



SCORE PRIORITY

Day Trading Risk Disclosure Statement

You should consider the following points before engaging in a day trading strategy. For purposes of this notice, a "day trading strategy" means an overall trading strategy characterized by the regular transmission by a customer of intraday orders to effect both purchase and sale transactions in the same security or securities.

Day trading can be extremely risky. Day trading generally is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses. Further, certain evidence indicates that an investment of less than \$50,000 will significantly impair the ability of a day trader to make a profit. Of course, an investment of \$50,000 or more will in no way guarantee success.

Be cautious of claims of large profits from day trading. You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses. Day trading requires knowledge of securities markets. Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.

Day trading requires knowledge of a firm's operations. You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.

Day trading will generate substantial commissions, even if the per trade cost is low. Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. Day trading on margin or short selling may result in losses beyond your initial investment. When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.

The following general requirements regarding day trading have been imposed by FINRA and are enforced by Score Priority Corp.:



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- Pattern Day Traders are characterized by transacting four or more stock or options day trades within a five-day period in a margin account.
- Pattern Day Traders must maintain at least \$25,000.00 in account value in order to continue day trading practices.
- In the event that a Pattern Day Trader does not maintain \$25,000.00 in account value they will be required to provide cash on-hand for same-day stock transactions.

Additionally, an account may be flagged for day trading if it regularly recycles funds within the same day, for example, an investor sells a security (stock or option) for a premium of \$400 and proceeds to purchase another security (stock or option) for \$400 when no other capital is available and prior to funds being cleared. If an account becomes designated as a pattern day trading account and does not maintain the minimum required equity, at least \$25,000.00, a call will be issued which must be met within 5 business days, otherwise the account will be restricted to Cash only for a period of 90 days or until the account equity is brought above the minimum equity requirement or at least \$25,000.00. Additionally, if your account meets or exceeds the minimum equity amount, it may be eligible for day trading margin, which is 4 times account buying power. This buying power may only be used intraday and may not be held past market close. Please be advised that exceeding your day trading buying power will result in a day trading call which must be met promptly, and before you engage in further day trading.