

**Ditto Trade, Inc.**  
**Master Trader/Newsletter/Subscription Services**  
**Disclosure Statement**

This Disclosure Statement provides supplemental information about the risks involved in any service offered by a Master Trader (or any other third-party provider of a trading system), newsletter, advisory service or program (“Vendor Service”) under a Letter of Direction – Master Trader Agreement (“LOD”) from the customer. The LOD and the Disclosure Statement highlight the limited role, responsibility and liability of Ditto Trade, Inc. and its employees, registered personnel and agents (individually and/or collectively “Ditto Trade”) when directed by a customer to implement a Vendor Service for their account at Ditto Trade. Customers should evaluate the information in this Disclosure Statement in addition to any disclosure document provided to a customer by Ditto Trade or any provider of a Vendor Service, including but not limited to, any margin, options, day trading or similar disclosure document, brochure or regulatory filing involving any product or service made available to a customer. This Disclosure Statement also is in addition to the disclosures and the representations, warranties, commitments and agreements made by a customer in an executed LOD provided to Ditto Trade and in any customer agreement with Ditto Trade.

**Auto-Trading can be Highly Risky:** The Master Trader Service will make trades in your account without consulting you about the price, the type of security, the amount and when to buy or sell. Ditto Trade’s sole responsibility with respect to any Master Trader Service will be limited to using commercially reasonable efforts to receive instructions from the Master Trader Service as arranged and directed by the customer and to enter orders pursuant to the signals or recommendations generated by the Master Trader Service. Ditto Trade does not make any inquiry as the suitability of any Master Trader Service for any customer. Customers should investigate and research carefully any Master Trader/Newsletter/Subscription Service prior to registering for their alerts or auto trading program, including whether or not they are required to be registered as an investment advisor or are exempt from registration, and their historical performance of how their recommendations have had over a significant time period. Ditto Trade does not imply or guarantee that any customer may make a profit or achieve favorable results from using any Master Trader Service.

**No Agency between Ditto Trade and a Vendor:** Ditto Trade and its affiliates do not offer a Vendor Service, or act as agent, partner, joint venture party, solicitor/finder or in any similar capacity for any vendor or provider of a Vendor Service. Any Vendor Service is provided exclusively by the third-party vendor offering the Vendor Service, and any customer seeking to use a Vendor Service must contract directly with the provider of the Vendor Service. *While Ditto Trade performs background checks (including but not limited to regulatory, credit and criminal) and validates the stated results of all Master Traders, Ditto Trade DOES NOT recommend any specific Master Trader, and Ditto Trade makes no recommendations to purchase or sell any*

*security, future or other investment product recommended or indicated by a Master Trader Service; any trading signals and recommendations are generated or made solely by the applicable Master Trader Service and not by Ditto Trade.*

**Non-discretionary Agent for Customer:** Under an LOD, the customer designates Ditto Trade to act solely in the limited capacity to act as non-discretionary agent for the customer under a limited power-of-attorney to receive instructions from a provider of a Vendor Service and to act on those instructions on the customer's behalf. Ditto Trade's sole responsibility with respect to any Vendor Service will be limited to using commercially reasonable efforts to receive instructions from the Vendor Service as arranged and directed by the customer and to enter orders pursuant to the signals or recommendations generated by the Vendor Service, as may be modified from time to time. Customers are fully obligated to pay all transactions, including all related fees, commissions and other charges imposed by Ditto Trade and for any related margin obligation incurred by the customer, as a result of any order entered by Ditto Trade following an instruction, recommendation or trading signal received by Ditto Trade from a Vendor Service.

**Customer Responsible for Contracting with and Maintaining Vendor Service:** The customer represents that the customer has either developed a Vendor Service himself or herself, or has purchased, licensed or subscribed to such Vendor Services from a third party vendor not affiliated with Ditto Trade. Ditto Trade will accept an LOD only for those Vendor Services that have been paid for or subscribed to by the customer. The customer is solely responsible for paying for and maintaining the rights to use any Vendor Service. In the LOD, the customer authorizes Ditto Trade to debit the customer's account in the amount of the applicable fees for the Vendor Service, if any, and to pay such fees directly to the provider of the Vendor Service. The customer also authorizes Ditto Trade to respond to any inquiries from the provider of the Vendor Services regarding the trading of a customer's account. If a customer directs otherwise, if the customer's account does not have sufficient funds to pay for the Vendor Services, or if a vendor terminates the customer's or Ditto Trade's use of or access to a Vendor Service, Ditto Trade shall not be liable for any losses caused by a customer's failure to pay for any service or subscription fee that may cause a vendor to discontinue the Vendor Service or prevent Ditto Trade's or the customer's access to the Vendor Service.

**Customer Duty to Ensure Ditto Trade's Access to Vendor Service:** The customer has the duty and obligation to ensure that Ditto Trade has full and timely access to a Vendor Service, including any related electronic functionality. If any Vendor Service is a trade recommendation service or hotline, the customer shall arrange for the originator of the service or hotline to transmit by facsimile, tape recorded telephone message, e-mail alerts, or otherwise the trading signals and recommendations to be executed by Ditto Trade for the customer's account. Ditto Trade shall not be responsible for mechanical or communication line failure, system errors or interruptions, or any other cause beyond Ditto Trade's control.

**No Duty by Ditto Trade to Continuously Monitor Instructions.** If time, speed or similar urgency in receiving an instruction or entering an order are important or critical to a transaction or necessary to effect the trading strategy or recommendation provided by a Vendor Service, the customer must ensure that Ditto Trade obtains and receives such information in the most efficient manner possible; however, notwithstanding such notice, Ditto Trade makes no representation and undertakes no duty to continuously monitor or provide full-time dedicated staff necessary to receive such instructions or to implement any recommendation or trading signal immediately. Ditto Trade only commits to use commercially reasonable efforts to enter orders pursuant to a recommendation or trading signal. Ditto Trade shall not be responsible for any losses in any account if Ditto Trade fails to receive any recommendation or trading signal in a timely fashion or if Ditto Trade does not act upon such instruction immediately upon receipt.

**Ditto Trade Trading Authority:** If more than one Ditto Trade customer uses the same Vendor Service, Ditto Trade may enter block orders for such customers to enhance order execution, in which case fills will be allocated in accordance with the systematic fill allocation method employed by Ditto Trade in its sole discretion. Ditto Trade shall be responsible only for providing commercially reasonable efforts to execute, in a timely fashion, transactions based on signals or recommendations generated by the Vendor Service. Ditto Trade can accept and transmit orders only if it actually receives such orders and then only on a “not held” basis.

**No Recommendation or Endorsement Provided by Ditto Trade:** Ditto Trade and its affiliates do not recommend, offer, endorse or approve any Vendor Service. Ditto Trade makes no recommendations to purchase or sell any security or other investment product recommended or indicated by a Vendor Service; any trading signals and recommendations are generated or made solely by the applicable Vendor Service and not by Ditto Trade.

**No Suitability Determination by Ditto Trade:** Each customer must make such inquiries and conduct such research relative to any Vendor Service sufficient to make an informed decision about the operations and limitations of the Vendor Service or the suitability or appropriateness of the Vendor Service for his or her use, including whether or not they are required to be registered as an investment advisor or are exempt from registration, and their historical performance of how their recommendations have had over a significant time period. Ditto Trade does not make any inquiry as to the suitability of any Vendor Service for any customer, nor does Ditto Trade conduct any evaluation as to whether any trading signal or recommendation results in a suitable investment or investment strategy for the customer based on the customer’s financial situation or needs. Ditto Trade is not responsible for, and the customer holds Ditto Trade and its affiliates harmless from, any claims that a Vendor Service, or any trading signal, recommendation, investment product, or purchase or sale decision, is not suitable for the customer.

**Ditto Trade Not Responsible for Balance, Scope or Methodology of Vendor Service.** Customers are expected to fully evaluate any Vendor Service, including an evaluation of objectives, conflicts of interest, investments or investing styles, and other assumptions or strategies within the Vendor Service. Investment results may vary over time and may produce different results for different customers. Ditto Trade is not responsible for evaluating the criteria or investment

methodology or any limitations or key assumptions, the universe of securities or investment products considered in the analysis or omitted, any conflicts of interest by the provider of the Vendor Service when it recommends transactions or issues trading signals, the likelihood of investment outcomes or hypothetical results based on actual transactions or disclosure of any limitations in hypothetical outcomes, forecasts, predictions or projections. Past performance also does not indicate or guarantee future results. Ditto Trade is not responsible for any tax implications that may occur as a result of any transactions effected.

**No Ditto Trade Guarantee or Responsibility for Trading Results or Performance:** Ditto Trade does not imply or guarantee that any customer may make a profit or achieve favorable results from using any Vendor Service. In the LOD, the customer agrees that Ditto Trade will not be responsible for the Vendor Service's performance or trading losses incurred in a customer's account when, acting in its limited agency role, Ditto Trade enters orders following instructions, recommendations or trading signals issued by the Vendor Service.

**No Duty by Ditto Trade to Monitor Performance:** Ditto Trade makes any representations about a Vendor Service's ability to achieve any returns or other trading objectives or to limit losses. Some Vendor Services may involve a high degree of risk and customers must be prepared to lose some or all of the assets in their account and incur additional liability for margin or leverage transactions. Ditto Trade does not monitor or review any customer's trading for profit or loss considerations, whether such trading is consistent with any returns or objectives promoted by a provider of a Vendor Service, or whether continuation of use of such Vendor Service is suitable for a customer. Any margin call issued by Ditto Trade does not mean that Ditto Trade is monitoring the customer's account to limit losses or to ensure profits from trading when a customer uses a Vendor Service.

**Risks of Errors with Access to Data or Electronic Systems:** Using a Vendor Service to generate trading signals exposes the customer to the risks associated with the use of computers and data feed systems relied upon by Ditto Trade. The customer agrees to accept such risks, which may include, but are not limited to, failure or interruption of hardware, software or associated communications systems and/or inaccurate external data feed provided by a third party vendor or a Vendor Service. The customer also agrees to hold Ditto Trade harmless from any losses in his or her account associated with these risks.

**Passwords and Communications Devices:** The customer agrees to provide to Ditto Trade any passwords or other customer identifying information necessary to act as the customer's attorney-in-fact if necessary to obtain or access information from a provider of a Vendor Service. The customer also will provide a designated e-mail address for Ditto Trade if necessary for it to receive any e-mail alerts or messages to obtain instructions or documents necessary to implement the program. Aside from maintaining internal confidentiality, Ditto Trade shall not be liable, and the customer agrees to hold Ditto Trade harmless, for any such authorized use or access of a customer's passwords, e-mail or similar communications devices.

**Termination of Vendor Service:** To the extent a vendor or customer terminates the customer's or Ditto Trade's access to the Vendor Service, the customer acknowledges that he or she may incur risks of loss associated with the termination of the Vendor Service. Ditto Trade also may be unable to continue any investment strategy, and the customer may be at risk of market movement for open positions, resulting in potential losses or the inability to achieve returns represented by the provider of the Vendor Service. Notwithstanding Ditto Trade's ability to debit an account to maintain the Vendor Service noted above, Ditto Trade shall have no responsibility for any such risks, including any losses that may occur as a result of open positions or the failure to continue the Vendor Service due to non-payment or insufficient funds or other termination. Ditto Trade reserves the right to terminate its agency or power-of-attorney authority at any time at its own discretion, and Ditto Trade shall not be liable for any resulting loss or lost opportunity that may occur following such termination.

**Trading Risks.** Ditto Trade makes no representations or warranties about the claims or representations made by any Vendor Service; therefore, all trading by Ditto Trade under an LOD is done at the customer's own risk. Not every customer may take full advantage of a Vendor Service necessary to achieve the results promoted by the Vendor Service. Regulatory requirements or internal policies adopted by Ditto Trade, both of which may change from time to time, may significantly limit or impair the customer's ability to execute all the trading signals or recommendations issued by a Vendor Service. Customers also may not qualify, or may lose initial eligibility, to engage in the types of trading strategies or investment products used or recommended by the Vendor Service. If so, the customer may not be able to achieve the results promoted by the Vendor Service and the customer therefore may incur significant losses. Ditto Trade shall have no responsibility for any such investment risks or losses, nor is Ditto Trade obligated, when accepting an LOD account, to approve the customer for any level of trading, any trading strategy or any investment products that may be inconsistent with Ditto Trade's credit policies, internal procedures or regulatory requirements. For example, a recommendation or trading signal to sell short may not be exercised if the customer does not have a margin account or if stock is not available to borrow. Certain options trading strategies recommended by a Vendor Service may be beyond the customer's approved level of trading or may be contrary to regulatory requirements, such as position or exercise limits. Ditto Trade also may revoke or modify any approvals previously provided to the customer, and the customer bears all risks associated with his or her inability to utilize all recommendations provided by a Vendor Service or to achieve profits or benefits promoted by a provider of a Vendor Service. The customer bears full responsibility to understand the investment strategy, product, and credit approvals necessary to utilize the Vendor Service, and Ditto Trade shall be under no obligation to monitor whether any customer has the approvals necessary to take advantage of the recommendations or trading signals provided by a Vendor Service initially or over time.

**Volatility:** A customer may be at risk to market volatility or lack of liquidity in one or more markets that may make it difficult or impossible to achieve the recommendations or profitability claims made by the provider of a Vendor Service. Ditto Trade shall not be responsible for any inability to access markets or to receive recommendations or trading signals provided by a Vendor Service due to volatile or fast markets, or inadequate capacity in a market

or with a vendor, or for any disruption or bottlenecks in communication systems between a Vendor Service and Ditto Trade or between Ditto Trade and a market needed for execution. In addition, various market conditions may result in the following trading risks for which Ditto Trade is not responsible:

Delays: High trading volumes at market opening or intra-day may cause delays in executions and at prices significantly away from the market price quoted or displayed at the time of a recommendation or when an order is entered. Also, market makers may limit the size of an order they are willing to execute at a given price, resulting in delays, losses, and further erosion of market liquidity for a given investment recommended.

Types of Orders: Recommendations to execute “market orders” may make it more likely that an order will be executed, but in a fast market in particular, this could cause the execution to be at a price significantly away from the price quoted at the time of a recommendation or the entry of an order. Orders executed on a “limit order” basis may provide more of a price in line with the recommendation, but there is a risk that the order or its full size may not reach the limit price, resulting in the order not being executed. Ditto Trade also may be unable to timely cancel orders if recommended by a Vendor Service or if a price has surpassed the price range suggested for a customer, assuming no instruction to use a limit order.

Access: Some markets or order entry systems may be subject to slow turn around due to high internet traffic or because of systems capacity limitations by a Vendor Service provider, Ditto Trade, or any market center. In addition, a recommended security or other investment product may be traded on markets where Ditto Trade may not have direct access or may have access but transactions may be subject to additional transaction fees charged to a customer. Therefore, actual prices important to an investment program or strategy may be significantly higher due to limited access or access fees.

Hot IPOs/Stocks: Orders placed following initial public offerings or in fast markets also may not bear any relationship to the price shown at the time of the recommendation or order.

Margin: Ditto Trade may raise margin requirements or limit trading on margin in certain fast market conditions or in certain industry sectors. Assuming such higher margin requirements, a customer may not be able to achieve the objectives recommended by a Vendor Service if necessary to trade on margin, assuming the customer has been qualified initially for margin trading.

**Regulatory Status of Vendor/Changes in Laws or Regulations:** Each Master Trader, trading system, newsletter, advisory service or program may subject the vendor to registration as a broker-dealer, investment adviser, introducing broker or similar entity under federal, state or foreign laws and regulations. Such registration requirements may only present themselves if the nature of the service changes over time or if regulators modify or clarify standards that trigger such a registration requirement. Therefore, it is possible that Ditto Trade may not be able to continue to offer the LOD program if there is any question about the regulatory status

of the vendor or the Vendor Services. Ditto Trade shall have no liability if it decides to discontinue offering its services, notwithstanding any existing trading strategy or open positions the customer may have. This could significantly impact the profitability of any investor strategy and could result in significant losses for which Ditto Trade is not responsible.

**Trading may Conflict with Compliance with Laws and Internal Policies.** A recommendation or trading signal issued by a Vendor Service for a given customer may be inconsistent with a law or regulation or internal policy of Ditto Trade. For example, a transaction in a margin account may not be entered for one customer (due to an existing margin call) but may be entered for another customer using the same service because the account has adequate margin. Recommendations or trading signals to sell may run counter to short sale restrictions that may impede Ditto Trade's ability to efficiently execute transactions in compliance with short sale or bid test rules, especially at prices that may be important to the successful implementation of a trading strategy. Options position limits or exercise limits also may permit transactions for one customer but not for another subject to such limits because of pre-existing options positions or positions held in related accounts. Contrary to the recommendation of a Vendor Service, Ditto Trade may be unable to allocate New Issue/IPOs to certain customers who are "Restricted Persons." Ditto Trade shall be under no obligation to enter any order contrary to any law, rule, regulation or internal policy, nor shall it be responsible for any resulting loss.

**Trading May Create Conflicts of Interest for Ditto Trade:** The recommendations or trading signals issued by a Vendor Service may create conflicts of interest for Ditto Trade. Such conflicts of interest may include trading an account more frequently than Ditto Trade otherwise may recommend, resulting in greater commissions and revenue to Ditto Trade. Recommendations or trading signals issued by a Vendor Service also may be counter to or inconsistent with recommendations Ditto Trade may provide to its other customers, counter to trading by Ditto Trade or its affiliates, or counter to recommendations in research reports provided to customers generally. Ditto Trade or its affiliates may have an investment banking relationship with or may have received compensation from issuers of securities recommended by a Vendor Service and may see to obtain compensation for such products or service from the subject company in the near future. Ditto Trade, its affiliates or their officers or directors may maintain securities ownership positions or hold officer, director or advisory board member or similar positions with issuers recommended by a Vendor Service. Securities recommended by a Vendor Service may be affiliated with Ditto Trade, and Ditto Trade and its affiliates may maintain proprietary positions in the securities of such issuers or may make a market in the securities. Additional trading in the securities of such issuers may inure to the benefit of Ditto Trade, its officers and directors and its affiliates.

**Account Information Confidentiality:** All customer account information, positions, money balances, profit or loss or related information shall not be shared by Ditto Trade with any provider of a Vendor Service. To the extent requested by a customer, Ditto Trade will provide such information to a customer who can provide it to a vendor, but Ditto Trade will not provide such confidential customer information directly to a vendor, absent customer consent.

**Limitation of Liability:** Consistent with the terms in the customer agreement and the LOD, the customer agrees to indemnify Ditto Trade for acting in accordance with the LOD to the same extent provided in the customer account agreement.

**Acknowledged and Agreed:** Customer acknowledges that he or she has received this Disclosure Statement and has read and fully understands the information provided and risks disclosed, including the limited involvement and liability of Ditto Trade for participating in any Vendor Service.

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Customer Signature