

### How to Setup an Auto Trading Account

1. **Complete the required Investrade New Account Forms.**
2. **If applicable, please fill out the margin or option trading application.**
3. **Complete the A) Investrade Auto Trade Terms and Conditions agreement and B) the Auto Trade Limited Trading Authorization Form. Please indicate the newsletter service(s) you currently subscribe and the amount you wish to allocate to each trade alert.**
4. **Return your completed and signed forms to the Investrade address listed above. Please keep copies for your records. You will be contacted by customer service with your Investrade account number.**
5. **Be sure to fund your account. Auto Trading will not begin in your account until you have deposited the appropriate funds. Go to <http://www.investrade.com/fund-account.htm> for funding options. The quickest way to fund and begin auto trading is via wire transfer.**
6. **If you desire to change, place on hold, or cancel your Auto Trade enrollment, please complete an Auto Trading Update Form. The Auto Trading Update Form is available for download at the following address: [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html).**

## What You Should Know About Auto Trading

First, make sure that you have properly subscribed to a participating newsletter publisher. Once you complete and sign the appropriate Investrade new account paperwork and Investrade Auto Trading forms, you authorize Investrade to place Auto Trades provided by the authorized newsletter publisher of your choice.

Auto trading begins when Investrade's New Account Department has processed and approved your completed and signed account paperwork, contacted you with your Investrade account number and you have funded your account.

**Important – Auto Trading will not begin until you fund your account!** Auto Trading will not occur, regardless of the instructions from your authorized newsletter publisher, unless there are sufficient funds available in your account. Investrade will only place an Auto Trade in an account having available cash or buying power to place the recommended Auto Trade. Investrade will not place Auto Trade option orders that will result in additional margin debt. If your Auto Trading program requires or recommends the use of margin, Investrade requires pre-authorization and you must have a completed margin application on file.

Auto trading will continue in your account until your subscription is cancelled or placed on hold by you, or your account lacks sufficient funds. If you cancel your financial newsletter subscription for any reason, you are also responsible for notifying Investrade to cancel each Auto Trade service.

If you desire to change, place on hold, or cancel your Auto Trade enrollment, please complete an Auto Trading Update Form. The Auto Trading Update Form is available for download at the following address: [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html).

At any time, if you terminate your Auto Trading service with Investrade, you may not restart until you complete and sign a new Auto Trade Limited Trading Authorization. This form is available at [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html).

### Account paperwork, checks, or new Auto Trade Limited Authorization forms may be submitted to:

Mail: Investrade Discount Securities  
New Accounts Department  
950 Milwaukee Ave., Ste. 102  
Glenview, IL 60025  
Fax: 1-800-498-7120  
Email: [support@investrade.com](mailto:support@investrade.com)

### Funds can also be wired to:

Wires must be sent to same-titled accounts. No third party wires may be processed.

Domestic:  
JP Morgan Chase Bank  
ABA 021000021  
F/A Penson Financial Services  
ACCT #066-6-00030  
FFC: Customer Acct # & Customer Name

International:  
Chase Manhattan Bank, NYC  
Swift # CHASUS33  
FAO Penson Financial Services  
ACCT 066600030  
FFC: Customer Acct # & Customer Name



950 Milwaukee Ave., Ste. 102  
 Glenview, IL 60025  
 Tel: 1-800-498-7120  
 Fax: 1-877-367-8466  
 Web: www.investrade.com

| Account Title | Account Number |
|---------------|----------------|
|               |                |

## Auto Trade Limited Trading Authorization

| Newsletter Publisher Name (required) | For Stock Newsletters Only                             |                    |             |                       |    |             |    |
|--------------------------------------|--------------------------------------------------------|--------------------|-------------|-----------------------|----|-------------|----|
|                                      | - Choose One - Maximum Amount Per Trade - Choose One - |                    |             | Margin Buying Power** |    | Short Stock |    |
| Program / Service Name               | Quantity of Shares/Contracts                           | Dollar Amount (\$) | Percentage* | Yes                   | No | Yes         | No |
|                                      |                                                        |                    |             |                       |    |             |    |

\* Auto trade orders using a percentage basis will be calculated using a percentage of total account value up to the cash available in the account. If you choose to use margin, auto trade orders using a percentage basis will be calculated by taking a percentage based on available buying power.

\*\*The newsletter publisher may enter into short stock transactions; in order to participate in these trade alerts you will be required to have an approved margin agreement on file with Investrade. Investrade will not automatically borrow funds to meet your newsletter publisher's stock trade alerts unless you indicate that you would like to use margin for the trade alert by initialing the box marked yes below margin up above. IRA accounts are prohibited from having margin therefore cannot participate in sell short trade alerts. If you have questions or concerns about the use of margin, please call one of our auto trading specialists at 1-800-498-7120.

The undersigned is a subscriber to a newsletter publisher that offers suggestions on buying, selling, and entering transactions involving stocks, options and related strategies. The specific service(s) to which the undersigned has subscribed is (are) as follows:

Auto Trade orders using a percentage basis will be calculated using a percentage of total account value up to the cash available in the undersigned's account. If the undersigned chooses to use margin, Auto Trade orders using a percentage basis will be calculated by taking a percentage based on available buying power.

The newsletter publisher may enter into short stock transactions. In order to participate in these trade alerts, the undersigned will be required to have an approved margin agreement on file with Investrade. Investrade will not automatically borrow funds to meet the undersigned's newsletter publisher's stock trade alerts unless the undersigned indicates that he/she would like to use margin for the trade alert by initialing the box marked 'Yes' below the 'Margin Buying Power' box above. IRA accounts are prohibited from having margin and therefore cannot participate in short sale trade alerts.

The newsletter publisher, from time to time, provides the undersigned with written suggestions for stock and option transactions or strategies. The undersigned has instructed the newsletter publisher to furnish Investrade with this same information to allow Investrade to place the Auto Trade(s) in the undersigned's account. Investrade and its agents and representatives are hereby authorized to follow the trade alerts and strategies of the authorized newsletter publisher and the services noted above as it relates to entering stock and option transactions and utilizing related strategies in the undersigned's account. The undersigned understands that Investrade will not place any transactions, regardless of the instructions from the newsletter publisher, in my account if there are not sufficient funds or available margin buying power, if margin is applicable. This Limited Trading Authorization does not grant the above-designated agent(s) full discretionary authority to trade in the undersigned's account. I understand that the newsletter publisher is independent from and in no way affiliated with Investrade agents or representatives.

ACCORDINGLY, the undersigned hereby authorizes Investrade as the undersigned's agent and attorney-in-fact, with full power and authority on the undersigned's behalf to buy, sell, (including short sales) and trade in stocks and options, and any contracts relating to the same, on margin or otherwise, and to enter into transactions in accordance with your Terms and Conditions in the undersigned's name or number on the books of Investrade, whichever is applicable. If more than one agent is designated, the undersigned authorizes each agent to act severally, that is, each agent alone shall be able to exercise the powers conferred hereby.

This Limited Trading Authorization (including the indemnity paragraph provision below) is a continuing one, which shall remain in full force and effect until revoked by the undersigned by a written notice to Investrade's Customer Service Department or if Investrade receives actual notice of the death of the undersigned, and shall inure to the benefit of Investrade and any successor firm or firms, and the assigns of Investrade or any successor firm or firms. The laws of the State of Illinois shall govern the terms of this Limited Trading Authorization.

The above designated agents will not be liable for any lost profits, trading losses, or other damages arising from the delay or loss of online service, or any delays in the receipt of trade alerts, by fax or otherwise by your newsletter publisher. Investrade will only enter the trade alerts made by your newsletter publisher, and will execute trades in a timely and efficient manner, but cannot be held responsible for lost trades or profits due to communication delays by your newsletter publisher. You are subject to risk from errors of electronic systems, communications and market timing.

|                    |      |                    |      |
|--------------------|------|--------------------|------|
| Customer Signature | Date | Customer Signature | Date |
| Print Name         |      | Print Name         |      |

Investrade Discount Securities offers Auto Trade services solely for the exclusive use of its customers. Customers who enroll in Investrade Auto Trade services are authorizing Investrade to purchase and/or sell securities in accordance with the instructions in their signed Auto Trade Limited Trading Authorization Form AND to place in their accounts standing orders based upon the instructions and recommendations of an unaffiliated third party financial newsletter to which the customer has previously subscribed. Investrade will effect transactions for the customer's account without further authorization from the customer.

This Auto Trade Terms and Conditions Agreement requires the customer to evaluate his/her own investment strategies and objectives, and carefully select a financial newsletter that meets these criteria. It is the customer's responsibility to review the financial newsletter publisher's experience, credentials, and performance. Investrade does not review these factors, and does not rate, rank, or endorse any financial newsletter or publisher. Inclusion of a financial newsletter in the Investrade Auto Trade program does not constitute a recommendation of any kind. Investrade does not require financial newsletter publishers to be registered under the Investment Advisors Act of 1940. Your financial newsletter publisher may or may not be registered and inclusion in the Investrade Auto Trade program does not imply that they either are or are not required to be so registered. Investrade is independent and has no affiliation or ownership interest in any financial newsletter or publisher.

Investrade will contact the third party financial newsletter publisher to verify a customer's subscription and request proof of active membership by verifying the customer's name and basic identifying information.

Investrade will charge to each Auto Trade customer an Auto Trade processing fee in the amount of \$1.50 per executed order, in addition to Investrade's normal commission charges. This processing fee will only be applied to Auto Trade orders physically entered by Investrade's Auto Trade desk. This processing fee does not apply to customers who enter their trades directly into the Investrade platform and are not utilizing the Auto Trade desk.

Each Auto Trade customer must carefully read, sign, understand, and consent to the terms of the Auto Trade Limited Trading Authorization Form and must provide accurate information and instructions. It is the customer's responsibility to review and immediately notify Investrade in the event that the customer's personal and/or financial information changes. It is the customer's responsibility to monitor and review all trade activity, including updating and maintaining accurate instructions on file with Investrade. If the subscription to the financial newsletter publisher expires, is cancelled, or if the customer wishes to terminate his/her subscription, the customer is responsible for cancelling each Auto Trade service by completing an Auto Trading Update Form. The Auto Trading Update Form is available for download at the following address: [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html).

Investrade will not record the expiration date of your financial newsletter subscription. Investrade will continue to process orders for a customer in accordance with the customer's instructions unless the customer makes the required changes by completing an Auto Trading Update Form. The Auto Trading Update Form is available for download at the following address: [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html). Investrade will not

be held responsible or liable for any Auto Trade executions that occur due to the customer not cancelling his or her Auto Trade enrollment.

Investrade does not review, evaluate, monitor, rate, or endorse financial newsletter publisher service's performance or the appropriateness or quality of the recommended alerts and transactions for customer's account. Investrade acts only upon specific instructions and performs in an executing broker capacity. Investrade does not exercise at any time, discretion over customers' accounts.

Auto Trade customers are responsible for evaluating and understanding trade alerts, advice, instructions, underlying strategies, and to be familiar with risks associated with his/her financial newsletter subscription and participation in the Investrade Auto Trade program.

At any time, Investrade in its sole discretion may discontinue or cease to permit a financial newsletter from active participation in Investrade Auto Trade services and to not honor recommendations or alerts from any financial newsletter. If a financial newsletter is no longer actively participating in Auto Trade, Investrade customers who receive such financial newsletter alerts or other communications will be alternatively required to directly enter all orders themselves, rather than utilizing the Investrade's Auto Trade service. Investrade will give notice to customers of these financial newsletter publishers that are no longer participating in Investrade Auto Trade services.

Due to the nature of communications, technology systems, order processing and other factors involved in Investrade Auto Trade functions and processing, customer orders may be processed with delays that may not occur if a customer enters an order directly themselves without using Auto Trade. Investrade may group orders entered by multiple customers utilizing the same financial newsletter and send a single order to the marketplace. If the group order is not completely filled, Investrade will allocate the partial fill among this group of customers on a prorated basis. The Investrade Auto Trade services are furnished on a best efforts basis.

Customers are responsible for any and all risks associated with Auto Trading, including without limitation, requirements for additional funds and errors of electronic and market systems and processes. Customers using Auto Trade are expressly agreeing to Investrade's handling of orders as described within these Terms and Conditions.

Auto Trade customers agree to understand and follow the trade recommendations of the financial newsletter publisher in full, including all opening and closing trades. Customer should not modify or cancel any Auto Trade orders online. If a customer modifies a position created with Auto Trade, the customer will be held responsible for that position, including instances when his/her account becomes oversold or overbought. Additionally, customers that Auto Trade multiple subscription services are required to maintain one account for each service.

Auto Trade orders may be subject to rejection for multiple reasons, including but not limited to, erroneous system rejection, potential unsettled fund violations, day trade violations, or additional regulatory violations that, if closed instantly, would place trading restrictions on the account. The customer agrees to review their

activity webpage at Investrade.com for monitoring daily trades, including but not limited to reviewing all positions.

At any time, and without prior notice to customers, Investrade reserves the right to amend the Auto Trade Terms and Conditions. A customer's continued Auto Trade participation after such amendment constitutes acceptance to be bound by all amendments to the Auto Trade Terms and Conditions, regardless of whether a customer has actually reviewed them. The most recent version of the Auto Trade Terms and Conditions will be made available on the Investrade web site. Investrade reserves the right to terminate Auto Trading at any time.

Occasionally, Investrade may enter into an advertising and/or marketing agreement with a financial newsletter publisher for which it provides Auto Trade services. The commencement or existence of an advertising and/or marketing agreement does not constitute a recommendation, affiliation or endorsement of any financial newsletter's service by Investrade.

**Additional Disclosure Related to Accounts Trading Options:**

The customer understands that there are special risks associated with engaging in options transactions and that options can be volatile and could possibly subject the customer to a risk of total loss. The customer understands and acknowledges that options are suitable only for knowledgeable investors who understand the risks inherent in such securities, have the financial capacity and willingness to incur losses, and have sufficient liquid assets to meet applicable margin requirements.

The customer understands that options involve risk and are not suitable for all investors, and a current copy of the Characteristics and Risks of Standardized Options provided by the Options Clearing Corporation (OCC), may be obtained by calling Investrade at 1-800-498-7120 or by mailing a request to Investrade Discount Securities, 950 Milwaukee Ave., Ste. 102, Glenview, IL 60025, or at the link [<http://www.optionsclearing.com/about/publications/character-risks.jsp>].

The customer confirms that he/she has received and read the booklet entitled *Characteristics and Risks of Standardized Options* in advance of having any options transactions entered in my account and I have paid particular attention to the chapter entitled "Risks of Buying and Writing Options." This statement is not intended to enumerate all of the risks involved in options. In light of the information provided by the customer on his/her account application, it may be interpreted that based on your investment experience, or lack thereof, that options trading may be more risky than investments you have made in the past. The undersigned acknowledges that I have received, read, and understood the Options Risk Disclosure documents, and agree to indemnify and hold harmless Investrade and its agents and representatives for the results of trading in the customer's account in regards from, and to pay Investrade and its agents and representatives, promptly on demand, for any and all losses, costs or expenses incurred in connection with the use of the services (including any debit balance) as it relates to transactions in my/our account. This authorization (including this indemnity provision) is in addition to (and in no way limits or restricts) any rights which Investrade may have under any other agreement(s) with the undersigned.

**Investrade Auto Trade accounts are subject to additional risks, including but not limited to, those listed above in the Auto Trade Terms and Conditions. You must have your account investment objective designated as "Speculation" in order to be enrolled in Investrade Auto Trade services. Auto Trade is only offered to accounts that have designated their investment objective as "Speculation". By signing this form you accept, and are requesting that your account investment objective be updated to "Speculation".**

Account Number

Customer Signature

Date

Print Name

Customer Signature

Date

Print Name

## What is Auto Trading?

As an Auto Trading customer you give Investrade the authority to automatically execute trade alerts issued by an authorized newsletter publisher of your choice, resulting in an enhanced ability to follow and place your newsletter's trade suggestions on a timely basis.

## Why should I select Investrade for Auto Trading?

Investrade has developed proprietary systems that allow us to quickly enter Auto Trades to facilitate a timely execution for you; combined with the fact that Investrade offers among the lowest commission rates in the industry for stock and option trades, you will see that Investrade is the clear choice for your Auto Trading needs. Investrade has been servicing Auto Trading customer accounts since 2001.

## How do I take advantage of this service?

First, make sure that you have properly subscribed to a participating newsletter publisher. Then complete and submit the Auto Trade Limited Trading Authorization and Terms and Conditions agreements. Once these steps have been completed, and your account is funded, you will be ready to begin participating in Auto Trading.

## In order to auto trade, which investment objective should I choose when setting up my account?

Investrade Auto Trade accounts are subject to additional risks, including but not limited to, those listed above in the Auto Trade Terms and Conditions. You must have your account investment objective designated as "Speculation" in order to be enrolled in Investrade Auto Trade services. Auto Trade is only offered to accounts that have designated their investment objective as "Speculation". By signing the Investrade Terms & Conditions document, you accept, and are requesting that your account investment objective be updated to "Speculation".

## How do I know which service to select? Does Investrade recommend any services?

While Investrade works with many newsletter publishers, we do not recommend one service over another. We do not have access to newsletter publisher track records or historical performance data. Our only suggestion is to inquire with multiple services to ensure that you are comfortable with the strategy and are able to fully understand the risks associated with employing said strategy. Any reputable service should provide information that you request by contacting the service directly. Proper due diligence on the subscriber's part is extremely important.

## Does Investrade track the performance of the newsletter publishers?

No. Investrade does not track the performance of any newsletter publisher. Before making a decision to engage in Auto Trading, you should perform the due diligence necessary to ensure that you are comfortable with the risks associated with the methods employed by the newsletter publisher.

## Which newsletter publishers are available for Auto Trading?

To see our complete list of newsletter publishers, visit <http://www.investrade.com/auto-trade.htm>.

If you do not see your newsletter publisher listed, contact the Auto Trade Department at 1-800-498-7120 so that Investrade may determine if it is possible to establish Auto Trading with this newsletter publisher.

## Can I participate in multiple newsletter services within one account?

Investrade requires that customers open one account for each Auto Trade subscription.

## Can I place my own trades in the same account I'm using for Auto Trading?

If you wish to make trades on your own, outside of your newsletter publisher's activity, we require you open a separate account for such trading.

## Am I guaranteed to participate in every trade alert?

The Auto Trade service is offered to you on a best efforts, not-held basis. We do our best to enter the recommendations as quickly and efficiently as possible. While we have back-up systems in place to ensure timely handling of orders, orders are subject to risk from errors of electronic systems, communications, market developments, and timing. In addition, other factors such as insufficient buying power or subscription lapses may cause missed trades.

## Once I am set up to Auto Trade, how do I make changes to my allocation amount?

You are welcome to change your Auto Trade allocation amount at any time by using our Auto Trading Update Form. The Auto Trading Update Form is available for download at the following address: [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html).

## How do I cancel my Auto Trade service or put it on hold?

If you desire to place on hold or cancel your Auto Trade enrollment, please complete an Auto Trading Update Form. The Auto Trading Update Form is available for download at the following address: [http://www.investrade.com/acct\\_forms.html](http://www.investrade.com/acct_forms.html). Please note: Once a subscription has been cancelled, you will not be able to activate Auto Trading until you complete a new Auto Trade Limited Trading Authorization Form.

## How do I add funds to my account?

There are various account funding options. You may fund your account via check, by requesting incoming or outgoing electronic funds transfer (ACH) between your bank and brokerage account, wire transfer, or transferring cash and/or securities from another brokerage account. Go to <http://www.investrade.com/fund-account.htm> for complete instructions for each account funding option.

## Does Investrade charge a fee for Auto Trading?

Investrade will charge to each Auto Trade customer an Auto Trade processing fee in the amount of \$1.50 per executed order, in addition to Investrade's normal commission charges. This processing fee will only be applied to Auto Trade orders physically entered by Investrade's Auto Trade desk. This processing fee does not apply to customers who enter their trades directly into the Investrade platform and are not utilizing the Auto Trade desk.