must be submitted to the AML Compliance Officer with the New Account Form for review and approval.
- Every three years foreign banks will be required to re-certify the information in the Foreign Bank Certification.
- When opening an account for a senior foreign political figure, the new account application must be submitted to the AML Compliance Officer for review and approval.

8.13.2 Definitions

Correspondent account: Includes any account established for a foreign financial institution to receive deposits from, or to make payments or other disbursements on behalf of, the foreign institution, or to handle other financial transactions related to such foreign financial institution. This type of account presumes a formal relationship through which the financial institution provides regular services. Due diligence requirements apply to correspondent accounts maintained for the following foreign financial institutions:

- Foreign bank
- Foreign branch of a U.S. bank
- Business organized under a foreign law that, if located in the U.S., would be a securities broker-dealer, futures commission merchant, introducing broker in commodities, or a mutual fund
- Money transmitter or currency exchanger organized under a foreign law

Private banking account: A private banking account is an account that is established or maintained for the benefit of one or more non-U.S. persons, requires minimum aggregate deposit of funds or other assets of not less than $1,000,000, and is assigned to a bank Employee/Member who is a liaison between the financial institution and the non-U.S. person. If the account otherwise satisfies the definition but the institution does **not** require a minimum balance of $1,000,000, the account does not qualify as a private banking account.

Senior foreign political figure includes:

- a current or former senior official in the executive, legislative, administrative, military, or judicial branches of a foreign government, whether or not they are or were elected officials
- a senior official of a major foreign political party
- a senior executive of a foreign government-owned commercial enterprise (Senior executives are individuals with substantial authority over policy, operations, or the use of government-owned resources.)
- immediate family members of the above, and those who are widely and publicly known (or actually known) close associates of a senior foreign political figure
- a corporation, business, or other entity formed by or for the benefit of one of the above individuals

Proceeds of foreign corruption: any asset acquired by, though, or on behalf of a senior foreign political figure through misappropriation, theft, or embezzlement of public funds, the unlawful conversion of property of a foreign government, or through acts of bribery or extortion, and include any other property into which any such assets have been transformed or converted.

Foreign bank: a bank organized under foreign law, or an agency, branch, or bank office located outside the United States. The term does not include an agent, agency, branch or office within the U.S. of a bank organized under foreign law.

Foreign shell bank: is defined as a foreign bank without a physical presence in any country.

Regulated affiliate: is a foreign shell bank that (1) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and (2) is subject to supervision by a banking authority in the foreign country regulating such affiliated depository institution, credit union, or foreign bank.

8.13.3 Prohibition against Correspondent Accounts for Foreign Shell Banks

T3TG is prohibited from establishing, maintaining, administering, or managing a correspondent account in the United States for an unregulated foreign shell bank. The prohibition does not apply to a foreign shell bank that is a regulated affiliate. If an account is inadvertently opened for an unregulated foreign shell bank, the AML Compliance Officer should be notified and the account will be immediately closed.

8.13.4 Foreign Bank Certification

When opening an account for a foreign bank, T3TG is obligated to ensure the bank is not a foreign shell bank and must obtain information about the foreign bank's owners and an agent for service of process. The bank must complete the Foreign Bank Certification which must be submitted to the AML Compliance Officer with a copy of the New Account Form for review. Every three years the bank is also required to re-certify the information filed with T3TG.

8.13.5 Accounts for Foreign Political Figures / Politically Exposed persons (“PEPs”)

Accounts for foreign political figures (as defined above) are subject to special reviews to comply with Bank Secrecy Act requirements. If aware, Associated Persons are required to identify, on the new account application, whether an account for a foreigner falls under the definition. In addition, T3TG will submit the customer/member name to BIG and/or comparable due diligence firm to determine if the customer/member is a foreign political figure. If a customer/member is a foreign political figure, the application must be submitted to the AML Compliance Officer for review and approval.

8.14 Collateral/Escrow Accounts

T3TG will not maintain accounts for customer/members where the assets in the account are pledged to a third party and T3TG is asked to acknowledge it is responsible for holding the assets pending instructions from the third party.

8.15 Pension and Retirement Accounts

[U.S. Dept. of Labor Retirement Plans website: http://www.dol.gov/dol/topic/retirement/index.htm]

T3TG does not permit the opening of pension or retirement accounts.

8.16 Foreign Accounts

Accounts for residents of foreign countries may be subject to special requirements under securities laws of the foreign country. Before opening an account for a person or entity residing in a foreign country, contact Compliance for further information regarding any special restrictions or requirements. At this time we do not accept Foreign accounts.

8.17 Referrals

[FINRA Rules 1200 and 2040]

Responsibility	• Compliance / Or Designee
Resources	• Requests regarding referral arrangements
Frequency	• As required

Action	• Designated Supervisor: identify unauthorized referrals in reviews of public communications and refer them to Compliance for follow up
	• Compliance:
	  ○ Review requests for referral arrangements and determine compliance with regulatory and Firm policy requirements and approve or disapprove; for approved arrangements, establish guidelines for arrangements including any compensation
	  ○ For investment adviser referrals:
	• If compensation will be received for referrals, determine whether investment adviser registration is required for T3TG and the Associated Person
	• Maintain a list of approved IAs
	• Review IAs to be included on the approved list, including registration status, investment policies, suitability guidelines for investors
	• Establish monitoring program and monitor results vs. IA stated performance
	• Re-evaluate IA participants at least annually
	• For hedge fund or other investment referrals, the proposed investment is subject to new product review procedures (see the related section in the chapter *FINANCIAL AND OPERATIONS PROCEDURES*)

Record	• Designated Supervisor review of communications and referrals to Compliance
	• Compliance:
	  ○ Review/approval of referral arrangements
	  ○ Reviews of IAs included on approved list
	  ○ Records of monitoring and annual review

Referrals are an important part of business. Satisfied customer/members may refer others to T3TG and may also seek referrals from associates when they need services not provided by T3TG. It is important that referrals to others are based on sound knowledge about the other person or company. In addition, FINRA rules restrict compensation to unregistered persons or entities.

Key requirements regarding referrals include the following:

- Associates are expected to make referrals involving investments or investment advisory services only to persons or companies included in a Firm-sponsored program or on a list of Firm-approved providers.
- Associates are prohibited from receiving compensation for referrals, except through Firm-sponsored programs.
- Any proposed compensation, whether for referring or receiving referrals, must be approved **in advance** by Compliance.
- Referrals involving compensation may require disclosure to the customer/member of potential conflicts of interest.
- Non-cash compensation is subject to the policy described in the chapter *ORDERS*.

8.17.1 Referrals to Others

Associates may not accept compensation from someone outside T3TG for providing referrals. Compensation may be paid by T3TG under Firm-sponsored programs. Referrals to Investment Advisers.

Referring customer/members to investment advisers for compensation may require T3TG (and possibly the Associated Person) to be registered as an investment adviser and investment adviser agent, respectively. If T3TG has a program for adviser referrals, required registrations will be obtained and a list of approved advisers will be provided to Associated Persons. All advertising, sales material, marketing materials, scripts, and proposed presentations related to investment adviser referrals must be approved by Compliance prior to use.

Other than through Firm-approved referrals, Associated Persons should avoid referring customer/members to investment advisers unless Compliance has been contacted to make a determination regarding the registration status of the IA and to conduct other necessary reviews of the IA **before** making a referral. Such activity would also require approval as an outside business activity.

8.17.2 Referrals to Hedge Funds or Other Outside Investments

Associated Persons are expected to limit their investment recommendations to products or services offered by T3TG. Referrals to outside investments not part of a Firm program are prohibited.

8.17.3 Referrals to Other Departments and Affiliates

Compensation paid by other Firm departments because of business referrals must be reviewed and approved by Compliance in advance.

8.17.4 Referrals to the Firm

When others outside T3TG refer potential customer/members, referral fees or other compensation may not be paid to the outside person or firm without prior approval by the CCO.

8.17.5 Referrals from Nonregistered Foreign Persons

FINRA rules provide exceptions (with specific requirements) for referrals from foreign persons who are not registered. Such arrangements require **prior** approval by Compliance.

8.18 Day Trading Accounts

[FINRA Rule 2130, 2360, 2361]

T3TG provides services to customer/members who trade their own accounts using T3TG's services and order entry facilities. The term "day trading account" as used in this section is limited to these types of accounts. This section outlines requirements and procedures specific to day trading accounts. For procedures regarding providing customer/member direct electronic access to NASDAQ, refer to the chapter *ORDERS* and the section *Customer/member Access to NASDAQ Order Entry Systems*.

A day trading strategy is defined as an overall trading strategy characterized by the regular transmission by the customer/member of intra-day orders to effect both purchases and sales in the same security or securities.

8.18.1 Opening Day Trading Accounts

Responsibility	• Compliance / Or Designee
Resources	• New account applications • Risk Disclosure Documents • Training records
Frequency	• As required
Action	• Review new account application to determine whether day trading is appropriate for the customer/member • Ensure new account application has been signed by the customer/member and received by T3TG and Risk Disclosure Statement has been provided • Confirm the customer/member has completed required training • Approve or disapprove account (see *Approval Procedures* below) • Assign trading limits and note on new account application
Record	• New account applications, Risk Disclosure Documents, and records of completed training are retained in files, by customer/member name.

8.18.2 Minimum Account Requirements

Prospective day trading accounts must meet the following minimum requirements:

For retail accounts:

- At least $25,000 in equity
- 2 or more years' experience in stock investments
- High risk tolerance
- Primary investment objective of speculation

8.18.3 Investment Objectives

Only customer/members with high risk tolerance and investment objectives consistent with high-risk investing are permitted to open day trading accounts. In addition, day trading customer/members should not have short-term needs for funds invested in day trading accounts and should be willing to risk loss of their entire investment.

8.18.4 New Account Application

A new account application must be completed for each customer/member who will open a day trading account. All information must be completed and the customer/member must sign the application.

8.18.5 Risk Disclosure Statement

[FINRA Rule 2361]

Prior to opening an account, T3TG will provide a risk disclosure statement to all non-institutional customer/members. The disclosure is the "Day-Trading Risk Disclosure Statement" included in FINRA Rule 2270 or a substantially similar alternative. "Institutional" customer/members include: (1) a bank, savings and loan association, insurance company, or registered investment company; (2) a registered investment adviser; or (3) any other customer/member (including natural persons) with total assets of at least $50 million.

8.18.6 Approval Procedures

All margin accounts must be approved by Compliance **prior to** commencement of trading. The supervisor is responsible for the following:

- Ensure the customer/member's new account application is signed and complete
- Review the customer/member's account prior to approving for day trading, taking into consideration the following:
    - investment objectives
    - investment and trading experience and knowledge
    - financial situation (including estimated annual income from all sources, estimated net worth exclusive of family residence, and estimated liquid net worth)
    - tax status
    - employment status (name of employer, self-employed or retired)
    - marital status
    - number of dependents
    - age
- Approve or reject the account

- If the account will not engage in day trading, require the customer/member to provide a written agreement ("Other-Use Agreement") that the customer/member does not intend to engage in day trading in the account

For accounts that will NOT engage in day trading, the customer/member signs T3TG's Other-Use Agreement.

8.18.7 Accounts That Will Not Engage In Day Trading

Non-institutional accounts that do not meet the standards for day trading may be opened if the customer/member does NOT intend to engage in day trading. For non-day trading accounts, the customer/member must sign an Other-Use Agreement. Typically, however, T3TG only services accounts that qualify as margin accounts.

8.18.8 Trading Controls

T3TG's order-entry systems include controls to prevent rule violations. These controls are described in this section. Associates are responsible for escalating any material systems issues to the firm's management to assure that system controls continue to operate properly.

8.18.9 "Other-Use" Accounts

T3TG monitors non-institutional accounts of customer/members who have signed agreements stating they will not engage in day trading, to identify any such accounts that commence day trading. If an other-use account becomes a day trading account, the account must be reviewed as outlined in the section *Approval Procedures* under *Opening Day Trading Accounts*.

8.18.10 Long Sales

At the time of entry, sales marked long are compared to the customer/member's account to verify the security is long in the account.

8.18.11 Short Sales

Upon entry of a short sale, the order entry system will: (1) determine if the security is included on the Easy-to-Borrow List ("ETBL") before accepting the short sale order; and, (2) if not on the ETBL, the system will confirm that a locate has been conducted in accordance with short sale rule requirements.

8.18.12 Trading Limits

Each account is assigned dollar trading limitations. The order entry system will reject any order that exceeds the assigned limit or a host of other risk-limiting metrics. The customer/member must request an increase in limits from the designated supervisor. Any change will be documented in the system to reflect approval of increased limits. Prior to increasing limits, the supervisor should consider the customer/member's financial situation and trading history with T3TG.

8.18.13 Loss Levels

Each account may be assigned a loss level which triggers notice and possible expanded review of the account by the designated surveillance specialist. Whenever an account exceeds the loss level, the supervisor may wish to, consult with the customer/member (if appropriate), and determine whether to raise the loss level or restrict future trading.

8.18.14 Monitoring Day Trading Accounts

Responsibility	• Designated Supervisors
Resources	• Exception reports and on-line monitoring messages regarding customer/member trading activity
Frequency	• Daily
Action	• Where trading or margin limits are reached or exceeded, or targeted loss levels are exceeded, review the account to determine whether limits and loss levels should be increased or future trading should be restricted. • Review prior trading activity and/or consult with the customer/member as appropriate.
Record	• Trading and margin limits, as well as loss levels, are recorded on T3TG's computerized record of the account. • Action to restrict or stop trading is documented in the customer/member account file. • Exception reports are dated and initialed to evidence review and retained in daily trading activity files.

T3TG monitors day trading accounts on a daily basis. Any material issues relating to risk or trading compliance are transmitted to a supervisor for review. When the supervisor is absent, he or she is responsible for assigning another qualified Employee/Member to monitor trading until the supervisor returns. The supervisor is responsible for verifying that accounts restricted from trading do not continue to trade (other than liquidations).

8.18.14.1 Monitoring Intraday Margin under Amended FINRA Rule 4210 (Intraday Margin Standards)

This procedure outlines how T3TG monitors customer margin accounts for compliance with the new intraday margin requirements under FINRA Rule 4210. These procedures outline the key changes effective June 4, 2026, with an 18-month phase-in and replace the former Pattern Day Trader (PDT) designation, $25,000 minimum equity requirement, day trade counting, and day-trading buying power (DTBP) limits.

The Firm's clearing broker calculates and provides Intraday Margin Level (IML) and any Intraday Margin Deficit based on real-time or end-of-day positions and transactions. The focus of monitoring is to identify any intraday margin deficits (IMD) on days with IML-reducing transactions (trades that reduce

the account's intraday margin level/excess). Buying power is based on real-time (or calculated) intraday margin excess rather than prior day's close.

Roles and Responsibilities

The clearing broker calculates IML, identifies any IMDs (real-time or end-of-day), and provides data/feeds/alerts to T3TG. The clearing broker determines and communicates available intraday buying power. T3TG monitors its trader and customer activity, enforces trading restrictions as needed, relays margin calls to traders or customers, and verifies margin compliance. T3TG reviews clearing broker reports daily.

Daily Pre-Market Setup

Receive prior day's end-of-day margin information from clearing broker (equity, maintenance margin excess/deficit). Confirm customer accounts meet basic margin eligibility ($2,000 minimum equity). Communicate any account restrictions to traders/customers.

Intraday Monitoring (Ongoing)

Use clearing broker-provided real-time feeds or periodic updates to track customer positions and IML. Monitor for IML-reducing transactions (e.g., new purchases or sales that increase exposure or reduce excess). Block or restrict trades that would create or increase an intraday margin deficit (preferred real-time approach) or flag for post-trade review.

Deficit Identification and Notification

When clearing broker identifies an intraday margin deficit:

- Clearing broker notifies T3TG promptly (via automated alert/system feed).
- T3TG reviews the account, notifies the customer or trader, and requires the deficit to be satisfied as promptly as possible (deposits, position liquidation, or other equity increases) – generally the next day or at least within three days.

Satisfying Deficits / Margin Calls

Customer must meet the deficit via cash deposit, securities deposit, or net equity increase by end of subsequent days as required.
T3TG documents all calls and resolutions.
If unmet, escalate per Firm policy (e.g., liquidate positions, restrict account).
Track for repeated issues; consider house restrictions.

End-of-Day Reconciliation

Receive clearing broker's final daily calculation of any intraday margin deficit (largest during the day).
Contact trader or customer as needed and confirm resolution.
Update customer records and prepare reports for compliance/supervision review.
Retain records of monitoring, deficits, and resolutions as required.

Account Restrictions

Freeze extensions of credit (if required) for up to 90 days for repeated non-compliance in accordance with FINRA Rule 4210 interpretations and guidance.

Apply any firm-specific house margin requirements, which may be more conservative.

Documentation and Supervision
Log all clearing broker inputs, monitoring activities, customer notifications, and resolutions.
Conduct periodic reviews of day trading activity volume for risk management.
T3TG compliance will train Associated Persons on the new intraday framework.

T3TG will update it Margin Written Supervisory Procedures and OMS system controls during the phase-in period (by October 20, 2027, at the latest). T3TG reviews and updates annually or upon further regulatory guidance.

8.18.15 Advertising Day Trading Services

Advertising of day trading services is subject to the review process described in the chapter titled *COMMUNICATIONS WITH THE PUBLIC*. Because of the special nature of day trading and regulators' concerns regarding potential improper advertising, this section outlines areas of particular concern when advertising day trading services.

8.18.16 Access to markets

Customer/members' access must not be overstated or imply access to "all" markets.

8.18.17 Disclosures regarding executions

Advertising cannot state "immediate" executions and any claims about execution speed must disclose that market volatility and volume may delay system access and trade execution.

8.18.18 Disclosures regarding risks

Any references to the success of day trading should be balanced with discussion of the risks and costs of active trading. There should be no implication that day trading is a simple strategy or that some level of return is expected.

8.18.19 Comparisons of costs

Any comparison of the costs of day trading as compared to other forms of trading at other firms must be reasonable and balanced, including benefits and risks.

8.18.20 Customer/member status

Statements must not imply that the customer/member is an Employee/Member of T3TG because they are a "trader" or because they are using T3TG’s facilities to effect trades.

8.19 Death of a Customer/member

When a customer/member dies, the account assets owned by the deceased person may become subject to a will, estate laws, and other governing laws or documents. The assets are, therefore, frozen in the account until necessary documents are received and legal distribution has been determined. Joint

accounts and other accounts where the deceased person is a joint owner with others may be subject to certain distribution requirements depending on the styling of the account.

When a customer/member dies, the Associated Person should:

- immediately notify the Operations Manager or Compliance
- consider assets in the deceased person's account as "frozen" until distribution of assets has been determined, *i.e.,* accept no orders and do not authorize sending of securities or funds from the account
- cancel all open orders

8.20 Large Trades

8.20.1 Introduction

T3TG has established procedures to detect, monitor and evaluate the risks of large trades and the potential accumulation of large positions in accounts.

8.20.2 Extension of Credit

The Operations Manager or Compliance may establish higher margin requirements for accounts with concentrated positions.

9 ORDERS

This chapter provides policies and guidelines for the entry and handling of customer/member orders. References to "order records" in this chapter includes manual order tickets and electronic order records, where appropriate.

9.1 Acceptance and Prompt Entry of Orders

Orders should be accepted only from the beneficial owner of an account or their authorized agent(s). Authorized agents would include anyone holding third-party power to act on the customer/member's behalf, such as a trustee, court-appointed guardian, authorized investment adviser, *or other agent.* Orders accepted from an unauthorized third party may result in rescission of the transaction and assigning the loss to the Associated Person. For example, orders should not be accepted from a husband, on behalf of his wife's account, unless the wife has signed a trading authorization giving her husband authority to act on her behalf.

9.2 Solicited and Unsolicited Orders

9.2.1 Definition of Solicited Order

When a transaction is recommended to a customer/member and the customer/member enters an order as a result of that recommendation, the resulting order is considered to be solicited. Other actions that may result in an order being deemed solicited include the mailing of a research report or other written communication for the purpose of encouraging the customer/member to act on the information provided or sending a prospectus on a new issue.

9.2.2 Solicited Orders Prohibited

T3TG strictly prohibits its associates from soliciting orders from its customer/members. T3TG customer/members submit their orders on a wholly independent, unsolicited and self-directed basis. Associated Persons may not solicit or recommend any transaction.

9.3 Fair Prices

[FINRA Rule 2121, Regulatory Notice 08-36]

T3TG is required to make a reasonable effort to obtain a price for the customer/member that is fair and reasonable in relation to prevailing market conditions. In transactions (whether listed or unlisted) between T3TG and a customer/member where T3TG sells from, or buys into, its own account, there is an obligation to effect the transaction at a price that is fair considering all relevant circumstances, including market conditions; expenses involved and reasonable profit for T3TG; and the expense of executing the order and value of service provided.

9.3.1 Commissions

The designated supervisor is responsible for reviewing the reasonableness of commissions on agency transactions. Relevant factors in determining the reasonableness of commissions may include:

- the expense of executing and filling the customer/member's order
- the value of the services rendered by T3TG
- the amount of any other compensation received by T3TG in connection with the transaction
- factors considered in principal transactions
- any other relevant factors at the time of execution

9.4 Regulation NMS

Regulation NMS was adopted to strengthen the national market system for equity securities. It requires markets to interact in a way that permits orders to seek the best available market. Rule 611, the Order Protection Rule, is the primary rule that affects broker-dealers and requires broker-dealers to prevent "trade-throughs."

9.4.1 Key Definitions

[Regulation NMS Rule 600]

Automated trading center: a trading center that:

- has implemented systems, procedures and rules to display automated quotations in compliance with Regulation NMS;
- identifies all quotations, other than automated quotations, as manual quotations;
- immediately identifies its quotations as manual quotations whenever it has reason to believe it is not capable of displaying automated quotations; and
- has adopted reasonable standards limiting when its quotations change from automated to manual quotations, and vice versa, to defined circumstances that promote fair and efficient access to its automated quotations.

Directed order: a customer/member order that the customer/member specifically instructs the broker or dealer to route to a particular venue for execution.

Intermarket sweep order (ISO): a limit order for an NMS stock that meets the following requirements:

- When routed to a trading center, the limit order is identified as an intermarket sweep order; and
- simultaneously with the routing of the ISO limit order, one or more additional limit orders, as necessary, are routed to execute against the full displayed size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of limit order to buy, for the NMS stock with a price that is superior to the limit price of the ISO limit order. These additional routed orders also must be marked "ISO."

An ISO is premised on the condition that the trading center or broker-dealer responsible for routing the ISO will have attempted to access all better-priced protected quotations. This exception facilitates the execution of certain types of orders, such as large block orders.

Market center: any exchange market maker, OTC market maker, alternative trading system, national securities exchange, or national securities association.

NMS security: any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in listed options.

Protected quotation: a quotation in an NMS stock that:

- is displayed by an automated trading center;
- is disseminated pursuant to an effective national market system plan; and
- is an automated quotation that is the best bid or best offer of a national securities exchange (including NASDAQ) or the best bid or best offer of a national securities association.

To be protected, the quotation must be immediately and automatically accessible.

Trade-through: the execution of a trade as principal or agent during regular trading hours at a price inferior to protected quotations.

Trading center: a national securities exchange or national securities association that operates an SRO trading facility, an alternative trading system, an exchange market maker, an OTC market maker, or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent.

9.4.2 Procedure for Compliance with Regulation NMS Rule 606(a)

Purpose

This section of the Firm's written supervisory procedures documents the policies and procedures for complying with SEC Regulation NMS Rule 606(a), which requires disclosure of order routing practices for customer orders in NMS securities.

Regulation NMS Rule 606(a) requires all brokerage firms to make publicly available quarterly reports, separated by calendar month, containing required statistical information regarding the routing of held, non-directed customer orders in Regulation NMS stocks, as well as both held and not held, non-directed customer orders in listed option securities with a market value of less than $50,000. T3 publishes such quarterly reports in accordance with Rule 606(a).

The quarterly reports published by T3 contain a section for Regulation NMS stocks (separated, as applicable, by securities that are included in the S&P 500 Index as of the first day of the quarter and other Non-S&P 500 stocks). A separate section of the report includes data for required listed option securities.

In each section, the report identifies the venues to which T3 routed the relevant orders and, for each venue, the required statistical information broken down by order type (i.e., market order, marketable limit order, non-marketable limit order and other orders). Each section of the report also contains information regarding the material aspects of the Firm's relationship with each venue.

Scope

This procedure applies to T3 personnel involved in order routing, reporting, compliance, and customer communications.

Responsibilities

The Chief Compliance Officer (CCO) oversees compliance with Rule 606, reviews disclosures, ensures policies are current. The Firm has contracted with vendors to collect and verify order routing data and format it into a report in both XML with PDF versions. The Chief Compliance Officer reviews the data and

the disclosures regarding the material aspects of the Firm's relationship with each venue before publication.

Definitions

Covered Orders: Customer orders in NMS stocks and options, excluding certain types (e.g., large not-held institutional orders).

Quarterly Report: Publicly available disclosures required by Rule 606(a).

Routing Venues: Market centers, exchanges, alternative trading systems (ATS), and market makers to which orders are routed.

Rule 606 of Regulation NMS: Requires broker-dealers to disclose information regarding the handling of their customers' orders in NMS stocks and listed options.

Rule 6151 Disclosure of Order Routing Information for NMS Securities: FINRA rule that requires members to publish reports pursuant to Rule 606(a) of SEC Regulation NMS and provide them to FINRA, in the manner prescribed by FINRA, within the same time and in the same formats that such report is required to be made publicly available pursuant to Rule 606(a). FINRA will publish such reports on its public website.

Procedures

FINRA has enhanced the platform (https://www.finra.org/finra-data/606-nms-data) that its members use to submit order routing reports for centralized publication required under FINRA Rule 6151 (Disclosure of Order Routing Information for NMS Securities) and Securities and Exchange Commission's (SEC) Rule 606(a) (Rule 606(a) Reports).

On September 1, 2025, FINRA enhanced the email and web notifications that member firms receive via FINRA Gateway regarding the acceptance or rejection of Rule 606 file submissions. In the event of a rejection notification, FINRA now provides a brief summary of the rejection reason and a link to FINRA Gateway where a more detailed rejection log is available. The FINRA Rule 6151 Order Routing Information Filing Guide has been updated to provide additional details on the email and web notifications as well as directions to subscribe or unsubscribe to the notifications.

As of October 1, 2025, FINRA members will be able to authorize third-party vendors to submit FINRA Rule 606(a) Reports on their behalf. Vendors acting on behalf of members will use the FINRA Gateway to upload Rule 606(a) Reports manually or via machine-to-machine interface.

Data Collection by the Firm's Vendors

T3 uses S3 Matching Technologies LP to collect the required data for equity securities to be incorporated into the Firm's quarterly Rule 606(a) reports. Because the Firm has only one customer, an affiliated trading group, and due to the fact that that customer generally submits only "not held" orders for NMS stocks and the rule requires publication of statistics for only "held" orders in NMS stocks, the Firm generally does not have any orders that must be included in the Rule 606(a) report section for NMS stocks.

T3 uses DASH (ion Group) to collect the required data for options securities to be incorporated into the Firm's quarterly Rule 606(a) reports. Because the Firm has only one customer, an affiliated trading group, and the rule requires publication of statistics for "held" and "not held" orders in options securities, the Firm has orders that it discloses in the Rule 606(a) report section for options securities. In addition, the

Firm discloses the material aspects of the Firm's relationship with each venue to which it routes orders in option securities and information regarding the net aggregate amount of any payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received, both as a total dollar amount and per share, for market orders, marketable limit orders, non-marketable limit orders, and other orders.

The data published for customer order routing information in option securities, includes:

- Venue(s) where orders were routed.
- Whether orders were routed as directed or non-directed.
- Any payment for order flow (PFOF) or profit-sharing arrangements.
- Percentage of orders routed to each venue.
- Orders subject to material aspects of execution quality.

Quarterly Public Reports (Rule 606(a))

T3 makes publicly available, for each calendar quarter, a report on:

i. its routing of non-directed orders in NMS stocks that are submitted on a held basis and

ii. its non-directed orders that are customer orders in NMS securities that are option contracts during that quarter broken down by calendar month.

T3 uploads each report onto the FINRA website designed for that purpose. T3 retains a copy of each report for a period of at least three years from the initial date of posting on the internet website. Each such report includes a section held orders in NMS stocks, separated by securities that are included in the S&P 500 Index as of the first day of that quarter and other NMS stocks. A separate section of the report contains data regarding NMS securities that are option contracts. Each such report is made available using the most recent versions of the XML schema and the associated PDF renderer as published on the SEC website for all reports required by this section. Each section in a report includes the following information:

i. The percentage of total orders for the section that were non-directed orders, and the percentages of total non-directed orders for the section that were market orders, marketable limit orders, non-marketable limit orders, and other orders;

ii. The identity of the ten venues to which the largest number of total non-directed orders for the section were routed for execution and of any venue to which five percent or more of non-directed orders were routed for execution, the percentage of total non-directed orders for the section routed to the venue, and the percentages of total non-directed market orders, total non-directed marketable limit orders, total non-directed non-marketable limit orders, and total non-directed other orders for the section that were routed to the venue;

iii. For each venue identified pursuant to paragraph (ii) of this section, the net aggregate amount of any payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received, both as a total dollar amount and per share, for each of the following non-directed order types:
   - Market orders;
   - Marketable limit orders;
   - Non-marketable limit orders; and
   - Other orders.

iv. A discussion of the material aspects of the Firm's relationship with each venue identified pursuant to paragraph (ii) of this section, including a description of any arrangement for payment for order flow and any profit-sharing relationship and a description of any terms of such arrangements, written or oral, that may influence a broker's or dealer's order routing decision including, among other things:
   - Incentives for equaling or exceeding an agreed upon order flow volume threshold, such as additional payments or a higher rate of payment;
   - Disincentives for failing to meet an agreed upon minimum order flow threshold, such as lower payments or the requirement to pay a fee;
   - Volume-based tiered payment schedules; and
   - Agreements regarding the minimum amount of order flow that the broker-dealer would send to a venue.

T3 makes the 606(a) report publicly available within one month after the end of the quarter addressed in the report.

Recordkeeping
T3 maintains an accessible archive of at least three years of reports including the reports, supporting data, and disclosures and these records are stored in accordance with the Firm's recordkeeping procedures.

Supervision
T3 conducts regular, periodic supervisory reviews of the public quarterly reports for accuracy (i.e., confirming that per-venue disclosures of net aggregate PFOF and other payments are accurately calculated) and completeness (i.e., verifying that the Material Aspects section adequately describes the Firm's PFOF and other payment arrangement(s) for each execution venue, including all material aspects that may influence the firm's order routing decisions).

The Chief Compliance Officer reviews each quarterly report before publication. The CCO conducts testing of data accuracy and disclosure completeness. Material errors or omissions are promptly corrected prior to publication of the report. The CCO verifies the integrity of information sent to, or received from, their vendors by reviewing the content of reports, reconciling the venues in the report with the venues disclosed in the Firm's order blotters for the period represented in the current report, comparing order samples against vendor-provided information, and by reviewing orders and the related CAT reporting of those orders. The T3 CCO also performs due diligence to assess the accuracy of public quarterly reports provided by its third-party vendor by confirming with the vendor that all appropriate order information is being received.
These reviews are conducted by the Firm's Chief Compliance Officer and discussed in the Firm's quarterly best execution committee meetings. The supervision is documented by including the results of the data reviews in the best execution meeting minutes.

Review and Update of this Procedure
T3 conducts an annual review and update, as necessary, of this procedure to confirm requirements detailed in the rules, to verify the accuracy, completeness, processing details of the reports, as well as to confirm the supervision conducted.

Notice to Customers and Accessibility of the Report

The T3 customer account application discloses the availability of the Firm's 606(a) order routing reports. In addition, T3 sends a notification to customers at least annually to inform them of the availability of the order routing reports. Customers may view and print the reports by using the link on the FINRA website and T3 will provide a written copy of the report to its customers upon request without charge.

Training

All relevant staff receive annual training on Rule 606 requirements, data handling, and disclosure procedures.

Exceptions & Escalation

Any delay in producing required reports is immediately escalated to the Chief Compliance Officer. Exceptions or delays are documented in an email to the CCO, with remediation steps.

Requirements Summary

Glossary	NMS Equity and Options Routing Reports (SEC 606(a) Reports) Data Glossary
Data Sources	Rule 606 of Regulation NMS requires the Firm to disclose information regarding the handling of its customers' orders in NMS stocks and listed options.
Time Period	Data collection by FINRA started on July 1, 2024. Up to seven rolling years of data will be made available to the public.
Data Purpose	These reports are designed to help customers better understand how the Firm routes and handles their orders, assess the quality of order handling services provided by the Firm, and ascertain whether the firm is effectively managing potential conflicts of interest that may impact the Firm's routing decisions.
Publish Schedule	The reports are made available to the public free of charge on the FINRA website for each calendar quarter. Data is collected from the Firm and published within 30 days of quarter end.
Available Formats	PDF and XML

9.5 Trading Systems and Electronic Transmission of Orders

[FINRA Notice to Members 04-66]

Responsibility	• Operations Manager or Designee
Resources	• Operating system procedures
Frequency	• Authorizing access persons - as required • Review of errors - daily as required • Testing of system - connectivity to execution broker- daily
Action	• Provide passwords to persons authorized to access trading systems • Provide training to those with authorized access • Review and correct errors
Record	• Errors are documented in accordance with trade error procedures • Testing and/or audits of trading systems is documented in reviews of systems

This section describes supervisory procedures to prevent errors when entering orders through order-routing and execution systems ("trading systems"):

- Only authorized persons are permitted to access trading systems. Access is password-protected.
- Individuals authorized to route orders will receive training (i.e., demos), Q&As and User Manual (if available) to assure proper operation of the system.

- Orders will be validated for accuracy and identification of duplicate or re-transmitted orders.
- Limits on order entry include order size and/or credit limits.
- Errors due to system failure, order entry errors, or other system-related errors will be corrected internally. The system will be tested daily. Testing connectivity to execution broker's' systems will be conducted.

9.5.1 Supervision of Orders

The access system provides for oversight of orders to assure compliance with FINRA rules. The customer/member access system provides for the following:

- Customer/members are provided password-protected access to ensure only authorized persons enter orders on behalf of the customer/member.
- Sell orders require an indication of "long" or "short."
- For long sales, the system will confirm the security is held in the customer/member's account at T3TG prior to entry.
- Short sales require that the security be available through the Easy-to-Borrow List or, if difficult to borrow, may be borrowed through a "locate" prior to order entry.
- Patterns of orders that are potentially manipulative are subject to surveillance and supervisory action.

9.6 Order Records

['34 Act Rules 17a-3 and 17a-4; FINRA Rule 4510]

Certain information must be recorded for orders accepted by T3TG through its clearing agent(s). Information to be recorded includes:

- Identification of the account
- Buy or sell
- If sell, long or short
- If a short sale, an indication the security can be borrowed
- If sell long, an indication that the seller will deliver the security
- If an option, put or call and open or close
- Name of security
- Quantity
- Price (if a limit order)
- Day or GTC (if not a market order)
- Other terms of the order (fill or kill, stop limit, *etc.*)
- If a discretionary account, notation whether discretion is exercised or not exercised (DE or DNE)
- Identity of Associated Person responsible for the account, if any
- Identity of other person(s) who entered or accepted the order
- Date and time order is received and entered

Other information to be recorded for the order includes:

- If the customer/member's order is granted a stop (*i.e.,* price protection on an order as negotiated by T3TG and the customer/member), the stop is to be noted on the order
- Any modification to/cancellation of order or instructions
- Execution price
- Date and time of execution or cancellation
- If the customer/member enters the order on an electronic system, a notation regarding electronic entry

9.7 Review of Customer/member Transactions

9.7.1 Review of Daily Transactions

Responsibility	• Compliance / Or Designee
Resources	• Order records, blotters, exception reports • Daily Transaction Report
Frequency	• Daily and periodic

Action	• Review orders for, among other possible items:
	  ○ Wash sales/prearranged trades
	  ○ Prohibited orders
	• For orders contrary to T3TG policy or rule requirements, take corrective action which may include:
	  ○ Confer with the Associated Person to clarify the transaction, if necessary
	  ○ Cancel the transaction to T3TG ’s error account
	  ○ Confer with Compliance regarding additional education for the Associated Person and/or disciplinary action
	  ○ Speak with customer/member and discipline trader (e.g., warning, or suspension/termination of trading privileges).

Record	• Initials on day's reports

Orders are reviewed on a daily basis for compliance with order requirements.

9.7.2 Review of Account Activity by Designated Supervisors

Responsibility	• Operations / Compliance
Resources	• Customer/member monthly statements • Distributions records • New account forms
Frequency	• Monthly
Action	• Refer to new account forms when necessary to identify investment objectives and other customer/member information • Confer with Compliance when necessary

	• Contact customer/member when necessary to confirm customer/member's understanding of, and agreement with, transactions, if necessary • Modify or restrict future transactions, as appropriate • Exam trading for unusual activity
Record	• Initials on records reviewed • Other records, as applicable

The Compliance is expected to review customer/member account activity periodically. This may be accomplished by reviewing the monthly statements, deposit and withdrawal records, and/or other selective information.

9.7.3 Review of Account Activity by Compliance

Accounts will be selected for review on a periodic basis by Compliance as warranted, particularly as matters may be referred to Compliance for further review or disposition.

9.8 Sellouts

Responsibility	• Operations Manager or Designee
Resources	• Notices from Operations regarding sellouts
Frequency	• As required
Action	• Sell out customer/member securities
Record	• Sellouts are included in the day's order records

Customer/members who fail to pay for transactions will be subject to sellouts to close out the unpaid security position. Associated Persons will be charged for any unpaid balance remaining after the sellout.

A pattern of sellouts may indicate problems with customer/members or potential unauthorized transactions. The designated supervisor is responsible for directly contacting customer/members where there is a pattern of sellouts to determine the cause of the sellout and whether the customer/member authorized the transaction. If unauthorized transactions or other wrongdoing are identified, it is the designated supervisor's responsibility to take corrective action, including disciplinary action against the Associated Person. Compliance should be contacted for guidance regarding corrective action.

9.9 Time Clock Synchronization

[FINRA Rule 7430
https://www.catnmsplan.com/guidance/clock-synchronization]

Responsibility	• CTO
Resources	• Clock Synchronization Log
Frequency	• Weekly
Action	• Review Log

	• Take corrective action for failure to synchronize clocks which may include: repair or replacement of clocks (for mechanical failure); additional training of personnel; or other appropriate action in consultation with Compliance • If a non-member is used to record CAT times, obtain a current copy of the procedures used by the non-member to ensure their clocks are synchronized • Receive alerts from the CAT Reporter so that it can report violations as required by the CAT Regulation.
Record	• Clock Synchronization Log is maintained by the various OMS vendors and is available upon request and retained in an order desk file, as applicable.

All time clocks (computer system or mechanical) used for recording date and time of orders must be synchronized to ensure the accuracy of recorded time. The following procedures are to be followed to synchronize time clocks used to record order entry and execution times:

- All clocks must reflect Eastern Time (Daylight or Standard, depending on time of year).
- Clocks that have not been checked according to these procedures must **not** be used for recording order information.
- All clocks will be synchronized with the National Institute of Standards and Technology (NIST) system clock **each business day:**
    - prior to the opening; and
    - at least once during the trading day (target time: 12:00 p.m. Eastern Time).
- Traders or other order desk personnel must record clock synchronization on the Clock Synchronization Log and provide the Log to the trading or order desk manager weekly
- Failure to conduct required synchronization may result in disciplinary action.
- The designated trading or order desk supervisor is responsible for reviewing and retaining the Logs.

Clock Synchronization is not done by T3TG, but through the various OMS utilized.

9.10 Short Sales

Responsibility	• Operations Manager / Compliance or Designee
Resources	• Order and execution records
Frequency	• Daily

Action	• Comply with circuit-breaker short sale price test requirements
	• Take reasonable steps to enforce the policies and procedures, including conducting post-trade analysis, as required
	• Review for:
	  ○ Marking, as applicable
	  ○ compliance with circuit-breaker, price test requirements
	  ○ sell orders marked "long" or "short" or "short exempt"
	  ○ locate information (affirmative determination) on short sells, including who was contacted and the date advised the stock could be borrowed

Record	• Records (available in a time-sequenced manner) that enable T3TG to accurately and readily reconstruct, in a time-sequenced manner, all orders executed based on the riskless principal exemption • As required, initials or other record of review on order records and action taken, if any • Locate information on order records

A "short sale" is defined as the sale of a security that the seller does not own or any sale that is completed by the delivery of a security borrowed by, or on behalf of, the account of the seller. The exercise of a long put by someone who does not own the underlying stock to deliver against the exercise will have engaged in a short sale and the stock must be borrowed and delivered within the required timeframe.

Determination of whether a sale is long or short also requires that the seller must net all positions in the security. This includes netting positions held in accounts that are related or under common control. For example, a customer/member is long 1,000 shares of Security A in an account. The customer/member also cross guarantees, for Regulation T and margin purposes, a "short account" for the benefit of a family member who is short 1,000 shares of Security A. The net position would be zero; if the customer/member sells shares of Security A, the sale would be deemed a short sale.

Accounts are considered related or controlled if the customer/member:

- exercises discretion over the account;
- cross guarantees the account for Regulation T or margin purposes; or,
- has been granted a power of attorney to execute transactions in the account.

9.10.1 Key Defined Terms

“Listing market” means the effective transaction reporting plan for the covered security. While the two reporting plans define the term “listing market” similarly, their treatment of dually listed securities differs. Specifically, the CTA Plan looks to where the security was first listed, while the NASDAQ UTP Plan looks to

the market with the highest number of the average of the reported transactions and reported share volume for the preceding twelve-month period. The listing market is responsible for monitoring the trading in stocks listed on its marketplace and for notifying market participants when a circuit breaker has been imposed.

The Short Sale Price Test applies to **"covered securities"** which are "NMS Stocks" as defined under Rule 600(b) (47) [4] of Regulation NMS. The Short Sale Price Test covers all securities, except options, that are listed on a national securities exchange whether traded on an exchange or in the OTC market, but does not include non-NMS stocks quoted on the OTC Bulletin Board or elsewhere in the OTC market.

Rule 201 applies to **"trading centers,"** which are defined in Rule 600(b) (78) of Regulation NMS as a "national securities exchange or national securities association that operates an SRO trading facility; an alternative trading system; an exchange market maker; an OTC market maker; or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent." Consequently, any entity that executes a short sale order in a covered security must comply with the Short Sale Price Test.

9.10.2 Short Sale Price Test

Short sales of covered securities are subject to a circuit breaker rule. When a circuit breaker is triggered by the listing market, short selling is permitted only at a price above the current national best bid. The following requirements apply:

- A short sale order may not be executed or displayed at a price that is less than or equal to the current national best bid if the price of the covered security decreases by 10% or more from the security's closing price determined by the listing market as of the end of regular trading hours on the prior day.
- The above requirements apply for the remainder of the day and the following day when a national best bid for the covered security is calculated and disseminated on a current and continuing basis by a plan processor pursuant to an effective national market system plan.

The Firm's systems identify covered securities subject to price test requirements. Traders are responsible for complying with price test requirements.

9.10.3 Exemptions to the Short Sale Price Test

There are several exemptions to the Short Sale Price Test. The exemptions apply when the price test circuit breaker is triggered. When relying upon the following exemptions, a broker-dealer must mark the order "short exempt."

- **Broker-Dealer Provision.** Rule 201 permits a broker-dealer to mark certain qualifying sell orders as "short exempt" if the broker-dealer reasonably determines that it is submitting the short sale order to the trading center at a price that is above the current national best bid at the time of submission.

- **Sellers Delay in Delivery.** Orders may be marked "short exempt" when a broker-dealer has a reasonable basis to believe that a seller owns the securities, but is unable to deliver them prior to settlement because of circumstances outside of the seller's control.
- **Odd Lot Transactions.** An odd lot short sale order may be marked "short exempt" by a market maker if it has a reasonable basis to believe that the order offsets a customer/member odd-lot order or liquidates an odd-lot position that changes such broker-dealer's position by no more than a unit of trading.
- **Domestic and International Arbitrage.** Certain domestic or international arbitrage transactions may be marked "short exempt."
- **Over-Allotments and Lay-Off Sales.** Rule 201(d) (5) permits a broker-dealer to mark as "short exempt" short sale orders by underwriters or members of a syndicate in connection with over-allotments, or in connection with lay-offs by the same persons through a rights or standby underwriting commitment.
- **Riskless Principal Transactions.** Rule 201(d)(6) permits a broker-dealer to mark short sale orders "short exempt" when the broker-dealer facilitates customer/member buy orders or sell orders where the customer/member is net long, and the broker-dealer is net short but is effecting the sale as riskless principal. Rule 201(a)(8) defines the term "riskless principal" to mean "a transaction in which a broker or dealer, after having received an order to buy a security, purchases the security as principal at the same price to satisfy the order to buy, exclusive of any explicitly disclosed markup or markdown, commission equivalent, or other fee, or, after having received an order to sell, sells the security as principal at the same price to satisfy the order to sell, exclusive of any explicitly disclosed markup or markdown, commission equivalent, or other fee."
- **Transactions on a Volume-Weighted Average Price Basis.** Orders executed on a volume-weighted average price ("VWAP") may be marked "short exempt" provided that they satisfy several conditions in Rule 201(d) (7).

9.10.4 Marking Orders

All sell orders are required to be identified on the order record as "long," "short," or "short exempt" (if applicable) at the time of entry.
A sell order may be marked "long" when the seller owns the security being sold and the security either is in the physical possession or control of the Firm's clearing agent or it is reasonably expected that the security will be in the physical possession or control by settlement date.

A sell order should be marked "short" when the security being sold is not owned by the seller and will require it to be borrowed to make delivery by settlement date. The Operations Manager, Compliance or a delegate shall monitor all buy-in notices and fails pursuant to Rule 204 or for other reasons to ascertain the nature of the fail (e.g.; pricing, quantity errors). The CCO will be made aware of any issue relating to a fail or buy-in notice that relates to a fail pattern due to potential mismarking or locate issues. The Operations Manager, Compliance or a delegate shall review fail and/or buy-in notices and memorialize such daily review via email or through exception reports. In addition, the Operations Manager, Compliance or delegate will record all buy-in or fail notices via email to the concerned departments/trader. Any patterns of concern, which suggest mismarking of orders or question the integrity of locates or borrow from stock lending sources, shall be directed to the CCO, (See also the section *Locate And Delivery Requirements* regarding the requirement to borrow securities).

Short sales effected in covered securities when a circuit breaker price test is triggered may be marked "short exempt" if they qualify for the exemption.

The Firm relies on its customer/members representations relative to order marking. As its customer/members utilize electronic order management systems ("OMS") for the transmission of orders, the firm's will monitor OMS settings, as available, to assure automated order systems are in place to electronic mark orders in an appropriate fashion. The Risk Manager shall conduct a review of such settings no less than quarterly to review the OMS settings for the Firm's customer/members. Such reviews shall be memorialized in writing by signature or initials and date and maintained by the Risk Manager. Such reviews will be maintained by the Risk Manager and shall be subject to inspection.

9.10.5 Locate and Delivery Requirements

[Regulation SHO; Rule 203]

Prior to effecting a short sale in an equity security, traders are required to assure that the security is freely available via the ETBL or, if not, that they "locate" the scurrility, which assures the issue is available for borrowing and delivery by settlement date. The "locate" must be determined prior to order entry. Exceptions to this requirement are listed below.

Traders are also required to determine whether the security is available through the ETBL, which is loaded daily into the electronic order system. If the security is not on the ETBL, the trader may elect to utilize the system to "locate" shares in the security in the available quantity electronically through various broker-dealers' inventory to confirm the security being sold short is available for borrowing. The system captures the details of the locate and will permit a short sale up to the quantity of shares located.

The Operations Manager, Compliance or a delegate shall monitor all buy-in notices and fails pursuant to Rule 204 or for other reasons to ascertain the nature of the fail (e.g.; pricing, quantity errors). Operations Manager, Compliance or a delegate will escalate to the CCO any issue relating to a fail or buy-in notice that relates to a fail pattern due to potential mismarking or locate issues. The Operations Manager, Compliance or a delegate shall review fail and/or buy-in notices and memorialize such daily review on the Operations Checklist Log which shall be maintained by him/her in the ordinary course of business and shall be subject to inspection. Any patterns of concern, which suggest mismarking of orders or question the integrity of locates or borrow from stock lending sources, shall be directed to the CCO,

9.10.6 Exceptions From the Locate Requirement

The following short sale orders are not required to comply with the locate requirement:

- Orders received from another broker-dealer (the originating broker-dealer has the obligation to comply with the locate requirement)
- *Bona-fide* market making transactions

9.10.7 Close-Out Requirements for Fail to Deliver

"Naked short selling" is an abusive practice where the seller does not intend to deliver securities in time for settlement (including deceiving a broker-dealer about their locate source or ownership of shares). Close-out requirements apply to **all** equity securities. Obligations to close-out fails to deliver are the responsibility of the participant of a registered clearing agency, *i.e.,* a broker-dealer that self-clears its own trades or the clearing firms on behalf of an introducing firm. The SEC's rules apply to "reporting securities" which are issuers registered under Section 12 of the Exchange Act or that are required to file reports under Section 15(d) of the Exchange Act. FINRA requirements apply to securities not covered by SEC Regulation SHO.

The clearing firm is responsible for closing out positions. However, if the clearing firm provides notice and requests that T3TG close out a position within the prescribed period, the Operation's Manager or his/her designee will assure that the closeout is conducted diligently and within the prescribed period.

9.10.8 SEC Requirements for Reporting Securities

To prevent this abusive practice, the SEC has imposed requirements that **securities must be delivered for short sales of all equity securities by settlement date (T+1)**. If securities are not delivered by settlement day, the broker-dealer is obligated to close out the position by borrowing or purchasing securities by the beginning of regular trading hours on the following settlement day (T+2). **For long sales and bona fide market making activity,** the BD must close out the position no later than the beginning of regular trading hours on the 3rd consecutive settlement day following the settlement date (T+4). Customer/members should understand that a security that was readily available and/or received a locate on one day may become more difficult to borrow and subject to the closeout rules the following day, as market conditions may change rapidly.

For sales of securities under Rule 144 and other securities the seller is "deemed to own" and intends to deliver (such as securities not yet received after exercising an option or warrant): transactions must be closed out no later than the beginning of regular trading hours on the 35th calendar day following the settlement day for the transaction.

The purchase or borrow of securities does not qualify as a close-out if the BD or participant knows or has reason to know the securities will not actually be delivered by settlement [Rule 204(f)].

When a BD fails to close out a position as required under this rule, the BD may not accept a short sale order in that security from another person or effect an order in its own account until the fail to deliver is closed out.

9.10.9 FINRA Requirements for Non-Reporting Securities

Participants of registered clearing agencies must take action on failures to deliver that exist for 13 consecutive settlement days in certain non-reporting securities. If the fail-to-deliver position is not closed out in the requisite time period, the participant or any firm for which it clears is prohibited from effecting further short sales in the security without borrowing, or entering into a bona fide arrangement to borrow, the security until the fail to deliver position is closed out.

9.10.10 Short Sales of Securities Subject To a Public Offering

[Regulation M, Rule 105; SEC Release No. 34-56206]

A person may **not** purchase a security from an underwriter or broker or dealer participating in a public offering if the person sold the security short during the "Rule 105 restricted period." The Rule 105 restricted period is the shorter of:

- the period beginning five business days before the pricing of the offered securities and ending with such pricing; or
- the period beginning with the initial filing of the registration statement or notification on Form 1-A or Form 1-E and ending with the pricing.

Exceptions to the short sale limitation include the following.

- **Bona fide purchases:** Restricted period short sellers may purchase offered securities if they make a bona fide purchase of the same security prior to pricing. A *bona fide purchase* must be:

  - at least equal in quantity to the entire amount of the Rule 105 restricted period short sale(s);
  - effected during regular trading hours;
  - reported pursuant to an effective transaction reporting plan; and
  - made after the last Rule 105 restricted period short sale and no later than the business day prior to the day of pricing.

In addition, the person may not have effected a short sale that is a reported transaction within 30 minutes before the close of regular trading hours on the business day prior to the day of pricing.

- **Separate accounts:** A purchase of the offered security may be made in an account that sold short during the Rule 105 restricted period in a separate account if decisions regarding transactions for the account are made separately and without coordination of trading or cooperation among or between accounts.

- **Investment companies:** An individual fund within a fund complex, or a series of a fund, will not be prohibited from purchasing the offered security if another fund within the same complex or a different series of fund sold short during the Rule 105 restricted period.

There are conditions that apply to these exceptions; Compliance should be consulted for further guidance regarding covering short sales in securities subject to a public offering.

9.11 Sale of Control or Restricted Stock

['33 Act Rules 144 and 145; SEC Rule 144 Guidance: http://www.sec.gov/divisions/corpfin/guidance/rule144interp.htm]

Responsibility	• CCO
Resources	• Proposed 144 or 145 sales
Frequency	• As required
Action	• Determine the seller's status (affiliate or non-affiliate) • Determine eligibility for selling the amount and timing of sale • Assist the customer/member in preparation of required forms
Record	• Records of forms filed and determinations are included in a file for Restricted Stock sales

9.11.1 Introduction

SEC Rule 144 provides a safe harbor method for affiliates (e.g., controlling shareholders, directors, and executive officers) to sell securities of their company (control securities). Rule 144 applies to non-affiliates on only a very limited basis. Rule 144:

- limits the number of shares sold in any three-month period (affiliates only);
- requires current public information about the issuer;
- imposes a holding period on shares prior to sale;
- places restrictions on how shares may be sold; and
- requires affiliates to file Form 144 (Notice of Intent to Sell)

Rule 145 governs the offer or sale of securities received in connection with reclassifications, mergers, consolidations and asset transfers. Rule 145 applies only to affiliates selling securities of a shell company.

All possible Rule 144 or 145 sales must be referred to the Compliance Department for consultation and approval in advance of any possible sale. This section is provided for quick reference only.

9.11.2 Definitions

Restricted securities: Restricted securities generally are securities which were:

- acquired directly or indirectly from the issuer or from an affiliate of the issuer in a transaction or series of transactions not involving a public offering.
- acquired from the issuer and are subject to the resale limitations of various rules including Regulation D, Rule 144A, Regulation CE, and other rules and regulations providing for resale of unregistered securities [Rule 144(a)(3)].

Affiliate: A person who, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the issuer. An affiliate can be an individual, certain relatives, trusts, estates, corporations or other entities in which the seller is a 10% beneficial owner, trustee, executor or one acting in a similar capacity. The term applies for purposes of Rule 144 sales to anyone who had affiliate status within 90 days before the sale and for the 90 days after ceasing to have affiliate status.

Reporting issuer: An issuer who is, and has been for a period of at least 90 days prior to the 144 sale, subject to SEC reporting requirements and has filed all required reports during the 12 months preceding the sale.

Non-reporting issuer: An issuer not subject to SEC reporting requirements but where there is publicly-available information as specified by Rule 144.

Control securities: Securities owned by an affiliate of an issuer; these securities are considered "restricted" and "control" securities.

Summary Chart of Rule 144 And 145 Requirements

Subject	**Requirement**
Holding period for affiliates and non-affiliates Rule 144(d)	• Reporting company: 6 months • Non-reporting company: 1 year (To qualify as a reporting company, issuer must be subject to SEC reporting requirements for at least 90 days prior to sale.)
Rule 144 restrictions (Affiliate restrictions apply if the person was an affiliate at any time during the period 90 days before the sale and for 90 days after the person ceases to be an affiliate.)	• Apply to affiliates ONLY; the following limited requirement applies to non-affiliates • For **non-affiliates** selling securities of a **reporting company,** Rule 144€ regarding the current public information requirement applies if securities are held less than 1 year *(may not sell under 144 if the issuer is late in filing an SEC report during the second 6 months after the minimum 6-month holding period)* • For **non-affiliates** selling securities of a **non-reporting company,** after complying with the 1-year holding period, no other Rule 144 restrictions apply

Volume limitations for affiliates
(calculated with all sales of restricted and other securities of the same class for the same person within the preceding 3 months)
Rule 144(e)
	• Apply to affiliates ONLY *(non-affiliates may make unlimited resales)*
	• Cannot exceed the greater of:
	  ○ 1% of the outstanding shares or other units, or
	  ○ the average weekly reported volume on all national exchanges and/or reported through the automated quotation system during the 4 calendar weeks preceding filing of Form 144 (or date of broker's receipt of the order or date of execution by a market maker), **or**
	  ○ the average weekly volume reported under a transaction reporting plan or national market system plan during the 4-week period explained above.
	• For debt securities, an amount that does not exceed 10% of a tranche (or class when the securities are non-participatory preferred stock), aggregated with all sales of securities of the same tranche sold for the seller within a three-month period

	• For convertible securities, applies to amount of securities into which they are convertible • Other standards apply to sales by pledgees, donees, estates, and acting in concert and exclusions for determining volume limits [Rule 144€(3)]
Manner of sale restrictions for affiliates (in essence, require an ordinary marketplace sale with no special selling efforts) Rule 144(f)	• Apply ONLY to resales by affiliates • Apply ONLY to equity securities • Seller or broker cannot solicit buyers or arrange to solicit buyers • Agency and riskless principal transactions permitted
Brokers' transactions (applies to affiliate and non-affiliate transactions) Rule 144(g)	• Allows inquiries to other broker/dealers who indicated an interest within the preceding 60 days or to customer/members who indicated an unsolicited bona fide interest within the preceding 10 business days • Broker receives no more than usual and customary broker's commission • Broker may publish quotations in an inter-dealer quotation system if they are incident to usual market making activities and quotations were published at least 12 days within the preceding 30 calendar days with no more than 4 business day in succession without a 2-way quotation • Brokers may insert bid and ask quotations for a restricted security in an alternative trading system if the broker has published bona fide bid and ask quotations for that security on the ATS on each of the 12 preceding business days • Broker should obtain written evidence of indications of bona fide unsolicited interest and when received
Form 144 filing requirements Rule 144(h)	• Apply to affiliates ONLY • *de minimis* filing threshold of 5,000 shares or $50,000 in value, whichever is lower, within a 3-month period *(no filing requirement below these levels)* • 3 copies to be filed with SEC; one copy with the exchange if listed on a national securities exchange
Rule 145	• "Presumptive underwriter" provision applies ONLY to affiliates of shell companies

Other Notes:

- Non-affiliate: to qualify as a non-affiliate, must not have been an affiliate of the issuer for at least 3 months prior to the sale.
- Various staff positions also apply regarding tacking of the holding period; sales by a pledgee; and other staff opinions.
- Rule 144 is not available to sellers of a shell company's securities whether the company is reporting or non-reporting.

9.11.3 Lending and Option Writing on Control and Restricted Securities

The lending of money, extension of loan value, or use as collateral of restricted securities are subject to specific limitations. Compliance should be contacted prior to any such arrangement.

Covered listed options may be written on underlying control or restricted stock if the stock is saleable when the option is written. Compliance should be contacted to determine the salability of the underlying securities prior to writing covered options.

9.12 Unregistered Resales of Restricted Securities

[FINRA Regulatory Notice 09-05]

Responsibility	• Operations Manager • CCO
Resources	• New accounts, at opening • Proposed sales of potentially unregistered securities • Order records or transaction reports • Physical certificates
Frequency	• When new accounts are opened with a potentially questionable transaction • As required - assist Associated Person in evaluating a potential sale • Daily - review of order records/transaction reports • As required - review certificates
Action	• Review for "red flags" listed in this section • If a red flag is identified, contact the Associated Person for more information about the customer/member and the block being sold; contact the customer/member if necessary to confirm the securities are not unregistered or restricted • Operations personnel should refer questionable certificates to the CCO for follow up with the Associated Person or customer/member or other action, as appropriate
Record	• Order records/transaction reports • New account records • Records of certificates received • Designated supervisor's record of action taken, if applicable, in a log, on the order record, in an email, or in other record(s)

Broker-dealers are prohibited from selling unregistered securities unless the sale falls within an available exemption, such as Rule 144 sales discussed in the prior section. Avoiding such sales is based on knowing the customer/member and the securities to be sold. The Associated Person should be aware of "red flags" that may indicate a customer/member is selling unregistered securities, including the following examples:

- A customer/member opens a new account and delivers physical certificates representing a large block of thinly-traded or low-priced securities.

- A customer/member has a pattern of depositing physical share certificates, immediately selling the shares and then wiring out the proceeds of the resale.
- A customer/member deposits share certificates that are recently issued or represent a large percentage of the float for the security.
- Share certificates reference a company or customer/member name that has been changed or that does not match the name on the account.
- The lack of a restrictive legend on deposited shares seems inconsistent with the date the customer/member acquired the securities or the nature of the transaction in which the securities were acquired.
- There is a sudden spike in investor demand for, coupled with a rising price in, a thinly-traded or low-priced security.
- The company was a shell company when it issued the shares.
- A customer/member with limited or no other assets under management at T3TG receives an electronic transfer or journal transactions of large amounts of low-priced, unlisted securities.
- The issuer has been through several recent name changes, business combinations or recapitalizations, or the company's officers are also officers of numerous similar companies.
- The issuer's SEC filings are not current, are incomplete, or nonexistent.

When confronted with a customer/member wanting to sell a block of stock where there may be a question about the registered status of the stock, the following questions should be asked:

- How long has the customer/member held the securities?
- How did the customer/member acquire the securities?
- Does the customer/member intend to sell additional shares of the same class of securities through other means?
- Has the customer/member solicited or made any arrangement for the solicitation of buy orders in connection with the proposed resale of unregistered securities?
- Has the customer/member made any payment to any other person in connection with the proposed resale of securities?
- How many shares or other units of the class are outstanding, and what is the relevant trading volume?

9.13 Reporting Of Insider Transactions

[Exchange Act Section 16(a); SEC Exchange Act Section 16 and Related rules and Forms (Q and A): http://www.sec.gov/divisions/corpfin/guidance/sec16interp.htm]

Under Section 16(a) of the Exchange Act, directors, officers, and >10% holders of equity securities of a publicly-traded company are required to report their purchases and sales of the issuer's securities to the SEC (and, if the security is listed on a national exchange, with the exchange where listed) as follows:

- at the time the security is registered on a national securities exchange or by the effective date of the registration statement
- within 10 days of becoming a 10% beneficial owner, director or officer
- by the end of the second business day following a purchase or sale transaction

Alternate reporting period requirements apply to two categories of transactions in which the insider does not control and may not be able to predict when the transaction will occur:

- Transactions pursuant to a contract, instruction or written plan
- Discretionary transactions pursuant to Employee/Member benefit plans, such as fund switching transactions

In these instances, the date the executing broker-dealer or plan administrator notifies the insider of the transaction is deemed the date of execution for reporting purposes, as long as the notification is not later than the 3rd business day following trade date. The SEC may also provide different due dates for limited types of transactions where two-day reporting is not feasible.

If the issuer maintains a corporate website, the issuer is required to post the filing on the site no later than the end of the business day following the filing.

Transactions by directors or officers that result in "short-swing" profits, but that are exempt from Section 16(b), are also subject to the two-day reporting requirement.

The obligation to report is the responsibility of the insider. Customer/members should be encouraged to contact their counsel if they have questions, and Section 16 should be referenced for specifics regarding filing requirements.

9.14 Penny Stocks

[SEC Rules 15g1-9 and 15g1-100; Schedule 15G; FINRA Notices to Members 93-55, 92-42 and 92-38]

Responsibility	• Operations Manager / Compliance
Resources	• New Account Form • Order Records • Daily Transaction Report • Risk Disclosure Documents
Frequency	• Daily

Action	• Compliance:
	• Associated Person's supervisor, for customer/members who are not "established" customer/members:
	  ○ Determine required signed risk disclosure document is received prior to effecting the first 3 penny stock purchases and the two-business-day cooling-off period has been satisfied
	  ○ Review new account form and determine if investment objectives are consistent with penny stock purchases
	  ○ Review signed risk disclosure document
	  ○ Submit document to New Accounts

Record	• Risk Disclosure Documents are retained in the customer/member's new account file

9.14.1 General Requirements

['34 Act Rules 15g-1 through 15g-6 and 15g-9]

T3TG does not allow for the solicitation of penny stocks. This procedure is in place in the event of a policy change.

Securities that are identified as "designated securities" (penny stocks) are subject to certain requirements including:

- provision of risk disclosure to a customer/member other than an "established customer/member"
- a "cooling-off period" of two business days after the risk disclosure is sent before a penny stock may be purchased
- disclosure of certain price information relating to the customer/member's purchase
- disclosure of compensation received by the broker or dealer
- inclusion of prices of penny stock positions on the customer/member's monthly statement and the value assigned to the penny stock

There are five primary exemptions from these requirements:

1. The price of the security is $5.00 or more per share.
2. The purchaser is either an accredited investor or established customer/member or is a principal affiliated with the issuer (as defined in the rule).
3. The transactions are not recommended.
4. The broker-dealer's commissions, mark-ups and mark-downs from penny stock transactions did not exceed 5% of total commissions or mark-ups and mark-downs during the 3 months immediately preceding the transaction, AND, the broker-dealer has not been a market maker in the penny stock to be purchased by the customer/member for the immediate 12 months preceding the transaction.
5. Any other transaction exempted by the SEC.

The following sections outline T3TG’s requirements for penny stock transactions subject to the rules.

9.14.2 Penny Stock Defined

['34 Act Rule 3a51-1; SEC Guide to Broker-Dealer Registration Section V (F)]

Penny stocks are equity securities identified as "designated securities" under the SEC's Penny Stock Rule. Penny stocks are low-priced securities (less than $5.00 per share) with the Rule listing securities that are **not** included in the definition, as follows.

The following are **not** considered penny stocks subject to the requirements outlined in following sections:

- A reported security as defined in Regulation NMS Rule 601.
- The stock is priced at $5.00 or more per share.
- Shares of investment companies.
- The stock is listed on an exchange.
- Security futures.

- The issuer has net tangible assets in excess of $2 million, if the issuer has been in continuous operation for at least 3 years, or $5,000,000 if in continuous operation for less than 3 years; or average revenue of at least $6,000,000 for the last 3 years.

Penny stocks include the equity securities of private companies with no active trading market if they do not qualify for one of the exclusions from the definition of penny stock.

Associated Persons should assume that any unlisted securities priced less than $5.00 per share may be subject to the penny stock requirements.

9.14.3 Established Customer/member Defined

The requirements of the Rule do not apply to penny stock transactions for "established customer/members." The term “established customer/member” includes a customer/member who:

- has maintained an account (effected a transaction, made a deposit of funds or securities) more than one year previously, or
- has made three purchases of penny stocks that occurred on separate days and involved different issuers.

9.14.4 Suitability Information

Associated Persons are required to obtain information from the customer/member including prior investment experience, investment objectives, and financial situation. This information is recorded on T3TG’s new account form, which must be completed prior to effecting a transaction in a penny stock. With this information, the Associated Person is required to reasonably determine whether transactions in penny stocks are suitable for the customer/member.

Prior to effecting a transaction in a penny stock, the new account form must be completed and submitted to the designated supervisor for approval. The designated supervisor should review the information included on the form to confirm the suitability of penny stocks for the customer/member's account.

9.14.5 Risk Disclosure Document

Prior to effecting a penny stock transaction for a customer/member, the Associated Person must furnish the customer/member with a copy of T3TG ’s penny stock disclosure document, titled "Important Information On Penny Stocks," and obtain the customer/member's signature on the disclosure document acknowledging receipt. The disclosure document may NOT be copied on T3TG letterhead but must be reproduced on plain paper.

Furnishing this disclosure and obtaining the customer/member's signature evidencing receipt is required for each of the first three penny stock transactions before orders are entered.

9.14.6 Two-Business-Day Waiting Period

Penny stock transactions may **not** be executed until at least two business days after the suitability statement and agreement to the transaction has been sent, either electronically or by mail. These documents must also be signed by the customer/member and received by T3TG.

9.14.7 Disclosure of Compensation

T3TG's compensation for penny stock transactions will be disclosed on customer/member confirmations as follows:

- For agency transactions, the amount of the compensation.
- For riskless principal transactions where T3TG is NOT a market maker, the difference between the price to the customer/member and the contemporaneous purchase or sale price.
- For other principal transactions, the difference between the price to the customer/member and the prevailing market price (not applicable).

"Active and competitive" market, for purposes of calculating mark-ups or mark-downs, is defined in the penny stock rules to include a market where the market maker, in the five business days preceding the transaction, executes less than 20% of the aggregate number of all transactions in the penny stock reported to an automated interdealer quotation system. Where T3TG dominates the market, contemporaneous cost will be used to calculate mark-ups or mark-downs.

Traders are responsible for recording the required information on order records. This information is to be transmitted for inclusion on customer/member confirmations. The designated supervisor is responsible for establishing procedures for ensuring that required compensation disclosures are included on customer/member confirmations.

9.15 Extended Hours Trading

[FINRA Rule 2265; NASDAQ Rule 4631]

T3TG offers its associated persons and its affiliate the ability to trade securities outside of regular trading hours (generally 9:30 a.m. to 4:00 p.m. Eastern Time), including pre-market, after-hours, and overnight (24-hour or near-24-hour) sessions, where available, through the Firm's platforms or routing venues. Participation in extended hours trading is subject to the availability of markets, liquidity providers, and the Firm's systems, and may be limited by product, venue, or account type. The Firm reserves the right to modify, suspend, or discontinue extended hours trading services at any time.

In accordance with FINRA Rule 2265, Where the Firm permits a person to conduct trading in the extended hours or overnight trading sessions, T3TG will furnish the trader individually, in paper or electronic form, the risk disclosure statement highlighting the risks specific to such trading. The required risk disclosure statement is also posted on the Firm's website in a clear and conspicuous manner.

At a minimum, the disclosure addresses the following risks: lower liquidity (orders may be only partially executed or not executed at all); higher volatility (greater price swings and potential for inferior execution prices); wider spreads; changing prices (prices may not reflect the prices at the close of regular trading hours or at the opening of trading the next morning); unlinked markets (orders may

execute in markets that are not connected to other trading venues); and the exaggerated effect of news announcements.

T3TG will consider and, where appropriate, may provide additional disclosures regarding product-specific risks or risks particular to overnight or continuous trading sessions (including, for example, reduced or unavailable exchange protections, limited real-time consolidated market data in certain periods, and differences in clearing and settlement timing). All extended and overnight hours trading activity remains subject to applicable FINRA and SEC rules, including but not limited to FINRA Rule 5310 (Best Execution) and FINRA Rule 3110 (Supervision).

The Firm maintains written supervisory procedures reasonably designed to supervise extended hours trading by its associated persons, including order handling and routing, best execution reviews that specifically evaluate extended hours executions, surveillance for potentially manipulative activity, trade reporting to the appropriate facilities (including compliance with applicable timing and modifier requirements for overnight transactions), and ongoing review of trader disclosures and order-handling practices. Supervision of extended hours trading and overnight trading is conducted on a daily basis by the T3TG Trade Desk.

All associated persons involved in extended hours trading activity are subject to the Firm's supervisory systems and controls. Each associated person is responsible for understanding the risks of trading in extended and overnight trading sessions and for monitoring their own orders and positions during periods when markets may be thinner or less continuous than during regular trading hours.

9.16 CAT and CAIS Reporting

[Exchange Act Rule 613; FINRA Rule 6800 Series (Consolidated Audit Trail Compliance Rule); FINRA Rule 3110, Reg. Notice 20-31; FINRA CAT NMS Plan; FINRA CAT NMS FAQ; NYSE Guide, Rule 6895; Regulatory Notice 20-31 ("FINRA Reminds Firms of Their Supervisory Responsibilities Relating to CAT"); FINRA Rule 6820; CAT Alert 2020–02]

9.16.1 Key Requirements

This section generally describes the key requirements of the Consolidated Audit Trail (CAT) for reporting of trades in equities.

SEC Rule 613 requires FINRA members that receive or originate orders in NMS stocks, OTC Equity securities or listed options that they will be required to report these trades to CAT.

CAT reporting requirements apply to all executed and unexecuted orders, CAT applies to open orders, orders that have been modified, orders that have been partially executed and cancelled orders.

T3TG is required to capture specific information relating to the handling or execution of electronic and manual orders, including recording times of events (receipt from customer, transmittal between trading desks, *etc.*) in hours, minutes, seconds and milliseconds. CAT Reporters that capture timestamps in increments more granular than nanoseconds are required to ***truncate*** the timestamps after the nanosecond level and ***not round up or down*** for submission to CAT.

T3TG utilizes third party relationships to prepare CAT files which are transmitted daily on its behalf by one or more of its CAT Reporting Submitters in compliance with CAT requirements.

9.16.2 Clock Synchronization Requirements

Refer to the section *Time Clock Synchronization* in this chapter for procedures for synchronizing time clocks used for recording date and time of orders. T3TG relies on its order management systems for proper clock synchronization with respect to all electronic routing of orders and any reports generated therefrom.

- All clocks must reflect Eastern Time (Daylight or Standard, depending on time of year).
- Clocks that have not been checked according to these procedures must ***not*** be used for recording order information.
- All clocks will be synchronized with the National Institute of Standards and Technology (NIST) system clock ***each business day*****:**
    - prior to the opening; and
    - at least once during the trading day (target time: 12:00 p.m. Eastern Time).
- Traders or other order desk personnel must record clock synchronization on the Clock Synchronization Log and provide the Log to the trading or order desk manager weekly
- Failure to conduct required synchronization may result in disciplinary action.
- The designated trading or order desk supervisor is responsible for reviewing and retaining the Logs.

Clock Synchronization is not done by T3TG, but through various OMS' / vendors.

9.16.3 CAT Reporting Technical Specifications

FINRA resources about CAT reporting include the "CAT Reporting Technical Specifications"
Order information must be sent electronically to CAT on the same day that the order, or specific information about the order, is received, originated, transmitted, modified, cancelled, or executed. Where information about an order is not complete or changes (for example, an order is cancelled), the additional information must be transmitted on the day the information becomes available.

All Reportable Events for a Trading Day are required to be reported to CAT by 8:00 AM Eastern Time on the next Trading Day.

CAT order data may be collected during the day and transmitted to CAT in one or more files during the day or after the market close. Reports for events that occur during a particular CAT Business Day must be reported by For Industry Member **CAT** Reporters, **Trading Day** is defined as beginning immediately after 4:15:00 p.m. and no fractions of a second Eastern Time on one **trade** date and ending at exactly 4:15:00 p.m. and no fractions of a second Eastern Time on the next **trade** date.

Pursuant to the Participants' CAT compliance rules and the CAT NMS Plan, all error corrections must be made **by 8 am on T+3**, where T is the CAT Trading Day of the Reportable Event, otherwise they will be marked as late.

CAT accepts submissions (via SFTP and the CAT Reporter Portal) 24 hours per day, 6 days per week beginning at 12:01 AM ET on Monday and ending at 11:59 PM ET on Saturday. Events that occurred during a particular CAT Trading Day may be reported anytime between the time the event occurred and the reporting deadline, which is 8:00 AM Eastern Time on the next Trading Day. Reports received after the deadline will be considered late.

CAT order data may be collected during the day and transmitted to CAT in one or more files during the day or after the market close. Reports for events that occur during a particular CAT Business Day must be reported by 8:00:00 a.m. ET the following calendar day or they are marked late by FINRA. For example, an order received at 2:00:00 p.m. ET on Thursday must be reported to CAT by Friday at 8:00:00 a.m. ET. An order received at 10:00:00 p.m. ET on Friday must be reported by Tuesday at 8:00:00 a.m. ET.

Under FINRA rules, all time clocks (computer system or mechanical) used for recording date and time of orders must be synchronized to ensure the accuracy of recorded time. The following procedures are to be followed to synchronize time clocks used to record order entry and execution times:

9.16.4 CAT Reporting Supervision

The designated supervisor of T3TG's CAT function shall log into FINRA CAT Reporter Portal site daily to review each submission and to determine if there were any errors. Such reviews shall include, but are not necessarily be limited to:

- Confirming that the CAT system has accepted all submitted files;
- Identifying any rejected files;
- Monitoring accepted and rejected events;
- Reviewing accepted rate and late rate;
- Monitoring error rates
- Evaluating matching statistics;
- Identifying late reported events, linkage errors, exchange, interfirm, trade unlinked events, named errors, and
- as applicable, repair repairable rejections, linkage errors and any other repairable errors.

To assist in complying with CAT and CAIS regulations, T3 has partnered with a vendor to implement an automated solution to help in supervision of CAT and CAIS data. By integrating with FINRA CAT and merging CAIS Feedback with internal data, the system is designed to provide automated correction in accordance with FINRA CAT guidelines and synchronize these corrections across the company's internal systems.

Further, the system features pre-submission validation capabilities that will enable the Firm to address potential issues prior to data submission, thus minimizing exception management. The validations surpass regulatory benchmarks, by verifying accuracy not only in CAIS but also in other critical reference data systems. In addition, the system facilitates monitoring and data management to confirm that any exceptions are appropriately resolved.

Through a combination of automated data validation and exception management capabilities, integrated with FINRA CAT, the system will help T3 to fulfill its supervisory obligations regarding CAT data management, manage exceptions within the correction deadlines, implement data validation processes tailored to these needs, and deliver management and monitoring capabilities needed to verify that exceptions are timely resolved.

The system provides optimized communication of data corrections across teams, so that all parties are aligned with the corrections performed on this critical reference data and provides management reporting features that facilitate oversight across the entire CAT reporting infrastructure.

The Designated Principal will review compliance with CAT and CAIS requirements as follows:

- Monitoring of daily synchronization of all business clocks to within fifty (50) millisecond tolerance of the time maintained by the atomic clock of the National Institute of Standards and Technology ("NIST").
- Monitoring of information provided in the CAT Reporting Statistics from the CAT Reporter Portal
- Monitoring of communication from the Plan Processor on system maintenance and upcoming changes
- Periodic review of control framework information for:
    - All reportable events are submitted to CAT
    - Data fields contain accurate information
    - Data is properly reported against the Firm's IMID
- Oversight of business and technology changes such as:
    - New products added
    - New systems added
    - Changes to upstream systems
    - Business and regulatory changes
- Oversight of service providers:
    - CAT Reporting Agent and Third-Party Reporting Agent effectiveness
    - Adherence to Service Level Agreements {SLAs)
    - Control assessment results (e.g., SSAE16)

On an ongoing basis, the Designated Principal will:

- Communicate regularly with CAT reporting agent to verify that data is being properly submitted;
- Review the CAT NMS Plan Announcements Webpage and CAT FAQs for any updates;
- Review the CAT NMS Transaction Registration as they are updated.
- Use the FINRA CAT Help Desk at (888) 696-3348 or help@finracat.com.
- Report reporting issues to the FINRA CAT Help Desk

If there are any issues, the designated supervisor will work with T3TG's CAT agents to assure that corrections are posted in a timely manner. CAT monitoring will be documented to evidence the review (CAT log).

9.16.5 Supervision Tasks

Task	Review CAT Reporter Portal and Reporting Statistics
Responsibility	Designated Principal or his designee
Frequency	Daily
Action	Daily review of the CAT Reporter Portal to: • review file status to confirm that file(s) sent by the member or by their reporting agent; • was accepted by CAT and to identify/address any file submission or integrity errors; • identify late records; • identify and repair any data ingestion errors (syntax/semantic rejections); • identify and repair any linkage errors; • review FINRA reporting statistics and compare them to firm record counts to confirm the Firm's reporting agent has reported all required records; • review a sample of four of the Firm's accepted CAT records to the information in the Firm's books and records and the CAT Technical Specifications to ensure the Firm's orders are accurately submitted; • review communications from FINRA CAT regarding CAT availability; announcements, software releases; and • maintain and update Firm contact information, as needed.
Record	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance.

Task	Clock Synchronization Supervision
Responsibility	Designated Principal or his designee
Frequency	Weekly
Action	The Designated Principal: • Confirms that the daily synchronization is being completed;

	• Receives and reviews the CAT Reporter's clock synchronization procedures and copies of sample logs; • Receives an attestation that provides sufficient basis to complete the certification required by paragraph (c) of the clock synchronization rule; and • Receives alerts from the CAT Reporter so that it can report any issues as required by paragraph (d).
Record	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance.

Task	Review CAT Report Card and Reporting Statistics
Responsibility	Designated Principal or his designee
Frequency	Monthly
Action	Monthly review of the CAT Reporter Portal to: • review file status to verify that files sent by the member or by their reporting agent were accepted by CAT and to identify/address any file submission or integrity errors; • identify late records; • identify and repair any data ingestion errors (syntax/semantic rejections); • identify and repair any linkage errors; • review reporting statistics and compare them to firm record counts to confirm the firm or its reporting agent has reported all required records; • receive communications from FINRA CAT regarding CAT availability; • announcements, software releases, etc.; and • update and maintain firm contact information.
Records	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance.

Task	Reconciliation of CAT Submissions Versus Firm Order Records
Responsibility	Designated Principal or his designee
Frequency	Quarterly
Action	On a quarterly basis, the Designated Principal conducts a comparative review of CAT submissions versus firm order records and FIX messages. The Reviewer selects a sample of at least ten records that includes specified test case scenarios and is representative of orders routed to broker-dealers where the Firm routed orders in the review period. The sample will also include at least one of each order type. The Reviewer compares the Firm's orders against the FIX data submitted to market centers. The purpose of the task is to verify that: • reportable records are submitted to CAT; • data fields contain accurate information; • records are submitted in the correct time sequence (e.g., executions are not time-stamped prior to the receipt of a new order);

	• Handling Instructions are correctly populated; • The trade capacity is correct (i.e. Tag 47 for either P or A)*; • Large Trader IDs are included where applicable; • Proprietary accounts are tagged as such; • Account Holder Type values are populated correctly; • The Manual Flag field is populated correctly, as applicable; • Data is properly reported under the member's Industry Member Identifier (IMID); and • Orders designated as Retail Orders are in fact Retail Orders under FINRA Rule 5320.03 Because capacity is not a field that is included within MEOR and MOOR events, the Reviewer checks the order records against FIX route records to verify Tag 47 includes the proper capacity on the route to the market center.
Records	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance.

Task	CAT Supervisory Review
Responsibility	CCO
Frequency	Quarterly
Action	On a quarterly basis, the CCO confirms that the Firm's CAT reporting agent is reporting on T3TG's behalf and that any issues have been escalated. The CCO also reviews the Firm's CAT logs to confirm that they contain the name or initials of the individual who completed the review, the trade date, the date that the supervisory review was completed, and any remedial efforts the Firm took as a result of the review.
Record	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance

Task	CAIS Supervisory Review
Responsibility	CCO
Frequency	Quarterly
Action	On a quarterly basis, the CCO confirms with the Firm's CAIS reporting agent is reporting on T3TG's behalf and any issues have been escalated.
Record	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance

Task	Clock Synchronization Certification
Responsibility	Designated Principal
Frequency	Annually
Action	T3TG is required to certify to FINRA that its Business Clocks satisfy the synchronization requirements set forth in FINRA Rule 6820(a) on an annual basis.
Record	Details of the review are saved on the Firm's electronic storage media and evidence of the task's completion is maintained by compliance.

9.17 Prohibited Transactions and Practices

Responsibility	• Branch Manager / Compliance and/or Designee
Resources	• Blotters • Exception Reports • Customer/member monthly statements
Frequency	• Daily review of order records, if any, and blotters • Exception Reports daily and periodic • Review of customer/member monthly statements
Action	• Reviews of transactions should include consideration of prohibited transactions prescribed in these policies. Action on identified prohibited transactions could include consultation with Compliance to confirm whether transactions in question are prohibited and to identify corrective action. • Some specific guidelines for review include the following. Contact Compliance for guidance regarding corrective action: o Wash transactions result from cross transactions between two accounts with the same beneficial owner and at no market risk, *i.e.,* the buy and sell are pre-arranged at a set price. Wash transactions should be cancelled and securities sold at the risk of the market. o Cross transactions on a frequent basis particularly in thinly-traded securities may be an indicator of supporting the market. o the market price of a security may indicate front running.
Record	• Initials on log or on report • Notes/memos to Associated Person's file, if appropriate

9.17.1 Introduction

Associated Persons are required to handle customer/member transactions in compliance with regulators' rules. This section highlights certain types of prohibited transactions.

9.17.2 Unauthorized Trading

[FINRA IM-2310-2]

No Employee/Member may enter a transaction before contacting the owner of the account (or the authorized agent for the owner) unless the Employee/Member has specific written authorization to act on the customer/member's behalf. Failure to contact the customer/member or the customer/member's agent can result in the customer/member later rescinding the transaction because it was not authorized. Engaging in unauthorized transactions subjects the Employee/Member to regulatory and Firm discipline, which may include fines and/or termination, depending on the seriousness of the violation. If T3TG determines an Associated Person engaged in unauthorized trading, any related losses will be charged directly to the Associated Person.

Associated Persons must also avoid "inadvertent" unauthorized transactions, such as accepting an order from a husband for a wife's account where the wife has not signed a trading authorization giving her husband authority to trade on her behalf. Doing a customer/member a "favor" by entering an order when he or she cannot be reached may be construed as good customer/member service by the Associated Person, but in reality is a rule violation and subjects the Associated Person and T3TG to potential liability for losses from unauthorized transactions.

9.17.3 Prearranged Trading

An offer to sell coupled with an offer to buy back at the same or a higher price, or the reverse, is a prearranged trade and is prohibited. Options or written agreements such as repurchase agreements are not included in this prohibition.

9.17.4 Wash Transactions

Transactions between two accounts with no market risk and where there is no beneficial change in ownership may be considered a "wash sale." Customer/members sometimes request cross transactions for tax purposes between accounts with the same owner. Such transactions may violate rules and tax losses may be disallowed by the IRS.

There should be no pre-arrangement or guarantee of execution price for both sides of the transaction where there is no change in beneficial ownership. This applies to transactions by a trader, traders or customer/members. All such transactions should be executed at the risk of the market.

9.17.5 Cross Transactions

Firms, their associates, customer/members and traders may not engage in a practice of effecting cross transactions for the purpose of supporting or maintaining the market price of a security.

9.17.6 Orders at the Opening or Close

Orders entered at the opening or close of the market for purposes of influencing the price of a security are prohibited.

9.17.7 Parking Securities

"Parking" is a prohibited practice where a trade or series of trades are effected for a person or entity and held in another person's or entity's account to disguise the investment activities of the original person or entity.

9.17.8 Prohibition against Acting on Knowledge of Other Orders

[FINRA IM-2110-3]

T3TG and its associates may not enter orders for them to benefit from their knowledge of customer/members' orders in a particular security ("front running"). This includes orders in securities that are derivatives (options, warrants, *etc.*) of the security being purchased or sold by the customer/member. In this context, the firm strictly prohibits all Associated Persons from using order information devised

from a “squawk” box or other form of communication that is unapproved and/or gathered in secret for their personal gain.

9.17.9 Trade Shredding

[FINRA Rule 5290]

"Trade shredding" (also known as "tape shredding") is the practice of breaking orders into multiple smaller orders for the primary purpose of maximizing commissions or other revenue. For example, a firm may receive a rebate from a particular market center for directing a certain number of transactions to that market center. T3TG and its associates are prohibited from engaging in breaking up orders for the purpose of maximizing T3TG’s revenues or for any other prohibited purpose.

9.17.10 Layering and Spoofing

"Layering" and “Spoofing” includes the practice of submitting multiple non bona fide displayed orders that are subsequently cancelled in an effort to change or secure a beneficial price of an execution on the other side of the market.

9.17.11 Other Forms of Manipulative or Improper Trading

T3TG prohibits all forms of manipulative or improper trading and, if detected, will take proper disciplinary action against traders, which may include suspension or termination of trading privileges. The firm will also not hesitate to report manipulative or improper trading to regulatory or legal authorities, as the circumstances dictate.

10 SUPERVISORY SYSTEM, PROCEDURES, AND CONTROLS

[Exchange Act Sec. 15(f); FINRA Rules 3110, 3012 and 3130; FINRA web page: http://www.finra.org/RulesRegulation/IssueCenter/SupervisoryControl/index.htm; MSRB Rule G-27]

10.1 Introduction

T3TG has established a supervisory system, procedures and controls reasonably designed to comply with regulators' rules.

Supervisory system: The internal system to oversee business includes the designation of supervisors and allocation of responsibilities; assignment of Associated Persons to appropriate supervisors; identification of areas of business and rules that govern those businesses; and development of procedures.

Supervisory procedures: Procedures in this manual (and in other policies or manuals, if referenced in specific chapters) include:

- compliance procedures for Associated Persons and others that explain rule requirements and prohibitions, as well as internal policies when conducting sales and other activities; and,
- supervisory procedures that set guidelines and explain how supervisors are to conduct their ongoing responsibilities. Most supervisory procedures are explained in "matrixes" that appear throughout this manual and include the following:

Responsibility	• Who is the responsible supervisor? *Supervisors are sometimes referenced by name, sometimes by title or as "designated supervisor" which is cross-referenced to the "Designation of Supervisors" table that appears in this manual.*
Resources	• The information / reports / documents that supervisors use to conduct supervision.
Frequency	• How often are supervisory reviews to be conducted (daily, weekly, *etc.*)?
Action	• How supervision is to be conducted (*i.e.,* review a report, read correspondence, interview Associated Person or customer/member, *etc.*).
Record	• What record is made that supervision was conducted? *Generally supervisors are expected to initial and date reports or other records, note any action taken, and retain that information in their files.*

Supervisory Controls: Controls refer to testing and evaluation of systems and procedures to measure and maintain their effectiveness. Internal controls typically involve sampling of functions to test effectiveness and identify shortcomings, gaps, or other inefficiencies in supervisory systems and procedures. Internal controls also involve the ongoing reassessment of these functions to determine whether they are serving their intended purpose.

10.2 Responsibility

Responsibility for T3TG's supervisory system, policies, and controls includes the following:

- The Chief Compliance Officer (CCO) is responsible for establishing and maintaining the supervisory system, policies and procedures, other than financial and operations procedures.
- The Financial and Operations Principal (FINOP) is responsible for establishing and maintaining systems, policies and controls regarding financial and accounting procedures and reporting.
- The Operations Manager is responsible for establishing and maintaining systems, policies and controls regarding operations procedures.
- The Technology Officer is responsible for maintenance and testing of computer programs and systems.

10.3 Controls

10.3.1 Verification and Testing

T3TG periodically conducts reviews to test and verify its supervisory system and controls.

Testing and verification generally include:

- Identifying areas to be reviewed at least annually
- Developing reviews and a schedule for conducting the reviews
- Assigning responsibility for conducting reviews
- Preparing reports of reviews
- Providing reports to management for potential corrective action
- Following up regarding deficiencies in subsequent reviews

Records of testing are maintained by the department responsible for conducting testing and include:

- areas to be reviewed
- schedule of reviews
- reports of findings, including a record of distribution of the report and responses from the supervisor of the area examined
- follow-up or corrective action taken

Testing and verification is the responsibility of:

- Compliance - compliance systems and procedures

10.3.2 Risk Management

[FINRA Notice to Members 99-92]

T3TG has established risk management procedures which are outlined in the chapter titled *FINANCIAL AND OPERATIONS PROCEDURES*, in the section *Risk Management*.

10.3.3 Outside Auditors

T3TG's outside auditors conduct an annual review of internal financial and operational controls, as well as compliance with selected rules and regulations. The FINOP (and other personnel, as required) is responsible for working with the outside auditors and providing them with requested information. The auditors' report is provided to senior management who are responsible for delegating responsibility for taking corrective action on exceptions noted in the report.

The CCO and FINOP retains records of outside audits and reports.

10.4 Written Compliance and Supervisory Procedures (WSP)

Compliance is responsible for maintaining and updating T3TG's compliance and supervisory procedures, which are included in this manual, and other procedures, as may be applicable.

This manual is updated and policies distributed as follows:

- New and amended rules and releases from regulators are reviewed on an ongoing basis and changes considered for the WSP and incorporated where necessary. Changes are incorporated in the WSP including the date of the revision.
- Prior versions of the manual are archived for books and records purposes.
- When policy and procedure changes affect personnel, Compliance will distribute new or revised policies as follows:
    - In written form, where practical
    - Electronically
- Compliance provides manuals to new associates and obtains receipts that are maintained in Employee/Member or other compliance files.
- If a new policy manual is distributed, receipts will be requested and maintained in Employee/Member or compliance files.
- Policies may be made available to associates in electronic format.

10.5 Chief Compliance Officer (CCO)

[FINRA Rule 3130]

T3TG has designated a CCO who is listed on the *Designation of Supervisors* chart and Schedule A of Form BD which is filed with regulators.

10.6 Annual Certification of Compliance and Supervisory Processes

[FINRA Rule 3130]

Compliance prepares an annual compliance report for the CEO (or equivalent officer).

10.6.1 Meetings between CEO and CCO

The CEO meets once or more annually with the CCO to review compliance matters the subject of the annual certification.

10.6.2 Annual Report to CEO

[FINRA Rule 3130]

The CCO will prepare and provide the CEO (or equivalent officer) with an annual report that includes a review of T3TG's supervisory system and procedures and key compliance issues. The CCO will meet with the CEO to discuss and review the report and will meet at other times, as needed, to discuss other compliance matters.
The annual report will be provided to senior management. The report will be provided to these governing bodies at the earlier of their next scheduled meetings or within 45 days after execution of the certification.

10.6.3 Certification

Annually (after receipt and review of the report), the Chief Executive Officer (or equivalent) will certify that T3TG has in place processes to establish, maintain, review, test, and modify written compliance policies and written supervisory procedures reasonably designed to comply with regulators' rules. Certification does not, by itself, establish line supervisory responsibility for those involved in the certification process. If T3TG has co-CEOs, each CEO will certify as if he/she were acting as sole CEO.

10.7 Supervision of Producing Managers' Customer/Member Account Activity

[FINRA Rule 3120]

Responsibility	• CCO • Designated supervisor of producing manager
Resources	• Various for supervision of producing managers (listed in supervisory matrixes in appropriate chapters, by subject)

Frequency	• CCO:
	  ○ If necessary, monthly - calculations to determine if independent supervision or heightened supervision is required
	  ○ Ongoing - maintain designations of producing manager supervisors
	• Designated supervisor of producing manager:
	  ○ Quarterly - conduct heightened supervision if required
	  ○ Various for ongoing reviews depending on type

Action	• CCO:
	  ○ Identify producing managers
	  ○ Identify senior or independent supervisors
	  ○ Identify reviews to be conducted
	  ○ If independent supervisor is used, arrange for alternation of responsibilities every 2 years or less
	  ○ Identify producing managers subject to heightened supervision (if an independent supervisor is not used) and notify designated supervisor
	• Designated supervisor: conduct reviews of producing manager customer/member account activity

Record	• CCO records of producing managers and who supervises them, including heightened supervision and calculation of commissions (if an independent supervisor is NOT appointed), if applicable • Designated supervisor: records of reviews conducted

Day-to-day customer/member account activity conducted by office managers, sales managers, regional or district managers or anyone performing similar supervisory functions ("producing managers") is subject to review and supervision by someone senior to, or independent of, the producing manager. Any level of customer/member account activity qualifies for designation as a producing manager, including only handling family accounts. T3TG currently does not maintain, and does not anticipate maintaining, any producing managers and, as such, the foregoing would only apply if that practice changed.

10.7.1 Designation of Supervisors

Compliance is responsible for identifying producing managers subject to these supervisory procedures and designating supervisors to oversee their client activity. Supervisors must be senior to, or "otherwise independent" of, the producing manager.

A person "senior to" the producing manager is understood to be someone who does not report to the producing manager; whose compensation is not determined in whole or part by the producing manager supervised; who is not in the same chain of authority; and who has the authority to oversee, direct, and correct the activities of the producing manager and take necessary remedial actions, including termination, if and when necessary.

"Otherwise independent" means a person who does not report either directly or indirectly to the producing manager under review; who is situated in an office other than the office of the producing manager; and must not otherwise have supervisory responsibility over the activity being reviewed (including not being directly compensated, based in whole or part, on the revenues accruing for those activities). An independent qualified Principal must alternate review responsibility with another otherwise independent qualified person every two years or less.

10.7.2 Limited Exception for Supervision of Producing Managers

[FINRA Rule 3120, Notice to Members 06-04]

If T3TG is limited in size and resources and would not have procedures for independent review of producing managers. The limiting factors include:

- There are no supervisors senior to or independent of producing managers.
- Because of limited qualified supervisors, no person is able to act as an "independent" supervisor or serve on a two-year rotation.

A qualified person conducts reviews and is knowledgeable of T3TG’s policies and control procedures.

10.7.3 Notification of Reliance on Limited Size and Resources Exception

[FINRA Rule 3120, Notice to Members 06-04]

Compliance would be required to provide electronic notification to FINRA of reliance on the exception, and annually, no later than the anniversary date of the prior year's notification, will notify FINRA of T3TG's continued reliance. A record of initial notification and annual notification would be retained by Compliance.

10.8 Cross Reference to Other Supervisory Control Subjects

The purpose of this section is to identify SRO supervisory control rule subjects that do not appear in the chapter titled *SUPERVISORY SYSTEM, CONTROLS AND PROCEDURES* and that appear in other chapters of this manual.

Subject	CHAPTER	Section / Subsection(s)
Transmission of customer/member funds and securities to [FINRA Rule 2060]: • Third parties • Outside entities (banks, investment companies, *etc.*) • Post office or c/o addresses • Customer/member by Associated Persons	FINANCIAL AND OPERATIONS PROCEDURES	Transmittals Of Customer/member Funds And Securities
Customer/member changes of address [FINRA Rule 2060]	ACCOUNTS	• Addresses On Customer/member Accounts • New Accounts - Post Office Addresses
Customer/member changes of address [FINRA Rule 2060]	FINANCIAL AND OPERATIONS PROCEDURES	Customer/member Confirmations And Statements - Change Of Customer/member Addresses On Accounts
Confirming changes in customer/member investment objectives ['34 Act Rule 17a-3(17)(i)(A); [FINRA Rule 2060]	ACCOUNTS	• New Accounts - Customer/member Account Information • Updating Account Information And Periodic Affirmation
Holding customer/member mail	FINANCIAL AND OPERATIONS PROCEDURES	Customer/member Confirmations And Statements - Hold Mail Instructions
Office inspections	OFFICES	Office Inspections

10.9 Certain Policies Not Included

[FINRA Rule 3012(a) (2) (B)]

Certain policies and procedures are **not** included in this manual because T3TG is an Introducing Broker (i.e., not self-clearing) and has a restrictive Membership Agreement. If the business changes to include other approved activities, procedures will be developed and included in this manual.

11 OFFICES

11.1 Office Designations

[FINRA Rule 3110, Notices to Members 06-12, 05-67 and 05-66]

11.1.1 Offices of Supervisory Jurisdiction (OSJ)

[FINRA Rule 3110]

An office that includes any of the following activities will be designated as an Office of Supervisory Jurisdiction (OSJ), with a resident principal responsible for supervision:

- Order execution and/or market making
- Structuring of public offerings or private placements
- Maintaining custody of customer/members' funds and/or securities
- Final acceptance (approval) of new accounts
- Review and approval of customer/member orders
- Final approval of advertising or sales literature
- Supervision of Associated Persons at one or more other branch offices

Excluded from the definition of OSJ is an office that solely provides final approval of research reports.

11.1.2 Branch Offices Assigned to OSJs

[FINRA Rule 3110]

Each branch office that is not an OSJ will be assigned to the supervision of an OSJ. The designated supervisor is required to visit non-OSJ branch offices on a periodic basis and record the visit in a memorandum or other record to be retained by the designated supervisor for the branch location. All business transacted by non-OSJ branch offices must be processed through the supervising OSJ. The designated supervisor is responsible for supervision of the branch office's activities and maintaining files for complaints, correspondence, new accounts, option accounts, advertising, and transactions originating from the branch office.

A branch office may be a "supervisory branch office" that has responsibility to supervise one or more other offices or a "non-supervisory branch office" that has no supervision over other offices.

11.2 Supervision of Producing Managers

[FINRA Rule 3120]

The customer/member account activities of managers and other supervisors are subject to supervision. Procedures are included in the chapter titled *SUPERVISORY SYSTEM, PROCEDURES, AND CONTROLS* in the section *Supervision of Producing Managers' Customer/member Account Activity*.

11.3 Approval of Persons to Operate in Non-Branch Locations

Responsibility	• Compliance / Or Designee
Resources	• Requests for Associated Persons to conduct business at non-branch locations
Frequency	• As required

Action	• Review the request considering:
	  ○ Business to be conducted
	  ○ Associated Person disciplinary or complaint history
	  ○ Requirements to supervise, including the need for heightened supervision
	  ○ Associated Person engagement in outside activities that may conflict with Firm business
	  ○ Technology requirements
	• Approve or disapprove request and notify Associated Person's supervisor

Record	• Records of request reviews, action taken, notices to Associated Person and supervisor

Because of the remote nature of some non-branch locations, approval is required **prior to** allowing an Associated Person to operate from a non-branch location.

11.3.1 Primary Residence Offices

[FINRA Rule 3110]

On a case-by-case basis, an Associated Person's request to conduct business from their primary residence may be considered, provided that, at a minimum, the Associated Person is currently employed by T3TG and is in good standing with both T3TG and supervising regulatory authorities.
Associated Persons approved for working from their primary residences may do so as long as the residence is not held out to the public as a branch office, and that they adhere to all relevant policies and procedures of T3TG. The following requirements must also be met:

- only one Firm Associated Person may conduct business from the location (unless otherwise approved by Compliance)
- the Associated Person does not meet with customer/members at the location
- customer/member funds and securities are not handled at the location
- the Associated Person is assigned to a designated branch office, and such office is reflected on all business cards, stationery, advertisements, and other communications to the public
- the Associated Person's outgoing customer/member correspondence and other communications with the public sent from the primary residence are **pre-approved** by his/her designated supervisor
- all electronic business communications (*i.e.,* emails, faxes) are transmitted through Firm systems
- all customer/member orders are entered through the designated branch office or, if approved, via a Firm-approved system
- all required branch records are maintained at the designated branch office location

Other requirements:

- the Associated Person is *not permitted* to use his/her personal email accounts (*i.e.,* yahoo, gmail, *etc.*) to communicate with existing or potential clients; only Firm electronic systems may be used for customer/member communications
- all Firm system installations must be supervised by the Information Officer or IT department and in accordance with all Firm policies

11.4 Use of Office Space by Others

Responsibility	• Compliance / Or Designee
Resources	• Requests for office-sharing arrangements involving outsiders
Frequency	• As required
Action	• Review the potential arrangement to determine that it will be clear to the public which entity they are dealing with, considering the following: o Amount of customer/member traffic in the office o Physical separation o Clearance with the fidelity insurance carrier o Posting the name of each entity on the door to their working place o The entities' names are not listed under the same telephone number o T3TG ’s phone number is not used on the letterhead, business cards, or on any advertising of the outside entity o Associates of each organization will wear a badge identifying their employer o Any other considerations • When space-sharing involves the dual employment of T3TG personnel, include policies and procedures that clearly identify the duties/functions to be performed for T3TG and the supervisory reporting lines
Record	• Record of review and considerations that allow or disallow the arrangement • Approval/disapproval of the arrangement • If dual employment is involved, policies and procedures to address duties and supervisory structure

Persons not affiliated with T3TG are generally not permitted to conduct business or maintain offices on T3TG premises. Office-sharing arrangements require the prior approval of Compliance.

11.5 Office Records

[SEC Rules 17a-3 and 17a-4]

Each branch office is required to maintain or have access to certain records relating to the business conducted in the office. "Office," for records purposes, means any location where an associated person conducts business (not including a home office or the office of a customer/member that a Associated Person visits regularly). "Conducting business" includes handling funds or securities or soliciting/accepting orders. Each office is required to designate someone who can explain the office records to regulators.

There are two aspects to records requirements: *retention* and *access*. Documents (paper or electronic) regarding T3TG's business ("books and records") must be retained for periods of time specified by regulators. Where T3TG's required books and records (such as order tickets, correspondence, *etc.*) are not retained at the office that created the records, there is a requirement that the records must be produced within a reasonable period of time upon request from a regulator that visits the office.

This section describes both types of requirements. All questions regarding books and records should be referred to Compliance.

11.5.1 Retention of Records at the Office

Offices are required to retain access to the following records:

- Order records (3 years, 2 recent years in an accessible location)
- New account records (6 years after account closing, in an accessible location)
- Correspondence, incoming and outgoing (3 years, 2 recent years in an accessible location)
- Advertising (3 years, 2 recent years in an accessible location)
- Operations records including records of receipt/delivery of securities or funds (3 years, 2 recent years in an accessible location)
- Complaints (3 years, 2 recent years in an accessible location)

11.5.2 Access to Records

For records that are **not** maintained at the office location, the following records for the most recent two-year period will be produced at the office location promptly upon request of a regulator. **Regulators' requests should immediately be referred to Compliance for response.** "Promptly" is generally understood to mean within 24 hours of the request.

- Order records (daily trade blotters, order tickets/memoranda, including for the firm account)
- Receipts/deliveries of securities, receipts/disbursements of cash, all other debits/credits
- Employee/Member records (U4, employment application, compensation agreements, CRD numbers, internal identifying numbers, offices where Associated Person conducts business)
- Customer/member account records
- Complaints
- Transactions, by Associated Person, including compensation earned, commission schedules, method by which compensation is determined
- Communications with the public (originals of communications received, copies of communications sent; approval of outgoing communications including correspondence, advertising and sales literature, sales scripts, and other outgoing communications requiring the supervisor's approval)
- Record naming the person in the office who can explain records
- Record listing the person responsible for policies and procedures
- Compliance and supervisory manuals, including updates and revisions, until three years after termination of use of the manual

11.5.3 Regulatory Requests for Records

If a regulator (SEC, SRO, state regulator, or other) requests office records (in person or by another means), Compliance should be contacted immediately. T3TG is obligated to provide prompt response to regulators' requests for information, therefore it is important the record retrieval process begin immediately or as soon as possible after receipt of the request.

11.6 Changes in Branch Offices

[FINRA By-Laws Article IV Sec. 8]

Compliance is responsible for filing the uniform branch office registration form (Form BR) with the CRD to reflect changes to existing offices or to register new offices. Compliance retains records of branch registration filings.

In addition, Compliance will verify state requirements before an office is opened and will file any necessary application or documents with state authorities who may include the secretary of state, taxing authorities, and/or broker-dealer licensing authorities.

11.7 Office Inspections

[FINRA Rule 3110]

Responsibility	• Compliance / Or Designee
Resources	• Various reports/information regarding office activities
Frequency	• Annual - prepare inspection schedule • Per inspection schedule - conduct inspections
Action	• Maintain inspection program (and revise, as needed) • Prepare schedule • Assign inspections to qualified persons • Conduct inspections • Prepare reports and provide to management
Record	• Compliance retains the inspection program, schedule of inspections, reports, and any work papers regarding the inspection

11.7.1 Inspection Cycle

Offices will be inspected according to the following schedule:

- Branch offices - annually (includes OSJs and offices that supervise other offices)
- Non-branch offices - generally every 3 years unless the Firm determines that it will establish a longer periodic inspection schedule. As applicable, the Firm will document, in its written supervisory procedures, the factors used in determining that a longer periodic inspection cycle is appropriate. The timing of inspections of non-branch locations may periodically be adjusted by Compliance based on factors which may include:
    - Types of business conducted in the office
    - Volume of business conducted
    - Proximity of supervisors
    - Number of Associated Persons and other personnel

- Customer/member complaints and/or regulatory actions filed against office personnel
- Prior year's inspection report findings
- Other factors determined by Compliance

11.7.2 Conducting Inspections of Branch Offices, OSJs, and Non-Branch Offices

[FINRA Rule 3110]

These policies and procedures describe the compliance requirements and process of inspecting independent non-branch offices. FINRA Rule 3010(c) states, "each branch office shall be inspected according to a cycle which shall be set forth, as the firm's inspection procedures, in its written supervisory policies and procedures."

T3TG does not rely on the FINRA exemption regarding limited size and resources or an independent dealer or contractor business model to maintain an exemption from inspection requirements that prohibit office supervisors (or someone reporting to the supervisor) from conducting the office inspection. If the Firm seeks to avail itself of the 'limited size and resources exception', the report will indicate the factors used to determine that such exception is applicable and that the Firm has no other alternative but to comply in this manner. Information as to the exception will be forwarded to the appropriate Compliance personnel within 30 days of making such determination per the applicable FINRA filing deadline.

The Firm generally maintains multiple non-branch locations that operate within Associated Persons' primary residences. Each such office is limited to one or more persons that are members of the same immediate family that conduct business at the location which is not held out to the public as an office and neither customer funds nor securities are handled at that location.

Each Associated Person is assigned to a designated branch office and such designated branch office is reflected on all business cards, stationery, retail communications and other communications to the public by such associated person; The associated person's correspondence and communications with the public are subject to the Firm's supervision in accordance with this Rule; Electronic communications related to the business are made through the member's electronic systems; All orders are entered through an electronic system established by the member that is reviewable by Firm personnel at the branch office; and written supervisory procedures pertaining to supervision of activities conducted at the residence are maintained by the Firm.

11.7.2.1 Regulation

Pursuant to FINRA Rule 3110(c), T3 Trading Group is required to conduct periodic inspections of their offices. These reviews are reasonably designed to assist the Firm in detecting and preventing violations of, and achieving compliance with, applicable rules and regulations that require periodic independent testing of the business activities undertaken at each non-branch office location.

During the coronavirus pandemic, FINRA provided temporary relief for member firms from certain rules and requirements. As coronavirus-related risks decreased, member firms have been expected to return to meeting the regulatory obligations for which relief had been provided. FINRA has subsequently published guidance regarding the termination date for the regulatory relief that was provided to its member firms. FINRA stated that Rule 3110.17, the temporary remote inspections rule, ends on June

30, 2024. The Firm will conduct on-site inspections of each of its offices of supervisory jurisdiction, supervisory branch offices, non-supervisory branch offices and non-branch locations within the timeframe adopted by the Firm and in effect at the time of the inspection.
As detailed in FINRA Regulatory Notice 20-08, in an effort to mitigate the impacts of the pandemic, the Firm employed remote offices and telework arrangements for a broad range of Associated Persons. The Firm has established and maintains a supervisory system that is reasonably designed to supervise the activities of each Associated Person while working from a remote location. With respect to oversight obligations, a member's scheduled on-site inspections of branch offices was temporarily postponed during the pandemic. The Firm's use of remote office arrangements includes providing Associated Persons with the ability to connect to critical firm systems, adequate remote connectivity via residential Internet access and addresses any need to secure premium or dedicated service for connectivity.

FINRA Rule 3110(f)(2)(A) defines a branch office as any location where one or more associated persons of a member regularly conducts the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security, or is held out as such, excluding:

i. Any location that is established solely for customer service and/or back-office type functions where no sales activities are conducted and that is not held out to the public as a branch office;

ii. Any location that is the associated person's primary residence; provided that:
   - Only one associated person, or multiple associated persons who reside at that location and are members of the same immediate family, conduct business at the location;
   - The location is not held out to the public as an office and the associated person does not meet with customers at the location;
   - Neither customer funds nor securities are handled at that location;
   - The associated person is assigned to a designated branch office, and such designated branch office is reflected on all business cards, stationery, advertisements and other communications to the public by such associated person;
   - The associated person's correspondence and communications with the public are subject to the firm's supervision in accordance with Rule 3010;
   - Electronic communications such as email are made through the member's electronic system;
   - All orders are entered through the designated branch office or an electronic system established by the member that is reviewable at the branch office;
   - Written supervisory procedures pertaining to supervision of sales activities conducted at the residence are maintained by the member; and
   - A list of the residence locations is maintained by the member;

iii. Any location, other than a primary residence, that is used for securities business for less than 30 business days in any one calendar year, provided the member complies with the provisions of paragraph (A)(2)(ii)a. through h. of the rule;

iv. Any office of convenience, where associated persons occasionally and exclusively by appointment meet with customers, which is not held out to the public as an office;

v. Any location that is used primarily to engage in non-securities activities and from which the associated person(s) effects no more than 25 securities transactions in any one calendar year; provided that any advertisement or sales literature identifying such location also sets forth the address and telephone number of the location from which the associated person(s) conducting business at the non-branch locations are directly supervised;

vi. The Floor of a registered national securities exchange where a member conducts a direct access business with public customers; or

vii. A temporary location established in response to the implementation of a business continuity plan.

FINRA Rule 3110 requires that each non-branch office location is reviewed at least every three years unless the Firm establishes a longer periodic inspection schedule.

11.7.2.2 Procedures

Supervision and Inspections
The Firm's supervision procedures include periodic inspections of its branch offices and non-branch locations and reviews of traders' activities to provide them with training, foster compliance with regulations, endorse adherence to trading strategies, and advance performance targets.

Non-branch office inspections provide an opportunity for oversight that enhances the Firm's routine daily surveillance and supervision. The Firm's daily and periodic processes and supervision are generally conducted electronically. The use of electronic records and technology in the inspection process helps to focus inspection reviews in accordance with an initial evaluation using a risk assessment matrix. The risk assessment helps identify risk, assess the severity of any identified risk, prioritize risk remediation, and implement controls to eliminate or mitigate risk.

The risk review process helps Compliance staff understand the scope of potential risks and conflicts that may impact the Associated Persons at each non-branch location; improve efficiency through the use technology to centralize and conduct efficient communication (email questions and answers); and conduct inspections of multiple branches in a shorter time frame. It also provides quicker follow up processes with the Firm's Associated Persons working at remote non-branch locations in order to provide additional explanations and ask detailed questions regarding the risk assessment used in the inspection process and the business activities conducted at the non-branch location. For instance, the inspections may allow the Firm to better identify the nature and extent of any outside business activities of the Firm's Associated Persons. Outside business activities conducted by associated persons may carry added risk because these activities may be perceived by members of the public to be part of the member's business.

The Firm maintains an effective risk-assessment process to evaluate the frequency, intensity and focus of the Firm's non-branch inspections. Non-branch locations are continuously monitored with respect to changes in the overall business, products, people, and practices. Non-branch inspections are conducted by persons that have sufficient knowledge and experience to evaluate the activities at the location and are overseen by senior personnel such as the CEO, CCO, or other knowledgeable principals. Procedures

are designed to prevent conflicts of interest that may impede complete and effective inspections due to economic, commercial or financial interests of the individual conducting the inspection of the associated person or non-branch location.

The scope of these audits include a review of the following areas to ensure that the supervision, registration, and licensing of Associated Persons has been adequately conducted to comply with the Firm policies and procedures and FINRA and state regulations.

The following areas will be specifically reviewed:

- In-house brokerage accounts to ensure that all Associated Person and family member accounts have been identified for monitoring purposes.
- Outside securities accounts of Associated Persons to ensure that all accounts are disclosed, approved by Compliance and that periodic statements are being received.
- Policies and Procedures and disclosures of outside business activities and private securities transactions.
- Gift policies.
- Monitoring of the sale of any restricted shares.
- Employee registration and training to ensure compliance with Federal Securities laws and rules and state securities laws.
- Completion of the required Firm Element training and participation in the annual compliance meeting.
- Completion of the required annual Associated Person disclosure tasks.
- Verification of trading reviews being performed for Associated Persons that maintain one or more brokerage accounts.
- Verification that emails are being reviewed by a supervisor in accordance with the Firm's policies and procedures.
- Verification that a percentage of email correspondence has been reviewed by a supervisor as required by the Firm's policies and procedures.

Supervision by T3 Supervisors:
T3 Trading Group supervisors effectively supervise traders assigned to them and help ensure that their activities contribute to the overall success of the Firm's trading operation while complying with regulations and ethical standards. The supervision includes, but is not limited to, the following:

- Helping to establish the trader's roles, responsibilities, and performance expectations. This may include providing guidance regarding trading strategies, risk management, and profit targets.
- Providing training and education to help develop trading strategies, risk management, compliance, and market regulations along with ongoing updates regarding market trends and best practices.
- Monitoring traders' activities, such as trade execution, risk exposure, and compliance with trading guidelines. Use of software tools and reports to track orders and trades and analyze performance metrics.

- Working with the main office staff to help enforce risk management procedures, including setting limits on position sizes, leverage, and loss thresholds. Regularly reviewing risk exposure and adjusting strategies as needed.
- Monitoring adherence to regulatory rules and requirements, including market regulations, trading rules, and internal T3 policies.
- Providing periodic performance evaluations that review traders' performance against set objectives and benchmarks. Providing feedback and coaching to improve performance and addressing any issues.
- Maintaining open communication channels with assigned traders to discuss strategies, market conditions, and performance. Requiring regular reporting from traders that they supervise regarding trading activities and results.
- Encouraging traders to seek opportunities for continuous improvement and innovation in trading strategies. Holding periodic meetings with traders to promote a culture of learning and development.
- Regularly reviewing the effectiveness of the supervisory procedures and suggesting adjustments to improve performance and compliance.
- Emphasizing the importance to their assigned traders of ethical behavior and integrity in trading practices. Providing information in meetings with traders to encourage compliance with the Firm's code of conduct and ethical guidelines.

11.7.2.3 Testing Cycles:

a. T3 Compliance reviews the list of offices of the broker-dealer to verify that each one is appropriately registered with FINRA to verify that its reporting is accurate and up to date.

b. On an annual basis, Compliance will inspect each branch office that is registered as an OSJ or as a branch office with FINRA.

c. Inspection of all non-branch locations will be conducted, generally once every third year, based on risk assessment performed by Compliance and the scope of the business activity at that location. Prior to June 30 ,2024 the inspections may be performed remotely through correspondence with the non-branch staff members.

d. After June 30, 2024, onsite reviews of non-branch locations will be performed in accordance with the Firm's procedures then in effect. If the Firm modifies its procedures to establish a longer periodic inspection schedule, the Firm will document, in its written supervisory procedures, the factors used in determining that a longer periodic inspection cycle is appropriate.

Non-branch inspections will be conducted by Compliance staff members and will include the specific areas described below, many of which are performed on an annual basis or more frequently. In establishing how often to inspect each non-branch location, the Firm considers the nature and complexity of the securities activities for which the location is responsible, the nature and extent of any contact with customers, the volume of business done, and the number of associated persons assigned to each location.

The Firm has assessed its procedures and technology to handle the inspection volumes and the ability to manage remote inspections. This includes tracking the supervisory personnel that are approved to work remotely, managing inspection schedules across these Associated Persons, documenting findings and results of inspections, managing annual attestations, and identifying trends and training opportunities across the completed inspections.
The Firm has prepared inspection criteria based on the risk assessment for each location and the risks associated with personnel working remotely. The criteria is documented within these written supervisory procedures as well as within inspection modules and risk assessment matrices.

The timing of inspections of non-branch locations may periodically be adjusted by Compliance based on various risk factors. Any amendments to the timing of non-branch inspections will be documented by the Firm in this written supervisory procedure. If the Firm determines that it will establish a longer periodic inspection schedule, the Firm will document the factors used in determining that such a longer periodic inspection cycle is appropriate.

The Firm complies with the inspection requirements enumerated in paragraph (c)(2) of FINRA Rule 3110 and that the schedule and an explanation of how the Firm determined the frequency of the inspection schedule is included in the Firm's written supervisory procedures. In the written inspection reports of the non-branch locations, the Firm identifies those activities at these locations in which it does *not* engage and documents in each report that supervisory policies and procedures for such activities are maintained. The Firm retains written records of the dates on which each review and inspection is conducted.

11.7.2.4 Reviewers

T3 compliance personnel will conduct inspections of the Firm's offices. Note that the compliance personnel (i) do not function in the capacity of a Branch Office Manager ("BOM"); (ii) are independent of any supervisory responsibilities over any branch or any BOM; and (iii) do not report to any individual who is a BOM or is directly or indirectly supervised by a BOM.
T3 compliance is aware that if the limited size and resources exception is sought, inspections made pursuant to such exception would have to be performed by an appropriate Principal pursuant to applicable SRO requirements.

11.7.2.5 Risk Assessment

The Firm's Compliance staff perform a risk assessment of each office that is subject to inspection in accordance with FINRA Rule 3110. Each risk assessment is documented and the Firm maintains appropriate supervision over associated persons' activities conducted at their non-branch location. As part of the risk assessment, the Firm leveraged the existing branch audit framework that is customized to the business activities that are conducted at each location. The assessment includes, but is not limited to, the following:

(a) whether the on-site principal is qualified by virtue of experience and training to supervise the activities and associated persons in each location;

(b) whether the on-site principal has the capacity and time to supervise the activities and associated persons in each location;

(c) Whether the office does not conduct the following activities:
- Order execution or market making;
- Structuring of public offerings or private placements;
- Maintenance of custody of funds or securities;
- Approval of new accounts;
- Carrying of customer accounts;
- Review or endorsement of customer orders;
- Approval of retail communications; and
- Supervision of activities of persons in other branch office locations.

The Firm's non-branch locations generally do not handle customer accounts and the customer procedures enumerated in FINRA 3110(c) are *not* carried out at the non-branch locations. Associated persons at non-branch locations generally do not conduct a customer business, do not solicit securities transactions, nor provide recommendations or advice. Each trader at the Firm's non-branch locations does not handle any customer account, customer trades, or customer cash or securities. Customer interaction is centralized at the Firm's main office. Orders, modifications, and cancellations of existing orders are performed by customers and placed directly into the Firm's electronic trading platform. All transactions are billed, cleared and settled through the one of Firm's Clearing Brokers. Designated supervisors are responsible for the ongoing supervision and monitoring of the staff at this location.

(d) whether the on-site principal is a producing registered representative;
The staff at the T3 offices are solely proprietary traders and not producing registered representatives.

(e) The limited activities and documented in consideration (b) above and the nature of activities at each location, including size and number of associated persons, scope of business activities, nature and complexity of products and services offered, volume of business conducted, the disciplinary history of persons assigned to such locations, and any indicators of exceptions to expected behavior or other irregularity.

11.7.2.6 Examination and Testing

T3 Compliance, at least annually, reviews the operations conducted at each location to assess the risks and the adequacy of supervision and sufficiency of internal controls as required by FINRA 3110(c). These reviews assist in the detection and prevention of potential violations of applicable rules and/or Firm policy.
The testing and verification reviews required by FINRA Rule 3110(c) to assess, at a minimum, the internal controls and compliance in the following areas:

- Safeguarding of customer funds and securities,
- Maintaining books and records,
- Supervision of customer accounts,
- Transmittal of funds between customers and registered representatives and between customers and third parties,

- Validation of customer address changes, and
- Validation of changes in customer account information.

Customer-related activity is not performed at the non-branch locations. All customer-related business is conducted at the Firm's main office. The reviews of non-branch office locations, therefore, focus on compliance with Firm policies and procedures as well as adherence to regulatory requirements.

Please note that in reviewing activity, the scope referenced above may be expanded or reduced to include SRO requirements specific to each location. All inspections are tailored to suit the particular size and extent of the business operations conducted at that location.

11.7.2.7 Non-OSJ Branch Offices

One or more registered representatives or principals must be designated in each branch office.

The CCO is designated as responsible for creating and enforcing our review/audit schedule for the non-OSJ branch offices listed herein and is also responsible for maintaining logs indicating exact dates of inspection for each office (indicating who conducted the review).

1. Review/Audit Schedule for all non-OSJ Branch Offices:

Branch Office audits will be performed by one or more members of the IBG Internal Audit group under the supervision of the IBG Director of Internal Audit.

2. Heightened Supervision at Branch and Non-Branch Locations

Regular meetings will be held with any Associated Person who has a "heightened supervision requirement", and his or her direct supervisor and/or branch manager, to discuss the responsibilities of each and to make certain the supervisor understands the individual's prior conduct and accepts the responsibility and to determine the individual's willingness to accept the special supervision. The exact nature of the special supervision should also be spelled out to the individual.
All special supervision situations will be for a specified period of time, at the end of which a determination will be made as to (a) whether or not the objectives of the supervisory arrangement were met, and (b) the need for continuing the special supervision. Evidence of all special supervision will be retained.

11.7.2.8 Conflicts of Interest

FINRA Rule 3110(c)(3) requires members to have procedures reasonably designed to prevent the effectiveness of inspections of the Firm's offices from being compromised by conflicts of interest, as well as to ensure that inspections are not conducted by associated persons that are directly or indirectly supervised by associated persons assigned to the locations being inspected.

T3 office inspections are conducted by compliance personnel who (i) do not function in the capacity of Branch Office Manager ("BOM"); (ii) are independent of any supervisory responsibilities over any branch or any BOM; and (iii) do not report to any individual who is directly or indirectly supervised by a BOM.

11.7.2.9 Supervisory Controls

The Firm's Compliance group reports to the CEO, who reviews the audit planning for T3 Trading Group.

11.7.2.10 Personnel

Name	Title
Garret Marquis	CEO
Steve Pikowski	CCO

11.7.2.11 Record Keeping

The records required by the rules and regulations referenced in this procedure are maintained in accordance with SEC Rules 17a-3 and 17a-4, as well as relevant SRO rules and the Firm's written supervisory procedures.

11.7.3 Heightened Inspection Requirements

[FINRA Rule 3110]

Responsibility	• CCO
Resources	• Revenue/commission records
Frequency	• As required
Action	• Evaluate revenue to determine whether the office is subject to heightened inspection procedures • If it is, expand inspection program
Record	• Compliance retains records of revenue calculation and heightened inspection of offices subject to the requirement.

Heightened inspection requirements apply if:

- the person conducting the inspection works in an office supervised by the branch manager's supervisor; and,
- the branch manager generates 20% or more of the revenue of the business units supervised by the branch manager's supervisor.

Heightened inspections may include:

- unannounced visits
- increased frequency of inspections
- broadened scope of the inspections
- review by other supervisors

11.7.4 Written Reports

[FINRA Rule 3110]

Compliance summarizes the results of the branch inspections in a report detailing the testing and verification of the Firm's policies and procedures, including the supervisory policies and procedures in the areas that are required to be reviewed in accordance with FINRA Rule 3110(c).

Written reports of inspections will include:

- the name of the person who conducted the inspection and prepared the report
- the date(s) of the inspection
- areas reviewed, which will include, at minimum (depending on types of business conducted in the office)
    - safeguarding customer/member funds and securities;
    - maintaining books and records;
    - supervising customer/member accounts serviced by the branch manager ("producing manager");
    - transmitting funds between customer/members and Associated Persons and between customer/members and third parties;
    - validating customer/member address changes; and,
    - validating changes in customer/member account information.
- for any of the above areas **not** included in the report, an explanation of why they were not included (*i.e.,* the office does not accept funds or securities, the office does not have a producing manager, *etc.*).
- observations and exceptions regarding compliance with policies and procedures
- the office supervisor's response regarding exceptions and corrective action

The non-branch inspection report should delineate the activities that are *not* conducted at the location, such as:

a. order execution or market making;
b. structuring of public offerings or private placements;
c. maintaining custody of customers' funds or securities;
d. final acceptance (approval) of new accounts on behalf of the member;
e. review and endorsement of customer orders;
f. final approval of retail communications for use by persons associated with the member, pursuant to Rule 2210(b)(1); or
g. responsibility for supervising the activities of persons associated with the member at one or more other branch offices of the member.

Final reports will be distributed to senior management.

11.8 Display of Certificates

Branch offices are required to display certificates on their premises, including:

- SIPC member certificate

11.9 Availability of Rules

Each office that deals with public customer/members will maintain copies of rules for regulators where T3TG is a member. Where Internet access is available, this requirement is satisfied by providing access to the rules published on the regulators' websites.

12 OPTIONS

This chapter outlines requirements when offering options to customer/Members. Key requirements include the following:

- Associated Persons, Members and supervisors must be registered to sell, trade and supervise options.
- Customer/Members must submit an option agreement, and accounts must be approved for options trading levels.
- Writing uncovered options requires a separate disclosure and approval (for customer/members only).
- Customer/members will be provided with a standard options disclosure document when option trading is approved.
- Customer/members are subject to position limits and methods of exercise disclosed in the agreement.
- Options communications require inclusion of the special risks associated with options.

12.1 Option Registration

[FINRA Rules 1022(f)]

Associated Persons/Members must be qualified to engage in the sales or trading of options contracts. Anyone who has successfully completed the Series 7 General Securities Representative examination (for retail) is qualified to sell options or the Series 57 examination (for Prop Trading) is qualified to trade options..

Associated Persons/Members engaged in the sale of options are required to be supervised by a qualified Registered Options Principal (ROP). Supervisors are qualified as ROPs by passing prerequisite supervisor exams and the Registered Options Principal examination (Series 4) or by passing the General Securities Sales Supervisor (Series 10) examination.

12.2 Supervision of Option Activities

[FINRA Rule 2360]

ROPs are responsible for approval of accounts, review of transactions and communications, and other supervision required by rule. The designated supervisor for each office that conducts options business will be qualified as an ROP, except for offices with three (3) or fewer Associated Persons which may be supervised by an ROP or General Securities Sales Principal in another location.

12.3 Opening Option Accounts

[FINRA Rule 2360(b) (16)]

Option Agreements and Approval of Option Accounts

Responsibility	• Designated Supervisor • Compliance
Resources	• Customer/member or Member Option Agreement • Blotters

	• Daily Transaction Report
Frequency	• Daily
Action	• Review option agreements and approve for appropriate trading level • Assure option agreements are submitted for approval prior to the customer/member's first option transaction • Restrict accounts from further opening transactions where the customer/member's signed option agreement has not been received within 15 days of the first option transaction • A qualified ROP will review accounts where the customer/member does not meet minimum criteria for the level of trading requested and approve or disapprove.
Record	• Customer/member's or Member's signed Option Agreement signed and dated by the approving supervisor • Records of providing option disclosure document • Records of providing uncovered short options disclosure • Approved trading strategies.

Prior to the first option trade, a completed option agreement must be approved by a ROP or qualified General Securities Principal (Series 24). In offices where no qualified supervisor resides, a local supervisor may approve the option account but a qualified supervisor must approve the account within 10 days of the local supervisor's approval.

Associated Persons are responsible for obtaining the required information on T3TG's customer/member option agreement. The customer/member must sign the option agreement confirming the information included on the form and agreeing to abide by the requirements included on T3TG's agreement.

The customer/member's signed option agreement must be submitted to T3TG within 15 days of approval. Failure to receive the customer/member's signed option agreement within 15 days will result in restricting the customer/member's account to closing option transactions until the agreement is received.

12.3.1 Levels of Option Trading

The following guidelines apply to accounts requesting approval to trade at various levels:

- Covered call writing: no minimum requirement;
- Short puts;
- Long calls and puts;
- Spreads and combinations;
- Uncovered call writing.

12.3.2 Requalifying an Account's Approved Option Levels

Responsibility	• Designated Supervisor
Resources	• Customer/member Option Agreement
Frequency	• As required
Action	• Review and approve (or disapprove) new option agreements that revise a customer/member's approved level of trading
Record	• Customer/member's Option Agreement signed and dated by the ROP • Copy of Customer/member Option Agreement retained in branch customer/member file and Firm's new accounts file

When a previously-approved option account is to be approved for a higher level of option, a new option agreement is required. The new agreement is to be approved by a ROP or General Securities Principal and sent to the customer/member for verification of account information on the form.

12.3.3 Uncovered Short Options

[FINRA Rule 2360(b) (11) (A) (2) and (16) (E), Notice to Members 06-54]

Responsibility	• Designated Supervisor • Compliance
Resources	• Customer/member Option Agreement • Special Statement for Uncovered Option Writers (for retail clients)
Frequency	• As required
Action	• For accounts not meeting minimum criteria for approval but submitted for approval, review and, if approved, a qualified ROP will approve or deny. • For accounts approved for uncovered short options, provide the Disclosure Statement (for retail clients) • When the Special Written Statement is revised, provide the revised copy to existing customer/members approved for uncovered short option trading before, or with, the confirmation of the next uncovered short option transaction
Record	• Copy of customer/member's acknowledgement of receiving the Statement retained in the customer/member file • Documentation of approving an account that does not meet minimum criteria is included with option account approval documentation

All accounts that are approved for uncovered short options will be provided with the Special Statement for Uncovered Option Writers ("Statement") before, or with, the confirmation of the first uncovered short option transaction. If the Statement is revised, the revised version will be provided before, or with, the confirmation of the next uncovered short option transaction. This is for retail traders only.

In order to be approved for uncovered short option trading client's must minimally have the following:

- A minimum of 5 years of option trading experience (Retail and Prop)
- Minimum $50K in account (Retail)
- Minimum Net Worth $250K (Retail)
- Minimum Liquid Net Worth $100K (Retail)
- Investment Objective must be Speculative (Retail)
- Risk Tolerance must by High Risk (Retail)

12.3.3.1 Option Disclosure Document (ODD)

All customer/Members will be provided the required disclosure document at, or prior to, the time the account is approved for option trading.

In addition, whenever the disclosure document is revised, a revised copy will be provided to customer/members no later than the time of delivery of a confirmation of a transaction in a category of option the subject of a revision.

12.3.3.2 Hyperlink Delivery of the ODD

[Securities Exchange Act Release No. 39356 dated November 25, 1997; FINRA Notice to Members 98-03]

- Communications that contain clear and prominent hyperlinks to the ODD are considered to have been preceded or accompanied by the ODD.
- The ODD may be delivered via hyperlink to that document if the customer/member has consented to receive documents electronically from T3TG.

12.4 Option Orders

12.4.1 Review of Option Orders and Accounts

[FINRA Rule 2360(b)(20)(C)] **Responsibility**	• Designated Supervisor
Resources	• Order records • Daily Transaction Report or Blotter • Customer/member monthly transaction records • Option Agreements • Other available reports
Frequency	• Daily (order records, Daily Transaction Report) • Periodically (customer/member monthly transaction records)
Action	• Review for completeness of orders (open or close, put or call, *etc.*) • Review for any orders requiring prior approval and prohibited transactions • Review daily transactions and customer/member monthly statements for option transactions, including the following: ○ Compatibility of option transactions with investment objectives and approved trading levels

	○ Size and frequency of option transactions ○ Profit or loss in the account ○ Undue concentration in any options class or classes • Take corrective action, which may include consulting with the Associated Person and/or Compliance, requalifying an option account, canceling the order, education for the Associated Person, or other appropriate action
Record	• Electronically reviewed • Maintain record of account reviews

The designated supervisor is responsible for review of option orders to identify transactions inconsistent with policy requirements, including incomplete orders and transactions that appear to be unsuitable for the customer/member. Supervisory offices will have available (electronically or in hard copy) records enabling review of option accounts.

12.5 Option Operations Procedures

This section describes some of the operations procedures relating to options. The Operations Department is responsible for these areas.

12.5.1 Reporting Positions

The designated operations supervisor is responsible for reporting option positions in accordance with SRO requirements.

When T3TG is not a member of the options exchange upon which the standardized options are listed and traded, T3TG is required to file a report with FINRA regarding the following accounts which have established an aggregate position of 200 or more option contracts (whether long or short) of the put class and the call class on the same side of the market covering the same underlying security or index:

- each account in which the Firm has an interest
- each account of a partner, officer, director or Employee/Member of the Firm
- each customer/member, non-member broker, or non-member dealer account

Reporting combines long positions in put options with short positions in call options and short positions in put options with long positions in call options. Position reporting is currently conducted by the Firm's clearing agent.

12.5.2 Supervision and Reporting of Option Position Limits

Purpose

This procedure has been established to document the process for monitoring firm option positions and compare them to the published Options Clearing Corporation (OCC) position limits, identifying any position that is within a pre-set percentage of the applicable OCC limit, and ensuring timely escalation and documentation. Total positions include all accounts under "common control" by one party.

Regulation

FINRA Rule 2360 (Options) – Position Limits prohibits a member firm from effecting an opening transaction in options (for its own account, an associated person, or a customer) if the firm has reason to believe the transaction would cause the account (or accounts acting in concert) to exceed the applicable position limit on the same side of the market.

a. Same-side aggregation: Long calls + short puts (bullish side) are aggregated together; short calls + long puts (bearish side) are aggregated separately. Long and short positions in the same class (e.g., long calls and short calls) are on opposite sides and are not aggregated.
b. Standardized equity options: The limit is generally the highest position limit set by any exchange on which the option trades (or a limit fixed by FINRA). Limits commonly range from 25,000 to 250,000 contracts, with higher limits available for more liquid underlyings and certain ETFs.
c. Conventional (OTC) equity options: Subject to their own position limits (base tier typically 25,000 contracts, higher tiers matching standardized limits for the same underlying where available).
d. Index options: Subject to the position limits established by the exchange on which the option trades.
e. Hedge exemptions: Certain qualifying hedge strategies (e.g., long stock + long put, covered calls, and other specified positions) are exempt from the position limits.
f. Reporting: Firms must report large options positions (≥ 200 contracts on the same side of the market) via the Large Options Positions Report (LOPR).

The rule incorporates exchange-established limits (which the OCC tracks) and applies them to FINRA members and their customers. Exemptions or higher limits may be available in limited circumstances with prior written FINRA approval.

Scope
This procedure applies to all equity, index, and other option positions carried by the firm that are subject to OCC position limits.

Frequency
Daily review of the most recent available positions, generally conducted on a T+1 basis for positions as of the end of day for the previous trading day.

Procedure
Clear Street, the Firm's clearing broker, consumes the OCC published position limit files on a daily basis creates an internal report to track aggregated bullish (long calls, short puts) and bearish (short calls, long puts) positions in relation to these OCC position limits by underlying symbol, trade date, and client.

The report is run by the clearing broker on a T+1 basis to compare all option positions to these limits and identify any traders whose positions are within 75 percent of the OCC position limit. The report compares the firm's current option positions (by underlying, by account/trader) to the most recent published OCC position limits for the relevant underlying securities. For each underlying subject to an OCC position limit, calculate the firm's aggregate position (long or short, as applicable under OCC rules) as a percentage of the published OCC limit.

FINRA's options rule describes certain hedge strategies that can be used to offset a position limit so that it would not be deemed to exceed the published limit. Some qualified hedge strategies and positions are exempt from position limits, including a delta hedging exemption for FINRA members and non-member affiliates.

The Chief Compliance Officer conducts a review the report from the clearing broker to Identify any position that equals or exceeds 75 percent of the published OCC limit and identify the associated trader(s). In addition to performing a daily review of the clearing broker report, T3 Trading compliance will, on a daily basis, independently review the Firm's option positions against the OCC limit files available on the OCC website.

In accordance with FINRA Rule 2360, if the Firm should exceed any option position limit, the Chief Compliance Officer or his designee will send an email to FINRA at PLhedge@finra.org, along with relevant hedge information.

Clearing Broker Exception Report
The clearing broker produces a report containing the following fields:

Effective date
Account ID
Account full name
Entity ID
Entity legal name
Instrument ID
Instrument name
Sector
Option type (Put/Call)
Underlying symbol
Exercise style
OCC position limit
Strike price
Maturity date
Underlying instrument ID
Account segment (Cash/Margin)
Trade date aggregate position
Settlement date aggregate position
Bullish
Bearish
Bullish total
Bearish total

Review and Escalation

The Chief Compliance Officer or his designee examines the exception report and if any position is within 75% of the OCC limit the following step are taken:

a. The Chief Compliance Officer notifies the responsible trader and the trade desk.
b. The Chief Compliance Officer documents the notification and any remedial action taken (e.g., position reduction, hedge, limit exception request).
c. If a hard OCC limit is breached or appears likely to be breached, the Chief Compliance Officer escalates the matter immediately to the trade desk to resolve the exception or apply to FINRA for an exemption or higher limit which may be available in limited circumstances with prior written FINRA approval.

Documentation and Recordkeeping

The Chief Compliance Officer notes the review date, initials the report, and notes any disposition on the report or in an email to the trade desk. The Firm retains the exception report, reviewer notes, and any escalation communications for the required retention period, per firm policy and the regulatory requirements. Supervisory personnel periodically test that the review is being performed as scheduled and that exceptions are properly escalated and documented.

Responsible Parties

Primary Reviewer: Chief Compliance Officer
Escalation: Trade Desk, CEO
Oversight: Chief Compliance Officer or designated principal

12.5.3 Liquidation of Positions and Restrictions on Access

When FINRA determines that a person or group of persons acting in concert holds or controls, or is obligated in respect of, an aggregate position in option contracts covering any underlying security or index in excess of position limits, it may direct a member or all members carrying a position in option contracts covering such underlying security or index for such person or persons to liquidate such position or positions, or portions thereof, as expeditiously as possible and consistent with the maintenance of an orderly market, to bring such person or persons into compliance with the position limits. When directed by FINRA, T3TG will liquidate positions and will not permit such person or persons to execute an opening transaction and will not accept and/or execute for any person or persons named in such directive, any order for an opening transaction in any option contract, unless in each instance express approval is given by FINRA, the directive is rescinded, or the directive specifies another restriction appropriate under the circumstances.
FINRA will notify the subject person or persons who have the right to appeal the decision.

12.5.4 Exercise of Options

The exercise of options is subject to regulatory rules; the method used for exercising options is disclosed in the option agreement and all exercises are conducted by the Firm's clearing agent.

The designated supervisor is responsible for assuring the exercise of options does not exceed limitations specified in options rules. If T3TG has reason to believe someone acting alone or in concert with others has exceeded or is attempting to exceed position or exercise limits, T3TG will promptly contact FINRA.

The exercise cut-off is established by regulators, or the Firm's clearing agent may establish an earlier time which is communicated to customer/members trading options. Exercise instructions will not be accepted after the cut-off time. Submission of exercise instructions may be submitted electronically, in which case the instructions will include an electronic record of the time it is submitted to comply with the cut-off time. If not submitted electronically, a manual record will be maintained of the time when the exercise instructions are submitted. Mistakes or errors in submitted exercise instructions will be reviewed and resolved by Operations at T3TG or its clearing firms.

12.5.5 Branch Copies of Account Information and Statements

[FINRA Rule 2360(b) (17) (B)]

For all accounts trading options, each branch office servicing the account, and the principal supervisory office having jurisdiction over the branch office, will retain copies of background and financial information for approved options accounts and customer/member statements for the prior 6 months. These records may be in electronic format if readily accessible and promptly retrievable.

12.6 Option Complaints

[FINRA Rule 2360(b) (17) (A)]

Responsibility	• Branch Manager • Compliance
Resources	• Incoming correspondence

	• Written complaints
Frequency	• As required
Action	• Immediately provide the original of any written complaint to Compliance • Retain a copy of the complaint for branch files • Compliance will respond to the complaint
Record	• Copy filed in branch Option Complaints file • Compliance retains T3TG 's central complaint files, including: o identification of complainant; o date complaint received; o identification of Associated Person servicing the account; o general description of the matter complained of; and o a record of what action, if any, was taken with respect to the complaint

Associated Persons are required to notify their supervisor when a complaint is received. All written option complaints are to be forwarded to Compliance immediately upon receipt.

12.7 Option Communications with the Public

[FINRA Rules 2210 and 2220]

Requirements for options communications include the following, which are explained in more detail below:

- The rules governing correspondence and sales literature apply to options communications. Refer to the chapter titled *COMMUNICATIONS WITH THE PUBLIC* for more information about these policies.
- Worksheet templates are considered sales literature.
- Distribution of independently prepared reprints requires pre-approval by a ROP.
- The exception for institutional sales material applies to options communications.
- Widely-disseminated communications must be filed with FINRA.
- All options communications (other than institutional sales material) must include a statement that supporting documentation for any claims (including claims on behalf of options programs or the options expertise of sales persons); comparisons; recommendations; statistics; or other technical data, will be supplied upon request.

12.7.1 Definitions

Institutional investor:

- bank, savings and loan association, insurance company, or registered investment company
- registered investment adviser
- entity (natural person, corporation partnership, trust, or other) with total assets of at least $50 million
- government entity
- Employee/Member benefit plan under Internal Revenue Code Section 403(b) or 457 with at least 100 participants

- qualified plan under Section 3(a)(12)(C) of the '34 act with at least 100 participants
- FINRA member or someone registered with a FINRA member firm acting solely on behalf of an institutional investor

Institutional sales material: Any communication that is distributed or made available only to institutional customer/members (investors).

Options [FINRA Rule 2360(a) (20)]: Any put, call, straddle or other option or privilege, which is a "security" as defined in Section 2(1) of the Securities Act of 1933 but not including any tender offer, registered warrant, right, convertible security or any other option in respect to which the writer is the issuer of the security which may be purchased or sold upon the exercise of the option.

Options Disclosure Document (ODD) [FINRA Rule 2360(a) (12)]: The options-market document containing explanatory information relating to the mechanics of buying, writing and exercising options; the risks involved; and other required information about options. The ODD must be provided to all options customer/members and provided with certain options communications.

Public appearance: Any participation in a seminar, forum (including an interactive electronic forum), radio, television or print media interview, or other public speaking activity, or the writing of a print media article, concerning options.

Standardized Option: Any options contract issued, or subject to issuance, by The Options Clearing Corporation, that has standardized terms for the strike price, expiration date, and amount of the underlying security, and is traded on a national securities exchange registered pursuant to section 6(a) of the Securities Act.

12.7.2 Content Standards

- All options communications (other than institutional sales material, defined below) must include a statement that supporting documentation for any claims (including claims on behalf of options programs or the options expertise of sales persons); comparisons; recommendations; statistics; or other technical data, will be supplied upon request.
- All options communications (other than institutional sales material) must include a statement that options are not suitable for all investors.

Communications including historical and/or performance figures or projections must be preceded or accompanied by the Options Disclosure Document (ODD). For historical performance projections, specific guidelines apply [see FINRA Rule 2220(d) (3) and (4)].

12.7.3 Advertising and Sales Literature

Responsibility	• Designated Supervisor • Compliance
Resources	• Proposed option advertising or sales literature

Frequency	• As required
Action	• Designated Supervisor: Refer all option advertising or sales literature to Compliance for review and approval • Compliance: Review and approve options advertising and sales literature; file with FINRA 10 days prior to use, if required
Record	• Compliance: Copies of advertising/sales literature with approval or disapproval, including who prepared the material, source of recommendations included in sales literature; copies of FINRA filings and approvals [FINRA Rule 2220(b)(4)] • Designated Supervisor: Copies of approved advertising/sales literature in branch files

Advertising and sales literature are defined in the chapter *COMMUNICATIONS WITH THE PUBLIC* in the section *Advertising and Sales Literature*. This definition also includes material designed to educate the reader regarding options, which includes any explanatory material for customer/members or the public and that describes the general nature of standardized options markets or one or more strategies.

All advertising, sales literature, or educational materials regarding options must conform to rule requirements and be approved by Compliance prior to use or publication.

12.7.4 Institutional Sales Material

[FINRA Rule 2210]

Sales material prepared for institutional investors is not subject to the same requirements as material prepared for non-institutional investors. This does not include material that the Firm has reason to believe will be distributed to anyone who is not an institutional investor. For example, if sales material is provided to an institution for distribution to associates participating in a 401K plan, the sales material would be treated as distributed to retail investors.

Options institutional sales material must be approved by a ROP but does not require pre-use approval and filing with FINRA.

12.7.5 Worksheets

Responsibility	• Designated Supervisor • Compliance
Resources	• Worksheet templates • Option worksheets prepared by Associated Persons
Frequency	• As required

Action	• Compliance: approve templates for use
	• Designated Supervisor:
	  ○ Ensure Associated Persons use only Firm-approved templates
	  ○ Review and approve worksheet templates

Record	• Compliance: approved templates

	• Designated Supervisor: Copies of worksheets provided to customer/members including digital log and date of review

Worksheets are considered sales literature subject to the review and approval requirements for sales literature. **Only pre-approved templates may be used for preparing worksheets.** Completed worksheets must be provided to the designated supervisor for review and retention.

12.7.6 Correspondence

Responsibility	• Compliance / Or Designee
Resources	• Outgoing correspondence
Frequency	• Daily
Action	• Review to ensure appropriate language and options disclosure document is provided including the required content statement
Record	• Initials or electronic review on outgoing correspondence • Retained in branch correspondence files

Correspondence includes any written letter or electronic communication. Pre- or post-approval by the designated supervisor or a ROP depends on the scope of distribution, as outlined below:

- **Post-approval by designated supervisor:** correspondence distributed to one or more existing retail customer/members and to fewer than 25 prospective retail customer/members within any 30-day calendar period
- **Pre-approval by designated supervisor:** Correspondence distributed to 25 or more existing retail customer/members within any 30 calendar-day period and that makes any financial or investment recommendation or otherwise promotes a product or service of T3TG
- **Considered sales literature requiring pre-approval by a ROP:** Correspondence distributed to 25 or more prospective retail customer/members within any 30 calendar-day period

All correspondence (written or electronic) is subject to the general requirements of truthfulness and avoidance of language that includes promises of specific results, exaggerated or unwarranted claims. Written communications should avoid hedge clauses which disclaim responsibility for the content of such literature or for opinions included or which are inconsistent with the communication. Statements suggesting the certain availability of a secondary market for options may not be made.

Written communications regarding options should include the following:

- special risks of options and the complexities of certain strategies
- a statement that options are not suitable for all investors
- statements referring to potential opportunities should be balanced by a statement of corresponding risks

Written communications, other than advertising that meets the requirements of Rule 134 as explained in the prior section, must be preceded or accompanied by the options disclosure document.

12.7.7 Independently Prepared Reprints

Articles and other reprints are subject to outgoing correspondence reviews and copies should accompany correspondence submitted for review and approval. If the article or reprint was provided by T3TG to Associated Persons, the letter or other correspondence may reference what was enclosed without including a copy of the reprint.

Articles and reprints that are issued by an independent publisher and not materially altered are not subject to FINRA filing requirements and most content standards. This exception does not apply to reprints published by an affiliate of T3TG.

Distribution of copyrighted material is subject to the copyright holder's approval. T3TG will obtain approval for independent reprints it distributes to Associated Persons for sending to customer/members. For other reprints, Compliance should be consulted for assistance in obtaining the publisher's approval.

12.7.8 Option Communications Prior to Delivery of the ODD

Prior to providing the ODD, communications are limited to a brief description of options including a statement that identifies the registered clearing agency for options and a brief description of the general attributes and method of operation of the option exchanges, including a discussion of how an option is priced. Such pre-ODD communications must include contact information for obtaining a copy of the ODD and must not contain recommendations or past or projected performance figures including annualized rates of return or the names of specific securities. They may include statements required by state law and administrative authority and may include advertising designs and devices, providing such material is not misleading.

12.7.9 Seminars and Public Presentations

Responsibility	• Designated Supervisor • Compliance
Resources	• Outlines for proposed seminars or public presentations that include options including sales material to be distributed • Tapes of radio, TV, newspaper articles, or other public media presentations
Frequency	• As required

Action	• Designated Supervisor: review presentation and related sales materials and refer to Compliance for review and approval
	• Compliance:
	  ○ Pre-approve radio, TV, newspaper or other public media presentation
	  ○ Review seminars or other presentations and sales material; approve or disapprove

Record	• Compliance: record of presentation and sales material; copies of written materials or tapes of public media presentations; approval/disapproval • Designated Supervisor:

	○ Copy of presentation and sales material ○ Record of approval/disapproval ○ List of attendees ○ Confirmation that attendees were provided options disclosure documents

Prior to conducting a seminar or other public presentation regarding options, the outline of the presentation should be provided to the designated supervisor for review. Seminar scripts, handouts, slides, or other visual presentations must be pre-approved and are deemed to be sales literature. All who attend the public presentation should be provided the current options disclosure document. A list of those who attended and received the disclosure document should be prepared and include the date of the meeting.

Appearances in public media (radio, TV, newspapers, other) require the prior approval of Compliance and copies of written material or tapes of the presentation must be provided to Compliance, including where published/presented and the type of media (name of newspaper, radio/TV station, other) and date of the appearance or publication.

12.7.10 Filing Requirements

Responsibility	• Compliance / Or Designee
Resources	• Proposed communications subject to filing
Frequency	• As required
Action	• Review communication and make necessary changes • Submit communication to FINRA for approval at least 10 days prior to use • Communicate approval or disapproval to originator of the communication
Record	• Copies of communications with FINRA approval/disapproval and contact with originator regarding permissible use or restriction on use

Communications that are likely to be widely disseminated, such as advertisements, sales literature, and independently prepared reprints are subject to filing with FINRA at least ten calendar days prior to use. If changed or disapproved by FINRA, the originator of the communication will be notified, and the communication will be withheld from distribution until resubmitted to FINRA and approved by them.

Filing with FINRA is not required:

- if the communication is filled with another regulator with standards comparable to FINRA
- for communications which only reference that options are available from T3TG
- for the ODD and prospectus
- for targeted communications (such as correspondence) used once the ODD or prospectus has been delivered

12.8 OTC Options (Non-Standardized Options)

ROP approval is required prior to writing OTC non-standardized options. Margin requirements may vary from standardized options. Please note, however, that T3TG does not currently engage in OTC options activities.

12.9 Customer Options Classification and Surveillance

FINRA Rule 2360(b)(5); FINRA Rule 3110

T3TG utilizes Dash Financial Technologies via its OMS platforms to route and code options orders. Customer accounts are designated as "Customer" or "Professional Customer" based on applicable exchange rules. Dash reporting reflects the following capacity classifications for customer orders:

- **Customer:** A non-broker/dealer account with no Firm beneficial interest, averaging fewer than 390 listed options orders per day across all broker-dealers.
- **Professional Customer:** A non-broker/dealer account with no Firm beneficial interest, averaging more than 390 listed options orders per day across all broker-dealers.

Dash provides reporting to identify accounts meeting the Professional Customer threshold. A Series 24 Registered Principal, or a supervised designee, reviews and signs off on these reports monthly. Capacity instructions are provided to Dash at onboarding and when changes occur.

Reviews are documented with a signed record and stored on the Compliance Drive, along with an up-to-date list of Professional Customers. Discrepancies are escalated to the CCO or designee. The Firm investigates and resolves issues, which may include notifying Dash and updating internal records.

Responsibility	• CCO / Trade Desk Designee
Resources	• Dash Professional Customer Report • Origin Code Designation Records • Written Instructions to Dash (if applicable)
Frequency	• Monthly review
Action	• Review Dash reports to identify accounts exceeding 390 listed options orders/day • Update capacity designations by notifying Dash, if applicable • Escalate discrepancies to the CCO or designee • Investigate and correct records as needed
Record	• Signed supervisory review stored on the Compliance Drive • Current list of Professional Customers maintained on the Compliance Drive

13 ONLINE TRADING SERVICES

T3TG offers online trading services to its customer/members through T3TG's Internet-based order entry systems. This chapter outlines the policies and procedures specific to the online trading systems.

13.1 System Controls

[FINRA Notice to Members 04-66]

Responsibility	• Compliance / Operations
Resources	• Software to test the system • Outside vendors (if used)
Frequency	• When required - reviews of system breaches • Testing intervals determined by the designated supervisor
Action	• Ongoing and periodic evaluation of the security and integrity of the system. • Maintain records of online trading and backups of trading information generated by the system. • Engage outside vendors (when appropriate) to conduct assessments of the system. • Monitor for unauthorized access to the system and review any potential breaches of security and take corrective action as necessary. • Establish contingency plans for system outages and delays.
Record	• Records of date of testing, who conducted the testing, and results of system testing and corrective action taken, if any • Document system breaches and corrective action taken

13.1.1 Security

T3TG uses encryption technology to maintain a secure website. Access is limited to users with valid passwords and usernames. In addition, internal access is limited to authorized personnel with designated passwords. The OMS trading platforms used also provide encryption and other security measures independently.

13.1.2 Capacity

T3TG will periodically review the system's capacity in view of customer/Member and market activity to ensure adequate capacity is maintained to handle orders under different market conditions.

13.1.3 System Outages

When the online trading system is unavailable or capacity is diminished and limits customer/Members' ability to enter orders, instructions will be communicated notifying customer/Members of alternative methods for entering or revising orders. At all times, customer/Members can contact T3TG's trade desk for information and placing trades.

T3TG has established a contingency plan for dealing with system outages and failures.

13.2 Orders

13.2.1 Order Entry Procedures and Controls

The customer/Members are aided in entering orders online through screens on the trading systems. The systems have certain built-in controls that notify the customer/Members when an order may not be entered or if there are special requirements for a particular security.

13.3 Customer/Member Service

13.3.1 Contact Instructions

T3TG provides online customer/members with the ability to directly access T3TG's customer/member service area by email or by telephone. Instructions are included on T3TG's website.

13.3.2 Customer/Member Complaints

Complaints received from online customer/members will be handled in accordance with procedures outlined in the chapter *COMMUNICATIONS WITH THE PUBLIC* and the section *Complaints*. Refer to that chapter for more information.

14 RISK MANAGEMENT CONTROLS

14.1 Requirements

In order to reduce and eliminate the risk exposure of routing T3TG's orders to various market venues directly or through a sponsoring executing broker and/or third-party provider's risk systems, T3TG has implemented, through various approved arrangements with OMSs and its execution broker(s), certain procedures and controls to establish pre-set limits on order flow, and to limit or eliminate financial risk and the opportunity for erroneous orders being routed to market centers. Such controls are designed to protect the firm, its Members, its introduced customer/members and clearing agent(s) - and adhere and/or complement applicable regulatory requirements, such as SEC Rule 15c3-5 relating to risk management controls for broker-dealers with market access, and will be used in conjunction with the Firm's licensed and/or third-party order entry system(s).

14.1.1 Order Routing Mechanisms / Ownership & Control

T3TG's customer/members utilize various order management systems ("OMS") for the routing of orders to market centers. The various OMSs are owned and operated through independent third parties and one OMS is an affiliate with common ownership with T3TG. These OMS arrangements have been reviewed and approved by the Firm's execution broker, which has assured SEC Rule 15C3-5 compliance. With respect to these various approved OMSs, the sponsoring execution broker and T3TG are notified of any material systems issues directly through email or telephonically.

14.1.2 Direct Access Agreements

As T3TG is a not an active member of any exchange, it does not utilize its membership privileges currently with any other exchange or ECN, and consequently does not route its orders directly unless through routing/execution services agreements. To the extent that an execution broker agrees to provide T3TG with routing/execution services directly to a market venue(s) to which it is a member, the Firm will assure that all appropriate agreements are executed in accordance with the execution broker wishes and the regulatory requirements of the market center.

14.1.3 Certification

T3TG will assure, if within its power, that T3TG will test the OMSs risk management and order flow controls through the third-party vendors, to certify that such systems controls are appropriately designed and operationally adequate to limit or reduce risk consistent with regulatory requirements imposed by SEC Rule 15c3-5. T3TG's CEO will assure that T3TG, its affiliates or any third-party vendors associated are utilized and cooperate with the execution broker to assure prompt and accurate testing of the system to assure compliance with the requirements imposed by SEC Rule 15c3-5.

14.1.4 Monitoring

T3TG will also assure that T3TG has the ability to monitor the systems order-flow on a real-time or near real-time (via drop copies or systems access) basis to assure T3TG's operational efficacy and risk management controls, and to otherwise monitor or gauge order flow and buying power limitations or other restrictions T3TG has pursuant the requirements of SEC Rule 15C3-5 as well as all other regulatory requirements.

14.3 Order Management Systems

14.3.1 Identification Requirement

T3TG does not permit any individual to enter orders through any OMS or through any other mechanism or access the markets without that individual providing proper identification (and, as required, other information), and receiving approval and authorization to route orders to T3TG's execution broker(s).

14.3.2 System Security

To assure the integrity and security of the order routing process, each OMS requires that each trader is issued a unique "trader identification code" and "password." Such devices are designed to properly identify from whom orders originate, prevent unauthorized access, and use and assure that all orders are subject to the Firm's risk management controls. After the issuance of the initial password, each trader may be prompted to create their own personalized password prior to accessing the system to assure a high level of security pursuant to the password protection policy of the OMS. Traders may then periodically change their passwords at the user's own election, depending on the specific security procedures at each OMS. The issuance of these security devices assures that the OMS will only recognize and permit order entry and other defined access to an individual who has been duly authorized by the Firm and has a password which links to his/her unique trader identification code.

14.3.3 Risk Management Pre-Trade Controls

T3TG utilizes multiple pre-trade risk control metrics to assure that its order flow directed, either through the pre-trade risks systems of its execution broker(s) or routed directly to market venues pursuant to a sponsored access agreement with its execution broker, are reasonably designed to systematically limit the financial exposure of the firm, assure compliance with regulatory requirements, particularly SEC Rule 15c3-5, which governs risk management controls for brokers or dealers with market access, and limit or reduce other risks. These risk controls are effectuated through the use of the various OMSs and back-end systems and also applies to any API-based application. These controls operate when routing orders through an executing broker (and their independent risk controls) or directly to a market center through a sponsored agreement.

14.3.4 Pre-trade Risk Controls

The OMSs utilized by T3TG clients have implemented a number of risk controls that limit or eliminate the opportunity for the routing of erroneous orders, limit risk exposure and adhere to regulatory requirements governing order flow and executions. The risk controls generally preclude traders from entering orders if the order(s) would breach any number of predefined limits. Illustrations of pre-trade risk controls that are utilized by one or OMS include:

a. ***Maximum Exposure*** – predefined limit of the amount of buying power that may be utilized during a trading day.
b. ***Maximum OCC Requirement*** – predefined limit of the OCC haircut that may be utilized during a trading day.
c. ***Maximum Order Size*** – predefined limit of the maximum order size that may be routed to a market.

d. * ***Maximum Position Size*** – predefined limit of the amount shares of exposure a trader may have in any one security position.
e. ****Position Multiplier*** – predefined limit of the dollar amount of exposure a trader may have in any one security position.
f. ****Maximum Gross Loss*** – predefined maximum gross loss (realized and unrealized) that a trader may reach before they are no longer permitted to route new opening orders.
g. ****Maximum Open Orders*** – predefined number of open orders a trader may route during a day. If the limit is breached, the trader is not permitted to route additional orders.
h. ****Maximum Number of Positions*** - predefined number of open positions a trader may have during a day. If the limit is breached, the trader is not permitted to route orders in a new security.
i. ****Maximum Stock Price*** - predefined maximum limit price of any stock that may be entered by a trader may have during a day. The trader may not enter a price for a stock that is higher than the predefined limit.
j. ****Minimum Stock Price*** - predefined minimum limit price of any stock that may be entered by a trader may have during a day. The trader may not enter a price for a stock *that is lower than the predefined limit.*
k. ****Auto Closeout Gross Loss*** *- predefined maximum gross loss that may be taken before all position are liquidated or closed out.*
l. ****Auto Closeout Equity*** *- predefined equity limit below which all position are liquidated or closed out.*
m. ***Dynamic Buying Power*** *– This buying power changes with changes in the account equity during the day.*
n. ****Stock Filter*** *- predefined symbols in which a trader may enter orders. Symbols not included would be restricted from order entry.*
o. ***Auto Trim*** *– adjusts a trader's exposure to keep within buying power parameters. When* an account is dropping in value and has dynamic buying power enabled, as the dynamic buying power is reduced, there is a concomitant reduction is open positions, so that exposure does not exceed the dynamic buying power.
p. ***Master Control*** – this assures that the aggregate buying power for the firm cannot be exceeded.

**Share basic risk metrics on each OMS.*

14.3.5 Compliance Controls

In addition to assuring that certain pre-trade risk metrics are incorporated into the various OMSs, there are also certain compliance controls or restrictions to assure that orders are subject to, and compliant with, certain material regulatory requirements governing trading. These compliance controls include:

a. ***Order Marking*** – pursuant to the order marking requirements of Rule 200 of Regulation, T3TG assures that OMSs mark orders in accordance with their tenor for each trader (i.e., long sale or short sale.).

b. ***Locate Requirements*** – pursuant to Rule 203(b) of Regulation, T3TG assures that the OMSs block any attempted short sale of a "hard-to-borrow" security without a bona fide locate. In addition, the OMS will not permit the shorting of any security beyond the quantity of locates received by the trader.
c. ***Clearly Erroneous*** – the provision will not permit a buy or sell limit order to be sent to the market if it was to result in an unfavorable execution at a price exceeding the NBBO by a certain percentage (e.g., 10%).
d. ***Wash Sales*** – the OMSs may not permit a trader to effectuate a wash sale with themselves by routing buy and sell orders with the same limit price to the same venue. To the extent blocks are not active, an exception report will identify any potential exceptions within certain parameters.
e. ***Time Synching*** – each OMS will calibrate its internal clock used for logging order flow with the Atomic Clock periodically throughout each day to assure the OMS' time is accurate.
f. ***Time-in-Force*** – each OMS assures that orders are marked with the appropriate time-in-force supported by the system (i.e., day, IOC etc.).

14.4 Administrative Controls (entitlements and security)

T3TG has assured that only individuals duly authorized receive the ability to route orders, receive market data or other financial data (i.e., charting etc.) or have administrative powers to monitor trading of specific groups of traders within the Firm. As noted earlier, trader identification codes and passwords prevent unauthorized access to the OMS for traders. These devices also prevent individuals from accessing information, such as charting or trading or market data that has not been paid for or authorized by senior management.

14.5 Daily Testing

Each OMS undergoes daily testing prior to the use of the platform for that trading day in order to assure that the risk control and other metrics are fully functional and operational. Any issues relating to the systems' risk management functionality are reported to T3TG's Technology Operations Officer immediately via email.

14.6 Risk Monitoring

T3TG has developed certain risk management redundancies to assure that there are different reviewers of trading activity throughout each trading day in order to detect significant trader losses or other unusual activity and take appropriate remedial actions. Risk Management is conducted through an administrative feature on the various OMSs which permit duly authorized individuals to monitor orders, executions and performance of customer/members and traders.

As part of this daily risk management effort, T3TG has designated at least two Associated Persons dedicated to risk management. The risk manager is responsible for reviewing the profitability and other issues affecting trading daily. T3TG's risk managers also work closely with branch managers and other designated risk management supervisors, if applicable, to assure that any material trading or other risk issue is brought to the attention of senior management and addressed appropriately.

In addition, Branch Managers and other designated risk managers may also be permitted certain risk management responsibilities regarding their traders only. These individuals are required to work closely with the home office and their respective Branch Manager to assure that risk issues are identified, brought to senior management's attention and resolved in an expeditious fashion.

T3TG also works closely with its execution broker(s) and clearing agent(s) to assure that order and execution detail are available, and that any limits or restrictions can be monitored appropriately.

14.7 Annual Audit and CEO Certification

To assure the continuing efficacy of T3TG's OMS risk management controls, the Firm requires that the risk controls are audited formally each year by a third-party agent of the execution broker(s), as provided under SEC Rule 15c3-5. The audit shall assure that the risk management and other controls are functioning as designed and fully operational. In addition, the audit shall be designed to provide recommendations to improve the current system or expand its functionality. The CEO shall request a copy of the report from the execution broker.

The CEO shall review the audit report and conduct any other reviews of the system he may deem warranted as part of his annual assessment of the Firm's risk management and supervisory systems controls with respect to market access. The CEO shall then on an annual basis certify, as part of the annual certification regarding the adequacy of the Firm's risk management and supervisory controls. Such certification shall be in writing and maintained as part of the Firm's books and records in a manner consistent with SEC Rule 17a-4(b).

15 PROPRIETARY TRADING

15.1.1 Introduction

This chapter explains T3TG's Proprietary Trading business.

15.1.2 Clearing Companies

The Firm clears and settles its transactions through Clear Street, LLC.

15.1.3 Review of Daily Transactions

Review of Daily Transactions. The Chief Compliance Officer or delegate shall review all securities transactions on a daily basis. This shall include a review of the trading activity reports of each Associated Person of T3 account. The daily reviews shall include exception reports, error reports or blotters to ensure that T3 policies are complied with. When reviewing daily transactions, special attention should be paid to the following:

- Unusual or sizable transactions;
- Purchases of unfamiliar or unlisted securities, which may be of questionable or unknown quality;
- Transactions suggestive of concentration, fraudulent or manipulative conduct;
- Short sale activity;
- Marking the close;
- Adherence to each individual accounts strategy parameters
- Odd-lot activity; and
- Wash Sales.

15.4 Margin Requirement

The FINOP will monitor the capital balances of each account to ensure that the positions taken on margin do not exceed certain Company limits for T3's net capital requirement.

15.5 Trade Surveillance Exception Reports)

Trade Surveillance Reports (AKA Exception Reports). In addition to real-time surveillance, T3 has developed its own proprietary trade surveillance reports in order to provide the Chief Compliance Officer or delegate the ability to monitor trade activity for possible violations on a T+1 basis. These reports, as well as a complete trade blotter, are updated on an ongoing basis to comply with regulatory changes. T3 implements a program of warnings, fines, suspension and possible termination to assist in enforcement or appropriate rules and regulations. Some of which are detailed in Section II of these procedures. Additionally, a complete list of reports and specifications can be found in Schedule B. The appearance of activity on any of T3's Exception Reports automatically requires an in depth analysis to be conducted.

15.6 Trading

15.6.1 Orders

Orders entered by Associated Persons/Members must conform to applicable FINRA rules. Each Associated Person/Member should familiarize himself with the rules for the specific type of order before engaging in the order. Orders shall be entered on the trading system utilized by the Associated Person/Member or

through the trade support desk (home office). No order shall be entered unless it bears all the account numbers for which the order is being entered. Transactions shall not be booked to another Associated Person/Member after execution without the approval of the appropriate supervisor, and only where the Associated Person/Member ultimately receiving the trade is in fact the Associated Person/Member for which the order was initially intended.

15.6.2 SEC Large Trader Reporting

15.6.2.1 SEC Large Trader Reporting Requirements

Under Rule 13h-1 of the Securities Exchange Act of 1934 (17 CFR § 240.13h-1), the SEC requires certain market participants—referred to as **Large Traders**—to self-identify and report trading activity that exceeds specified thresholds. The SEC, along with Intermarket Surveillance Group (ISG) members, has issued interpretive guidance through FAQs and circulars to support implementation of the rule.
While Rule 13h-1 places the **primary compliance responsibility** on Large Traders themselves, broker-dealers have **limited monitoring obligations** intended to serve as a regulatory backstop. Notably, the rule does **not** require broker-dealers to proactively determine whether an account is a Large Trader but does require appropriate review and escalation when trading activity exceeds threshold levels.

Thresholds and Calculation Methodology
A **Large Trader** is defined as a person or entity that, through investment discretion, effects transactions in NMS securities that equal or exceed:

- **Daily**: 2 million shares or $20 million in notional value
- **Monthly**: 20 million shares or $200 million in notional value

These thresholds apply to the **gross total of all buys and sells**, without netting or offsetting. Calculations include trading in U.S. exchange-listed equities, ETFs, and options on those instruments.
For **options**, activity is converted into equivalent share and notional values as follows:

- **Shares Traded (Options)** = Contracts Traded × Option Multiplier (typically 100)
- **Notional Value (Equity/ETF Options)** = Contracts × 100 × Price of Underlying Security
- **Notional Value (Index Options)** = Contracts × 100 × Index Value

Example (Equity Options):
2,000 GOOG options traded × 100 × $131.43 (stock price) = $26,286,000.
This would meet the daily notional threshold, even if the options themselves cost less.

Example (Index Options):
200 contracts × 100 × $400 = $8,000,000 notional value.

15.6.2.2 Firm Background and Applicability

T3 Trading Group, LLC (“the Firm”) is primarily a proprietary trading firm with one customer account: T3 Global Group LLC, an affiliated entity. The Firm has filed Large Trader Identifiers (LTIDs) for both itself and its sole customer. The Firm monitors onboarding activity to identify any new accounts that could

meet Large Trader thresholds under SEC Rule 13h-1. If a new customer account is accepted, the Firm's procedures will be reviewed and updated accordingly.

The Firm operates as an introducing broker; customer and proprietary accounts are carried by its clearing firms. Under its clearing arrangements, the clearing brokers assist with identifying Large Traders, assigning Unidentified Large Trader IDs (ULTIDs) if needed, and submitting transaction data to the SEC. The Firm coordinates with its clearing brokers to ensure any flagged Large Traders are notified of their Form 13H filing obligations.

15.6.2.3 Supervisory Review Process

The Firm conducts monthly supervisory reviews to identify potential LTID reporting obligations. This review is supported by an automated internal script that analyzes trading activity for both T3 Trading Group and its customer account(s).

Process Summary:

- **Frequency**: Reports are generated monthly based on prior month's trading activity and are reviewed by Compliance on a quarterly basis.
- **Thresholds**: Trading activity is segmented into aggregation units: one for T3 Trading proprietary accounts and one for the customer account. The script calculates total activity by symbol and flags any that exceed SEC thresholds for review.
- **Responsibility**: The Operations/Data Engineering team runs the script and generates reports. The Chief Compliance Officer (CCO) or designee reviews flagged activity.
- **Documentation**: Review results are stored in the Firm's Firestore database and network drive. Reports include reviewer credentials and timestamps.
- **Escalation**: If flagged trading activity suggests a threshold has been exceeded, the CCO reviews the associated account(s) to determine whether a Large Trader filing obligation exists and coordinates with the clearing broker or customer, as applicable.

Additional technical and operational details related to the script and review process are maintained in the Firm's internal compliance reference materials, which are available upon request.

15.6.2.4 Inactivated and Reactivated Large Traders

The Firm's clearing broker is responsible for determining whether a customer qualifies as an **Inactive Large Trader**—i.e., one who has not effected aggregate transactions at or above the identifying activity thresholds during the previous full calendar year. In such cases, the clearing broker may notify the customer that they are eligible to file for **Inactive Status** under Rule 13h-1(b)(3) by submitting an amended Form 13H.
A person or entity in **Inactive Status** that subsequently executes aggregate transactions meeting or exceeding the applicable threshold must promptly file a **Reactivated Status** Form 13H. Upon reactivation, the Large Trader becomes subject to the reporting requirements of Rule 13h-1 and must notify its broker-dealers of the reactivation. The reactivated LTID remains the same; the identifier itself does not change.

15.6.2.5 Terminated Large Traders

Under limited circumstances, a Large Trader may permanently terminate its status by submitting a **Termination Filing** via Form 13H. This is used to inform the SEC that the trader has ceased operations and will not meet the identifying thresholds in the future—for example, due to dissolution, winding down of operations, or acquisition.

In the case of an acquisition, the original LTID may remain active, and the entity's trades may be tagged with both its own LTID and the acquiring entity's LTID, depending on the structure of the integration.

15.6.2.6 Recordkeeping

During the SIFMA Large Trader Reporting Symposium, SEC staff clarified that a broker-dealer only needs to ask a potential Unidentified Large Trader (ULT) whether they qualify **once** and should **document** the inquiry and response.

The Firm maintains records of all accounts it has reason to know meet Large Trader thresholds, regardless of whether the accountholder has filed Form 13H. All records are maintained in accordance with SEC Rule 13h-1 and SEA Rule 17a-4. Documents related to Large Trader compliance are archived for at least **three years**, with the first **two years** stored in an **easily accessible** location as required.

15.6.2.7 Annual Account Update Requirements

T3 Trading Group maintains an **annual review task** to confirm that LTID information filed with the SEC remains current and that the Firm or its customers have submitted either an amended or annual Form 13H as required.

Personnel

Name	Title
Steve Pikowski	Chief Compliance Officer
Garret Marquis	Principal / CEO
Maria Li	Financial Operations Principal
Thomas Ascuitto	Compliance

Supervision

Task	Large Trader Reporting
Responsibility	CCO and/or Designee
Action	Review monthly reports to identify new Large Trader accounts; escalate as needed.
Frequency	Quarterly
Record	Evidence of review documented in Firestore, including reviewer name and timestamp.

Task	Annual LTID/13H Filing Verification
Responsibility	CCO and/or Designee
Action	Confirm with FinOP that annual Form 13H has been filed with the SEC.
Frequency	Annually
Record	Documentation retained in the Firm's Compliance drive.

15.6.3 Regulation SHO

The following sets forth the policies and procedures of T3TG relating to compliance with Regulation SHO ("Reg SHO") under the Securities Exchange Act of 1934 (the "Exchange Act"). The requirements set out in these policies and procedures only apply to transactions in securities subject to U.S. short sale regulation, which generally includes all equity securities traded in the United States. (Sales of non-U.S. securities traded in the United States through American Depository Receipts ("ADRs"), as well as exchange traded funds ("ETFs"), are covered by these policies and procedures. In addition, securities convertible into equity securities are considered equity securities and, accordingly, are also covered). Unless specifically noted, sales of straight debt issues, commodities or other non-securities instruments, and sales of non-U.S. securities traded abroad, are not subject to this Policy.

15.6.4 SEC Large Trader, Short Sale Definition, Ownership, Net Positions and Aggregation Units

Definition of "Short Sale". Rule 200 of Regulation SHO defines a "short sale" as 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. A "short sale against the box" is an example of a sale that must be considered short even though the seller owns the security because the sale is settled with borrowed stock.

15.6.4.1 Ownership.

A person "owns" a security for purposes of Reg SHO if:

- the person or his agent has title to it;
- the person has purchased, or has entered into a binding and unconditional contract to purchase it, but has not yet received it;
- the person owns a security convertible into or exchangeable for it and has tendered such security for conversion or exchange;
- the person has an option to purchase or acquire it and has exercised such option;
- the person has rights or warrants to subscribe to it and has exercised such rights or warrants; or
- the person holds a security futures contract to purchase it and has received notice that the position will be physically settled and is irrevocably bound to receive the underlying security.

15.6.4.2 Net Position.

Under Rule 200(c) of Reg SHO, in order for a person to be deemed to own a security, not only must the person "own" the security as defined above, but the person also must have a net long position in the security. For example, if a broker-dealer that does not have Aggregation Units (as discussed more fully below) has positions in a security in two accounts (e.g., short 1,000 shares in one account and long 300 shares in another account), those positions must be netted to determine the broker-dealer's net position (i.e., 700 short) such that any sales must be marked short even if only selling the 300 share long position in the separate account.

15.6.4.3 Independent Aggregation Units.

As seen above, ownership of a security is discussed in the context of a "person." A "person" may be a natural person or a legal entity such as a corporation, LLC, partnership, etc., including T3. Under certain circumstances, however, a broker-dealer that would normally be viewed as a single "person" may be divided into separate units ("Aggregation Units") and short sale regulations applied at the Aggregation Unit level. T3 has adopted an Aggregation Unit Plan, as follows, so that each T3 Independent Aggregation Unit is separate for purposes of Reg SHO.
T3 has established Independent Aggregation Units, and each Aggregation Unit is able to execute a sale of a security based upon that Aggregation Unit's own positions without considering T3's overall position or the positions of other T3 Aggregation Units. Rule 200(f) of Reg SHO sets forth 4 requirements for maintenance of Aggregation Units:

- maintain a written plan of organization that identifies each Aggregation Unit, specifies its trading objective(s), and supports its independent identity;
- each Aggregation Unit determines, at the time of each sale, its net position for every security that it trades;
- all traders in an Aggregation Unit must pursue only the trading objective(s) or strategy(s) of that Aggregation Unit and MUST NOT coordinate that strategy with any other Aggregation Unit; and
- a trader must be assigned to only one Aggregation Unit at any time.

15.6.5 SEC Large Trader Reporting Plan for Independent Aggregation Units

This section of T3's short sale policies and procedures constitutes T3's written plan for the organization of independent Aggregation Units. T3 considers each of its proprietary traders, or under certain limited circumstances, a group of traders, to be an independent Aggregation Unit of T3. T3 views the treatment of each Aggregation Unit, as a separate unit as appropriate because the trading activity in each Aggregation Unit's accounts is directed only by that Aggregation Unit's Members based upon its trading decisions and is not coordinated with any other Aggregation Unit. Furthermore, each Aggregation Unit's profit and loss is determined solely based upon the activity in its Aggregation Unit to assure that each Aggregation Unit's sole monetary motivation for its trading decisions is the performance of its Aggregation Unit trades and is not dependent on the trades of any other Aggregation Unit.

T3 maintains a spreadsheet containing information regarding each trader including, but not limited to the trading objective or strategies of each aggregation unit or multi-account aggregation unit. The Registered

Representative spreadsheet is incorporated by reference into this T3 Plan for Independent Aggregation Units.

15.6.6 Supervision of Aggregation Unit Requirements

The Chief Compliance Officer is responsible for maintaining/updating T3's Aggregation Unit Plan as necessary. Upon acceptance as a member of the T3, and annually thereafter, each proprietary trader must sign an attestation affirming their agreement and understanding of T3's procedures to ensure compliance with Regulation SHO.

In general, Class B Members do not have the ability to execute transactions, or direct others to execute transactions, in the accounts of any Class C Member under any circumstances, unless the Class B Member is concurrently also a Class C Member, in which case he or she shall be able to execute transactions in the trading account in his or her own name. Class B Members can, however, make recommendations regarding associated Class C Members' trading with respect to risk limits or other risk mitigation strategies to appropriate T3 compliance or risk management personnel. The implementation of any such recommendations is subject to the sole discretion of such compliance or risk management personnel. Risk limits can only be changed if approved by the Chief Executive Officer, Chief Operating Officer or a designated supervisor.

Class B Members do not have access to view individual trading activity or positions held by associated Class C Members on an intraday basis unless they are also a Supervisor. Otherwise, Class B Members only have access on a T+1 basis to their associated Class C Members.

The Compliance department reviews electronic communications to identify any inappropriate communications between Class B & C Members to help ensure that Class B Members only discuss general trading strategies, as opposed to specific trades or trading activity, with associated Class C Members.

In certain circumstances, groups of traders who wish to coordinate trading strategies may request designation as a single Aggregation Unit, sometimes referred to as a "multi-account aggregation unit", in which case the restrictions on coordination of trading described above shall not apply to communication between the members within the designated Aggregation Unit. In all such cases, designation of groups of traders as a single Aggregation Unit shall be subject to the sole discretion of the Chief Compliance Officer.

The Firm has daily post-trade surveillance supervision generated by T3's system as well as surveillance exception reports provided by the Nasdaq SMARTS system, a premier, industry-leading trade surveillance and market abuse software platform used to monitor trading activity to detect potential manipulative and deceptive behavior.

15.6.7 Marking of Sale Orders

15.6.7.1 Marking Requirement.

Rule 200(g) of Reg SHO requires all sale orders, with respect to both equity and debt securities, to be marked either "long" or "short." The SEC eliminated the "short exempt" order designation in July 2007

when the SEC eliminated the tick and bid tests. There is no special order marking designation for short sales that are exempt from the "locate" requirement as discussed below. An order to sell may be marked "long" only if: (a) the seller is deemed to "own" the security and (b) the security is either:

- in the physical possession or control of the broker-dealer, or
- is reasonably expected to be in the physical possession or control of the broker-dealer by settlement date. All sales ineligible to be marked "long," must be marked as "short."

15.6.7.2 Supervision.

T3's third party trading platforms and software tools calculate net long/short positions on a real-time basis to prevent an Aggregation Unit from marking an order inconsistent with such position. To detect any instances in which a trader appears to have an exception to appropriate order marking, the Company generates daily exception reports that are reviewed by the trade desk supervisor. Copies of the exception reports are retained in accordance with T3's record retention policies.

15.6.7.3 Written Supervisory Procedures Acknowledgement Form.

As part of the onboarding process, each new Associated Person/Member is required to fill out the Written Supervisory Procedures Acknowledgement form. As part of this form and as an addition to the above stated aggregation unit plan, each Associated Person/Member is required to identify whether they are a Proprietary Trader. If they identify themselves as a Proprietary Trader they will be required to provide a detailed written description of their individual strategy or be designated as part of a multi-account aggregation unit.

15.6.7.4 Trading Strategies

Any individuals that identifies themselves as a Proprietary Trader, are required to provide a detailed written description on the Written Supervisory Procedures Acknowledgement form, of their individual trading strategy or the trading strategy of the aggregation unit, if they are requesting to be designated as part of a multi-account aggregation unit. Any changes in trading strategy are identified either by the trader notifying T3's Trade Desk Supervisor or through the daily supervision conducted by the Trade Desk Supervisor. Changes to trading strategies are updated periodically on the T3 Registered Representative spreadsheet.

15.6.8 Clearance & Settlement

Clearance and settlement is provided by the Clearing Companies. Each Associated Person/Member is responsible for reviewing his own account for accuracy before the beginning of each trading day. Any discrepancy in the account due to activity, which occurred the prior day, should be addressed before the market opens the following day.

15.6.9 Account Trading Parameters

Upon opening a new account the CEO Garret Marquis, or a delegate in his absence, will set the trading parameters of the account. The compliance staff and the Supervisors will monitor the trading in each account against the trading parameters of the account. Trading activity that deviates from the trading parameters of the account without due cause or approval by theCEO, CCO or delegate, may result in the

suspension of said account. Violating these procedures may result in fines, suspensions or termination of the Associated Person/Member in question. For further information please look under Risk Management.

15.6.10 Short Sales & Affirmative Determination

T3TG follows the Blanket Assurance Policy with regard to listed securities and securities trading on NASDAQ in compliance with Reg. SHO, FINRA Rule 4320 by obtaining EASY TO BORROW lists from its Clearing Companies and locates from stock locate vendors on a daily basis. If an Associated Person/Member enters a short sale order that is not on the Easy to Borrow list and does not have a locate for that trading day, the trading platform will reject the order with a prompt directing the Associated Person/Member to get a locate by contacting the T3TG Trade Desk.

15.6.11 Locate and Delivery Requirements

[SEC Regulation SHO, Rule 203]

Prior to affecting a short sale in an equity security, there is an obligation to "locate" securities available for borrowing and delivery by settlement date. The "locate" must be determined prior to order entry. Exceptions to this requirement are listed below.
It is the Associated Person's responsibility to contact Operations (or consult a "borrow" list if available) to confirm whether the security being sold short may be borrowed. The borrow list relied upon must be less than 24 hours old. The following locate information must be recorded on the order:

- If obtained from a person, the name of the person and the number of shares to be borrowed and the date; or
- If obtained from an authorized "borrow list," notation that the list was consulted and the date.
- If affirmation is obtained from someone outside T3, the order record must also include the name of the person's employer.

15.6.12 Stock Locate Vendor

If an Associated Person/Member is using a trade system operated by or through the Clearing Companies, they must coordinate with T3TG to obtain a locate through approved locate vendors. Once a valid locate is received, T3TG will provide the Clearing Companies with evidence of the locates by the end of the day. Once the pertinent information is communicated to the authorized personnel, they shall enable access to the located stock using an override function.

The locate information required to process the orders stated in this section must include the present location of the securities in question, whether they are in good deliverable form and the locate vendor’s ability to deliver them to T3TG’s Clearing Companies within two (2) business days.

Some trading platforms have a Locate Injector, which allows a Associated Person/Member to enter the symbol in the Locate Field and request a locate directly from the locate vendor. If a locate is obtained, the locate injector will automatically enable access to the located stock using an override function.

To ensure that T3TG exercises diligence in its supervision of short sale violations, T3TG will generate exception reports on a daily basis to be reviewed by a designee of the Compliance Department. As there

are various ways in which short sale violations can occur that cannot be addressed through programming, T3TG shall review this report to strengthen its review for short sale violations. If a violation is detected, the designee shall contact the Associated Person/Member and take appropriate action as deemed necessary.

15.6.13 Odd Lot and Partial Round Lot Trading

Proprietary traders may execute transactions in odd lots (generally fewer than 100 shares or the applicable unit of trading for the security) and partial round lots as part of the Firm's proprietary trading activities, subject to the requirements set forth in this written supervisory procedures manual and applicable securities laws and regulations.

Odd lot and partial round lot ("PRL") trading is generally discouraged by T3TG as such trading is not considered a professional trading strategy. Certain exceptions are permitted for bona fide trading in securities priced at one hundred dollars per share or more and for certain strategies including, but not limited to, pairs trading. Any such trading must be conducted solely in a manner consistent with the Firm's trading, hedging, arbitrage, or other bona fide proprietary strategies.

Proprietary traders are prohibited from using odd-lot or partial-round-lot transactions to disadvantage orders in the market, creating a false or misleading appearance of trading activity, or engaging in any form of manipulative or deceptive practice.

All proprietary odd-lot and partial-round-lot transactions must comply with the Firm's best-execution obligations and applicable FINRA and SEC rules governing order handling, trade reporting, and market integrity. Traders must ensure that such executions are effected at prices and on terms that are fair and reasonable under the circumstances, considering the size of the order, prevailing market conditions, liquidity, and any applicable exchange or ATS rules regarding odd-lot handling.

The Firm's trade surveillance and supervisory systems monitor traders' odd-lot and partial-round-lot activity for patterns indicative of potential manipulation, marking the close, layering, spoofing, or other abusive practices. All such transactions must be accurately and timely reported in accordance with applicable trade-reporting requirements, and detailed records of the rationale, strategy, and execution details are maintained in a readily accessible format for the periods required by law and Firm policy.

Supervisory personnel periodically review proprietary odd-lot and partial-round-lot trading for compliance with this policy, and any material exceptions or red flags shall be escalated promptly in accordance with the Firm's escalation procedures.

The following restrictions are still in effect:

- Unbundling round-lots for the purpose of entering odd-lot orders in comparable amounts;
- Failing to aggregate odd-lot orders into round lots when such orders are for the same account or for various accounts in which there is a common monetary interest;
- Entering both buy and sell odd-lot orders in the same stock before one of the orders is executed, for the purpose of capturing the "spread" in the stock; and

- Other types of odd lot or PRL trading activity that is not consistent with traditional odd-lot investment activity.
- Effecting prearranged or wash sales in the round-lot portion of a PRL for the purpose of effecting an execution of the odd-lot portion of the PRL with no market risk and at a more favorable price than market conditions would have otherwise permitted. (For example, when the quote in XYZ is .05 - .15, if an Associated Person/Member simultaneously bids .06 for 199 shares and offers 100 shares at .06, this would likely result in 100 shares executed at .06 (this would be a prohibited wash sale), and force the market maker to sell to the Associated Person the remaining 99 shares at .06, thereby generating a riskless odd-lot trade at a better price for the odd-lot than the market at the time would have provided.
- Trading activity in odd lot or PRLs that is not consistent with traditional odd-lot investment activity, such as routing multiple PRL orders in close time proximity to each other, or any pattern of activity that would be deemed to be suspicious.
- Any odd lot or PRL trading that is otherwise potentially harassment, disruptive, or manipulative conduct (e.g., "spraying the market" - a number of odd lot or PRL orders sent simultaneously and/or contemporaneously) is also prohibited.

As abusive odd-lot or PRL practices violate such requirements and may also constitute a failure to adhere to principles of good business practice, fraud or fraudulent acts, conduct inconsistent with just and equitable principles of trade, T3 has implemented a policy to facilitate Associated Person compliance with such rules. T3 has elected to implement a policy as follows for odd-lot trading violations:

- 1st Violation: Initial Written Warning
- 2nd Violation: A Monetary Fine of $25
- Subsequent Violations: A Minimum Monetary Fine of $25 per violation but will be increased as determined to be appropriate by the CCO.

Any profits derived from improper or unacceptable odd lot or partial round lot transactions are subject to disgorgement. Associated Persons who are repeat violators risk suspension or termination of their trading privileges.

15.6.14 (Reserved)

15.6.15 Wash Sales

T3TG prohibits Associated Person/Members from conducting wash sales or matched orders. Wash sales are trades of securities without a real change in ownership of the securities traded. Matched orders are orders to buy or sell securities that are entered with knowledge that a matching order on the opposite side has been or will be entered. As the SEC, NYSE, ARCA and FINRA may view such activity as a potentially manipulative or fraudulent device, it is incumbent on supervisors to investigate the trading, including making a determination of any pattern, trading strategy and economic benefit. Supervisors should investigate these exceptions and where appropriate issue a written warning (e.g., deliberate actions). An isolated crossing trade due to a systems error would not be considered deliberate.

T3TG has elected to implement a policy as follows for Wash Sale trading violations:
1st Violation: Initial Written Warning
2nd Violation: A Monetary Fine of $25
Subsequent Violations: A Minimum Monetary Fine of $25 per violation, but will be increased if determined appropriate by the CCO.

Associated Person/Members who are repeat violators risk suspension or termination of their trading privileges.

15.6.16 Marking the Close

T3TG strictly forbids marking the close of any publicly traded issue. In particular, near close of the market, T3TG's compliance department shall look for and address any activity that may be construed by the regulators to be "marking the close." The regulators consider this practice to be a manipulation of the market and it carries heavy fines. Please note that sanctions apply whether such activity was negligent or intentional. If Compliance identifies activity at or near the close, especially in thinly traded stocks with large spreads, please alert the compliance department immediately. In addition, such findings should be noted in each office's daily trade reviews.

15.6.17 Price Manipulation & Unauthorized Market Making

Stocks that trade in low volume (less than 100,000) may be susceptible to trading that is manipulative in nature. T3TG will review instances when an individual Associated Person/Member represents ten percent (10%) or more of the daily trading volume on a particular day for such low volume stocks. In some instances, it may be important to review prior trading in the issue to determine whether there was a particular trading pattern or whether the trading on a particular day was isolated in nature. Apart from issues relating to potential manipulative conduct, any pattern of trading where the Associated Person/Member consistently represents an inordinate percentage of the daily trading volume may raise the specter of a requirement to register as a market maker in the stock. In addition, holdings representing a significant percentage of the outstanding shares in a particular issue may subject T3TG and/or the position holder to submit a regulatory filing. Supervisors must review all instances and respond to the Compliance Department with respect to their findings. Any unusual, suspicious or potential manipulative activity should be reported immediately to the Compliance Department for review and determination of whether disciplinary recommendations are warranted.

15.6.18 Proprietary Trading Origin Code Surveillance for Options

T3TG utilizes Dash Financial Technologies via its various OMS systems to route and code option orders. Orders are assigned the appropriate origin code, typically for T3TG, the origin code will be "Broker/Dealer - Customer" for proprietary accounts.

"Broker/Dealer - Customer" capacity is hard-coded for internal accounts. Compliance reviews Dash reports that reflect the option order origin codes at least quarterly. These reports are archived as part of the Firm's trade surveillance process. Any discrepancies are investigated and corrected as needed.

For orders routed through Instinet, the Firm's capacity is hard-coded as "A" (General ProCust Capacity) under the standard FIX protocol. While this designation is applied at the platform level, Compliance reviews these settings periodically to ensure alignment with the Firm's intended regulatory capacity.

15.6.19 Proprietary Trading Options Capacity and Origin Code Definitions

The following origin codes are used in Dash's listed options trading reports to identify participant type. These classifications are used in capacity designations, routing instructions, and surveillance:

- **Broker-Dealer Customer**: A proprietary account of a broker-dealer (such as T3TG) that clears as "Customer" at the OCC.
- **Broker-Dealer Firm**: A proprietary account of a broker-dealer that clears as "Firm" at the OCC.
- **Firm**: An OCC clearing member trading for its own proprietary account, clearing as "Firm."

Instinet uses the following raw capacity codes to identify participant type, broken out by exchange:

- **A**: General ProCust Capacity
- **2**: MEMX ProCust
- **8**: ARCA/AMEX, ISE/GEMX/MRX/PHLX, MIAX/Pearl/Sapphire/Emerald ProCust
- **P**: Nasdaq/BX ProCust
- **T**: BOX ProCust
- **U**: BATS/EDGX/C1/C2 ProCust

15.6.19 LLCs as Class B Members

From time-to-time and on a case-by-case basis, T3TG may accept LLC entities as Class B Members, but only with the express written approval of the Chief Compliance Officer Steven Pikowski.

Generally speaking the LLC and its Members are subject to all the rules and procedures outlined throughout the T3TG WSP, unless specific special exceptions are detailed herein this Section 4, as well as all applicable FINRA and SEC Rules and Regulations.

15.6.20 Prerequisites

In order for an LLC to be considered for becoming a Class B Member of T3TG, there are several prerequisites that must be met and are listed as follows:

- The LLC must complete the LLC Account Pack in its entirety,
- All Members of the LLC should also be Registered Associated Person/Members of T3TG,
- If available, the Previous 3 month's bank statements must be submitted with the application and if approved, every month thereafter,
- The LLC must supply their Operating Agreement, which must list all Members of the LLC and if approved as a Member, any updated Operating Agreements thereafter, e) The LLC must provide a copy of its State Certificate of formation

15.6.21 Profit Splits

The LLC as a Class B Member will be allowed to receive the profit split for those Registered Associated Person/Members of T3TG that are also Members of the LLC, provided they have filled out the T3TG Journal Request Form with all applicable approvals.

15.6.22 Other LLC Prohibited Acts:

- The LLC will not mark up any commission rates or participate in any transaction-based income from its T3TG Associated Person/Members.
- LLC Members cannot be Class C Members.
- LLCs will not be proprietary traders in and of themselves.
- T3TG will not accept capital contributions from the LLC and the LLC may not accept capital contributions from its own Members that are also Registered Proprietary Traders of T3TG. The LLC may only accept capital contributions from its Class A Member(s)/The LLC's Managing Member, so long as he is also a Registered Associated Person/Member of T3TG.

15.6.23 Email and Other Communications with the Public

All communications with the public by the LLC and its Members will be bound by the Rules outlined later in these WSPs in regards to these matters. If the LLC would like to maintain an internet domain and email addresses other than those provided by T3TG, must receive prior approval from T3TG's Chief Compliance Officer. As a reminder, all content for the website must be approved prior to posting and the email domains must be monitored through the T3TG's approved surveillance systems, currently SMARSH.

15.6.24 LLC Supervision

As Registered Associated Person/Members of T3TG, all LLC Members will automatically be assigned appropriate Supervisors in the normal course of business. Review of monthly bank statements, communications with the public and general business activities of the LLC will be supervised by the Chief Compliance Officer or delegate.

15.6.25 Capital Contributions

15.6.25.1 General

Class B & C Members may make a capital contribution to T3TG. All such funds cannot be third party funds, but must be from the Class B or C Member. To ensure that all contributions are from Class B or C Members, T3TG does not except any checks or wires from an account that states a third-party name. In addition, T3TG does not accept physical cash or physical cash equivalents such as money orders, and requires all of its Class B & C Members to sign and acknowledge that they are aware of T3TG's policies against the receipt of third-party funds and will abide by such terms during their registration with T3TG.

15.6.25.2 One Year Lockup on All Capital Contributions.

All capital contributions by Class B & C Members shall be subject to SEC Rule 15c3-1 Under the Rule, all capital contributions will be held for a minimum of one (1) year from the date of contribution, and can only be withdrawn after the one-year anniversary date of the contribution. Such conditions and terms of

the Rule are set forth in the Operating Agreement. Such treatment of capital contributions under the Rule is also set forth in the Signature Page to the T3TG Operating / Trading Agreement, which is signed by the associated individual. A copy of the Signature Page is retained in each Associated Person/Member's file maintained by T3TG.

15.6.26 Risk Management

General. Every Proprietary Trader is issued pre-determined risk management controls as part of the initial account opening process. These limits are specifically tailored to the individual trader's trading profile based on a wide array of characteristics including but not limited to years of trading experience, performance track record (specifically consistency and Profit and Loss peak to trough) and the specific trading strategy to be implemented. Each trader has a number of pre-determined risk settings that are put in place during the account opening process; these include:

- Maximum Position Size – maximum # of shares per position
- Maximum # of positions
- Maximum order size
- Maximum Loss – if a trader's gross loss exceeds this limit, the trader can place closing orders only.
- Reset – this is a pre-determined limit that is less than the maximum loss setting. This setting allows opening orders to resume being placed if the trader's gross loss recovers to less negative. Example: If the maximum loss is ($500) and reset is ($490); the trader will be stopped from placing opening orders if his/her gross loss exceeds ($500) and he/she would be allowed to resume placing opening orders if his gross loss recovered to better than ($490)
- Buying Power

Supervisors and Risk Setting Approval Process. Supervisors confer with Class B Members, when applicable, to make determinations of when adjustments to the pre-determined risk settings are appropriate. These adjustment requests are emailed by the Supervisor to the CEO and Chief Operations Officer Garret Marquis, (or an approved Delegate) for approval.

Once approval has been given by Mr. Marquis his designee, instructions are given to implement the adjusted risk setting. These instructions are then emailed to the associated third-party trading platform for implementation from pre-approved Associated Person/Members of T3TG. Risk Settings can also be adjusted on an ongoing basis for that specific trading day or permanently after the request has been approved.

Risk Parameter Breaches. If a trader breaches their gross loss risk setting in a manner that falls outside of an acceptable margin for error, this event may be flagged by Compliance or Mr. Marquis as a failure to act. This can result in a reduction in the trader's risk settings, fines or termination from the Company.

T3TG reserves the right to take action at any time without notice, including, but not limited to:

- Liquidating positions;
- Reducing risk parameters;

- Restricting access
- Closing an account

Risk Management Tools:

- Each trading platform that T3TG uses is equipped with a risk management suite of tools. This includes:
- A “risk monitor” that displays both individual and grouped positions and realized and
- unrealized profit and loss, quickly and efficiently
- Risk settings adjustment tools to allow risk setting adjustments in real-time
- Order Execution Interface that allows the user to place orders against any account that may warrant intervention
- In addition, T3TG has built a proprietary risk management tool that allows the user to view traders across multiple platforms in one interface.
- PropReports is our online account reconciliation website that is password protected and access is granted on authorized only user specific basis. The site allows approved individuals access T+1 to access previous trading day and historical activity as well as end balances.

Other Tools. Risk events and update are reported via email to a risk management distribution list: Compliance@T3trading.com.

15.6.27 Rule 15c3-5 & T3TG’s Market Access

The Market Access Rule under the Exchange Act generally requires a broker-dealer with market access, or that provides a customer/member or any other person with access to an exchange or ATS through use of its MPID or otherwise, to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of this business activity.

The rule applies broadly to all forms of market access by broker-dealers that are exchange members or ATS operators or subscribers, including sponsored access, direct market access, and more traditional agency brokerage arrangements with customer/members, as well as proprietary trading (including market making activities). Accordingly, the term “market access” includes all such activities. By virtue of its requirements, the rule also prohibits broker-dealers from providing “unfiltered” or “naked” access to an exchange or ATS. In addition, the definition of market access encompasses trading in all securities on an exchange or ATS, including equities, options, exchange-traded funds, debt securities, security futures and security-based swaps.

15.6.28 T3TG’s Market Access

T3TG does not have direct market access or provide any direct market access to any other party. T3TG is not a member of any exchange. T3TG routes its orders to other broker-dealers including, but not limited to Clear Street, Lynx Trading Technologies LLC (“Lynx/Sage”), Dash Financial Technologies ("Dash"), and Instinet, LLC (“Instinet”). T3 Trading has a clearing arrangement with Clear Street.

Dash Financial Technologies is an institutional trading technology provider and execution services firm,

specializing in innovative options and equities trading tools.

SageTrader, LLC is a broker-dealer that has collaborated with Lynx Trading Technologies to enhance their institutional trading services. Lynx Trading Technologies provides price optimization that evaluates and captures short-selling locate availability from all of SageTrader's stock loan providers to offer clients an expanded short-selling inventory and improved, competitive costs for locates.

Instinet, LLC is a global agency broker-dealer that provides electronic trading services, algorithms, and dark pool liquidity to institutional clients. It functions as an independent a subsidiary of Nomura Group, offering execution with technology-driven trading solutions to its institutional clients.

Clear Street, LLC is a financial technology and brokerage firm that offers cloud-based infrastructure for institutional clients, including prime brokerage, clearing, custody, and execution services.

15.6.29 Regulation M

Regulation M addresses certain activities that could be viewed as artificially impacting the price of an offered security, It is intended to protect the integrity of the securities offering process by preventing persons with a financial interest in a securities offering from taking particular actions that might manipulate the market for the securities being offered.

Rule 101

Rule 101 restricts distribution participants and their affiliated purchasers from bidding for, purchasing, or attempting to induce others to bid for or purchase, covered securities during the applicable restricted period.

Rule 102

Rule 102 prohibits issuers and selling security holders, and their respective affiliated purchasers, from bidding for, purchasing, or attempting to induce others to bid for or purchase, any covered security during the applicable restricted period.

Rule 103

Rule 103 provides an exemption for the continuance of certain passive market making activities in a security by a distribution participant during the Rule 101 restricted period if the distribution participant is a registered market maker.

Rule 104

Rule 104 provides that it is “unlawful for any person, directly or indirectly, to stabilize, to effect any syndicate covering transaction, or to impose a penalty bid, in connection with an offering of an y security” except in accordance with the provisions of Rule 104.

Rule 105

Rule 105 prohibits any person that has sold short a security that is the subject of a registered offering from purchasing securities in the offering from an underwriter, broker or dealer participating in the

offering if the short sale took place during a specified period prior to the pricing of the offered securities (the pre-pricing period).

15.6.30 Regulation M and T3TG

T3TG is in the business of proprietary trading in the secondary market only and does not participate in the offering of any security, either as a distribution participant or as an investor. Therefore, T3TG does not currently conduct any business that would require special attention in regards to Regulation M. If the business model of T3TG were to change, the Chief Compliance Officer would alter T3TG's procedures to account for those modifications.

16 FOREX

Foreign Currency Exchange (FOREX) Transactions

Reference: FINRA Rules and NFA Rules	FINRA Regulatory Notice 08-66; NFA Brochure: www.nfa.futures.org/NFA-investor-information/publication-library/forex.pdf 2110 2-36		
Resources:		**Compliance**	• Public communications including advertising correspondence (if applicable) • Order Records • Account Records
Frequency:		**Compliance**	• As required – Review orders • Monthly of more frequently, if necessary – review account records
Action:		**Compliance**	• Designated supervisor: Refer advertising to Compliance for review / approval Review Orders and accounts for rule violations and against outside accounts • Compliance Review / approve advertising and sales literature Conduct due diligence on traders Review communications
Record:		**Compliance**	• Designated Supervisor: orders / account records • Compliance: Advertising / Sales Literature, account reviews

FOREX transactions are conducted in the OTC market between customer/members and dealers. Members who intend to trade FOREX must comply with the requirements of this policy. Questions should be

referred to Compliance.

16.1.1 Qualifying Members

Members who engage in FOREX transactions must:

- Acknowledge they may lose all of their investment
- be provided the NFA brochure “Trading in the Off-Exchange Foreign Currency Market.

16.1.2 Risks

Trading in foreign currencies includes the following risks which the member must understand:

- The currency market is extremely volatile; some currencies are more volatile than others and members are exposed to substantial currency risk.
- Leverage may be at ratios of 400:1 or higher which magnifies even minor fluctuations in currency rates resulting in increased gains or losses.
- There is no central clearing organization for FOREX transactions and funds deposited for currency transactions are not covered by SIPC.
- Members may lose their entire investment.

16.1.3 FOREX Related Communications

As for all communications, FOREX communications must be fair and balanced. Advertising or sales material must be submitted to Compliance for approval prior to use.

Communications must not be misleading regarding aspects of FOREX trading, including:

- The likelihood of profits or the risks of FOREX trading, including leveraged trading;
- The Firm’s role in or compensation from trades;
- The Firm’s access to the Inter-bank currency market; or
- The performance or accuracy of electronic trading platforms or software sold or licensed by or through the Firm to members in connection with FOREX trading, including falsely advertising claims regarding slippage rates.

FOREX communications cannot include references to SIPC since SIPC does not cover currency transactions.

16.1.4 FINRA / NFA Requirements

FINRA has stated that currency exchange activities must be conducted consistent with NFA requirements, some of which duplicate rules applicable to FINRA members. The following are the standards including FINRA Regulatory Notice 08-66:

- Misappropriating or mishandling member funds;
- Failing to disclose the Firm is acting as a counterparty to a transaction;
- Failing to adequately disclose the risks associated with FOREX trading;
- Using, selling or leasing electronic trading platforms that allow “slippage” of trade

executions in a manner that disproportionately or unfairly affects the member;

- Making post-execution price adjustments that are inappropriate and unfavorable to the member;
- Creating false books and records;
- Failing to adequately disclose to members the risk and terms of leveraged trading.

17 FUTURES

Futures Transactions

Reference: **FINRA Rule(s)** **NFA Rules**	FINRA Regulatory Notice 08-66; NFA Brochure: www.nfa.futures.org/NFA-investor-information/publication-library/forex.pdf 2110 2-36	**Responsibility:**	
Resources:		**Compliance**	• Public communications including advertising correspondence (if applicable) • Order Records • Account Records
Frequency:		**Compliance**	• As required – Review orders • Monthly of more frequently, if necessary – review account records
Action:		**Compliance**	• Designated supervisor: Refer advertising to Compliance for review / approval Review Orders and accounts for rule violations and against outside accounts • Compliance Review / approve advertising and sales literature Conduct due diligence on traders Review communications
Record:		**Compliance**	• Designated Supervisor: orders / account records • Compliance: Advertising / Sales Literature, account reviews

Futures transactions are conducted on exchanges. Members who intend to trade Futures must comply with the requirements of this policy. Questions should be referred to Compliance.

17.1.1 Qualifying Members

Members who engage in Futures transactions must:

- Acknowledge they may lose all of their investment
- Sign off on T3TG's "Risk Disclosure Statement for Securities Futures & Acknowledgement" Form.

17.1.2 Risks

Trading in futures includes the following risks which the member must understand:

- The futures market is extremely volatile; some futures are more volatile than others and members are exposed to substantial risk.
- Futures margin requirements are set by the exchanges and are typically 2 to 12% of the full value of the contract. Bitcoin may be up to 44%
- T3TG will typically start Futures leverage at 5:1 (intraday and overnight). Interest is charged daily.
- Bitcoin products come with a charge of 2% the member's allocation per month. For other Futures products there is a charge of 1%
- Members may lose their entire investment.

17.1.3 Futures Related Communications

As for all communications, Futures communications must be fair and balanced. Advertising or sales material must be submitted to Compliance for approval prior to use.

Communications must not be misleading regarding aspects of Futures trading, including:

- The likelihood of profits or the risks of Futures trading, including leveraged trading;
- The Firm's role in or compensation from trades;
- The Firm's access to the exchanges; or
- The performance or accuracy of electronic trading platforms or software sold or licensed by or through the Firm to members in connection with Futures trading, including falsely advertising claims regarding slippage rates.
- Futures communications cannot include references to SIPC since SIPC does not cover currency transactions.

17.1.4 FINRA / NFA Requirements

FINRA has stated that the Futures exchanges activities must be conducted consistent with NFA requirements, some of which duplicate rules applicable to FINRA members. The following are the standards set by FINRA:

- Misappropriating or mishandling member funds;
- Failing to disclose the Firm is acting as a counterparty to a transaction;
- Failing to adequately disclose the risks associated with Futures trading;
- Using, selling or leasing electronic trading platforms that allow "slippage" of trade executions in a manner that disproportionately or unfairly affects the member;
- Making post-execution price adjustments that are inappropriate and unfavorable to the member;
- Creating false books and records;
- Failing to adequately disclose to members the risk and terms of leveraged trading;

18 ANTI-DISCRIMINATION & HARASSMENT POLICIES

T3TG is committed to providing a work environment that is free from unlawful discrimination and harassment in any form. It is T3TG's policy to comply with all applicable laws that provide equal opportunity in employment for all persons and to prohibit unlawful discrimination in employment. T3TG's policy is not to discriminate by reason of race, color, religion, sex/gender, gender identity, sexual orientation, marital status, pregnancy, genetic information, citizenship status, national origin, age, disability or veteran status. T3Tg Policy prohibits unlawful discrimination/harassment and other inappropriate or unprofessional conduct.

18.1 T3TG Policy

This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

18.1.1 Accommodations

T3TG will make reasonable accommodations for qualified individuals with disabilities unless doing so would result in an undue hardship. Persons with disabilities who are in need of accommodation are encouraged to discuss their needs with their Supervisor and the Compliance Department.

This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

18.1.2 Work Environment

T3TG insists that all individuals be treated with respect and dignity. Each individual should be able to work in a professional atmosphere that promotes teamwork and attainment of T3TG's goals. Improper interference with the ability of T3TG's Associated Person/Members to perform their expected job duties is unacceptable and unprofessional. T3TG expressly prohibits any form of unlawful discrimination, unlawful harassment, and any other inappropriate or unprofessional conduct and will not tolerate, condone, or allow such conduct by fellow Associated Person/Members, supervisors, managers, vendors, contractors, visitors, or others who conduct T3TG business. T3TG's "work environment" extends to all T3TG facilities and any setting outside the workplace where individuals who are associated with T3TG are gathered, such as business trips, conferences, and social events.

18.1.3 Sexual Harassment Prevention

The purpose of this policy statement on sexual harassment is to establish clearly and unequivocally that T3TG prohibits sexual harassment by and of its Associated Person/Members. No associated person, either male or female, should be subjected to unsolicited or unwelcome sexual advances or conduct either verbal or physical. "Sexual harassment" has been defined by government agencies and the courts as conduct which includes all unwelcome sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
- Submission to, or rejection of, such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct is sufficiently severe or pervasive to alter the conditions of employment and to create a hostile or abusive working environment.

Sexual harassment may take many forms, including, but not limited to: verbal teasing or abuse of a sexual nature; inquiries about sexual activities, sexual orientation and gender identity; subtle pressure or abuse of a sexual nature; inappropriate, unwelcome and unnecessary touching of an individual, for example, grabbing, patting, pinching, hugging, repeatedly brushing against another associated person's body or impeding the movement of another person; offensive sexual flirtation, advances, or propositioning, including suggestive looks or gestures; sexually graphic verbal commentaries or jokes made in any medium; sexually degrading words used to describe an individual; or the offensive display in the workplace of sexual or pornographic objects, pictures or writings.

18.1.4 Racial/Ethnic Discrimination and Harassment

The purpose of this policy statement on racial/ethnic discrimination and harassment is to establish clearly and unequivocally that T3TG prohibits racial and ethnic discrimination, including racial/ethnic harassment, by and of its Associated Person/Members. No Associated Person/Members, regardless of race or ethnicity, should be subjected to racially or ethnically offensive, hostile, or intimidating conduct either verbal or physical. Conduct with racial or ethnic content or overtones, which is severe, pervasive or persistent, may be considered racial/ethnic harassment. Racial/ethnic harassment may take many forms, including, but not limited to: menacing behavior, words, or symbols directed at persons of a particular race or ethnicity; displaying, distributing or otherwise communicating anything offensive in any medium which focuses on race or ethnicity; making critical or mocking comments about racial or ethnic characteristics, such as voice, accent, physical features, hair texture, or manner of dress; perpetuating or promoting racial/ethnic stereotypes, such as assumptions about likes and dislikes based on race or ethnicity; assigning persons to an isolated or separate work area based on their race or ethnicity; basing overtime assignments on race or ethnicity.

18.1.5 Other Illegal Harassment

In addition to sexual, racial, and ethnic harassment, T3TG recognizes that other forms of unlawful harassment exist. Such unlawful harassment may target persons because of their color, religion, sexual orientation, gender, marital status, pregnancy, genetic information, citizenship status, national origin, age, disability, veteran status, or other factors. T3TG will not tolerate such conduct.

18.1.6 Other Inappropriate or Unprofessional Conduct

T3TG also prohibits conduct by or toward any Associated Person/Members, supervisors, managers, vendors, contractors, visitors, or others who conduct business with T3TG that is inappropriate in a work environment or is considered unprofessional. Such conduct includes behaviors that improperly interfere with the ability of T3TG's Associated Person/Members to perform their expected job duties.

18.1.7 Complaint Procedure

T3TG Investigates Complaints Relating to Any Unlawful Discrimination Or Harassment and to Inappropriate or Unprofessional Behavior.

Each Associated Person/Members of T3TG is responsible for maintaining a work atmosphere free of discrimination and harassment, sexual or otherwise. Further, Associated Person/Members of T3TG are responsible for respecting the rights of fellow Associated Person/Members. It is T3TG's policy to thoroughly investigate and remedy any known incidence of unlawful discrimination or harassment. T3TG is equally committed to respond to complaints of inappropriate or unprofessional behavior. In order to accomplish this policy, unlawful discrimination or harassment, as well as any other inappropriate or unprofessional behavior by or toward any T3TG Associated Person/Members, supervisor, manager, vendor, contractor, visitor, or other person, must be brought to the attention of T3TG Compliance. Accordingly, if you experience any harassment based on your gender, race, ethnicity, religion, or other Protected Classification, believe you have been treated in an unlawful, discriminatory manner, or are subjected to inappropriate or unprofessional behavior, do not ignore it. Although T3TG encourages you to express your concerns directly to the offending person, if, in your judgment, informal, direct communications between individuals is ineffective or impossible, you should immediately communicate your problem to T3TG Compliance. To do so, promptly report the incident to Compliance@T3Trading.com or in person (ideally within 48 hours of the occurrence), who will investigate the matter and take appropriate action.

18.1.8 No Retaliation

T3TG prohibits any form of retaliation against any Associated Person/Members for making a bona fide complaint under this policy or for assisting in a complaint investigation. Retaliation of any kind will be considered a violation of this policy.

18.1.9 Remedial Measures

If unlawful discrimination, harassment, inappropriate or unprofessional conduct is found to have occurred, appropriate remedial action will be taken. If a T3TG Associated Person/Members is found to have violated this policy, such Associated Person/Members will be subject to disciplinary action up to and including immediate termination.

18.1.10 Management Responsibilities

Managers and supervisors have special responsibilities with respect to the policy against discrimination and harassment. They must understand T3TG's Policy prohibiting discrimination and harassment. Generally, T3TG's anti-discrimination policy requires that employment decisions and actions are made without regard to a person's race, color, religion, sex/gender, gender identity, sexual orientation, marital status, pregnancy, genetic information, citizenship status, national origin, age, disability, or veteran status. Examples of employment decisions include, but are not limited to, evaluating Associated Person's performance; making recommendations on hires, transfers, discipline, corrective action and termination. Not only must managers and supervisors conduct themselves in a manner consistent with this policy, they

are also responsible for establishing and maintaining a work environment free of unlawful harassment and unlawful discrimination. Managers and supervisors must educate Associated Person/Members on the policy. They must maintain open lines of communication, allowing Associated Person/Members to express their concerns without fear of retaliation. They must stop any form of harassment they observe. They must identify incidents of discrimination immediately and report them to Compliance. Managers and supervisors must ensure, with assistance from Compliance, that an investigation of allegations of discrimination or harassment is initiated immediately after they are reported. Based on the investigation, managers and supervisors must take appropriate and immediate action.

18.1.11 Associated Person/Members Responsibility

Associated Person/Members have important responsibilities with respect to the policy against unlawful discrimination and harassment. T3TG's Associated Person/Members are responsible for knowing and understanding this policy and promoting a workplace free of unlawful discrimination and harassment by conducting themselves in a manner consistent with this policy. Associated Person/Members also have a responsibility to report any unlawful discrimination or harassing conduct they are subjected to or they observe taking place toward another Associated Person/Members immediately to their supervisor, or Compliance.

18.1.12 Compliance Responsibility

Compliance has the same responsibilities as all other Associated Person/Members relative to compliance with T3TG policy. In addition, they are responsible for conducting thorough investigations of the complaints that are brought forward by management. Compliance should also notify T3TG management within twenty-four hours of all complaints of discrimination and harassment. Compliance will assist in determining the proper mode of investigation and the appropriateness of involving other Company resources. Maintaining appropriate confidentiality throughout investigations is critical. FINRA 3110