OPAL SECURITIES, INC. DISCLOSURES

USA Patriot Act - Important Information About Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Business Continuity Plan Statement – FINRA Rule 4370

Opal Securities, Inc. is committed to providing our clients with secure and reliable access to their accounts. Opal Securities, Inc. has developed a business continuity plan that will activate in the event of a significant business disruption such as a natural disaster, power outages, terrorism, inadvertent catastrophic mistakes or other events.

We have contacted our clearing firm with regard to the kind of services that will be available to our customers at the time of a Significant Business Disruption. In the event, our clearing firm may provide services such as access to funds and securities, order entry, and cash and security transfers. We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our clearing firm, Wedbush Securities backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firm has advised us that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within four hours. Your orders and requests for funds and securities could be delayed during this period. In addition, Opal Securities, Inc. also backs up its systems on its server daily.

Varying Disruptions – In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within one business day. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within three business days. In either situation, we plan to continue in business and notify you through by phone or email on how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customers prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you can contact us at: (646) 481-1350 or by email at compliance@opalsecurities.com.

Options Disclosure Document

Options involve risk and are not suitable for all investors. Prior to buying or selling an option, investors must read a copy of the *Characteristics and Risks of Standardized Options*, also known as the options disclosure document (ODD). It explains the characteristics and risks of exchange traded options. Alternatively, call (646) 481-1350 to receive a copy of the ODD.

The most current version of the ODD is available for at the Options Clearing Corporation's website found at https://www.theocc.com or by following the ODD link https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document.

Margin Disclosure Statement – FINRA Rule 2264

Your brokerage firm is furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your firm. Consult your firm regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities or assets in your account(s).

- **The firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements, or the firm's higher "house" requirements, the firm can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.

- **The firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.

- **The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).

- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

Day-Trading Risk Disclosure Statement – FINRA Rule 2270

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 intra-day 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. For instance, assuming that a trade costs $16 and an average of 29 transactions are conducted per day, an investor would need to generate an annual profit of $111,360 just to cover commission expenses.

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.

Potential Registration Requirements. Persons providing investment advice for others or managing securities accounts for others may need to register as either an "Investment Adviser" under the Investment Advisers Act of 1940 or as a "Broker" or "Dealer" under the Securities Exchange Act of 1934. Such activities may also trigger state registration requirements.

SEC Rule 606 and 607
Disclosure of Payment for Order flow and Order Routing Information

SEC Rule 606 requires broker-dealers to make publicly available a quarterly report with regards to the routing of non-directed orders in NMS stocks that are submitted on a held basis and of non-directed orders that are customer orders in NMS securities that are option contracts. The firm’s Rule 606(a) report will be publicly available within one month after the end of the quarter by posting the report on the firm’s website at www.opalsecurities.com. If necessary, the firm will provide a hyperlink on where to access the report.

SEC Rule 606(b) also requires Opal Securities, Inc. to disclose to its customers, upon request, “the identity of the venue to which the customer’s orders were routed for execution in the six months prior to the request, whether the orders were directed orders or non-directed orders, and the time of the transactions, if any, that resulted from such orders.”

Pursuant to SEC Rule 607, Opal Securities, Inc. is required to disclose our payment for order flow practices. Opal Securities, Inc. routes your equity orders to broker-dealers or market centers (i.e., primary exchanges or electronic communication networks ("ECN")) for execution. These broker-dealers and market centers may include dealers who make markets in these securities. We do not receive any compensation for routing equity and option orders to dealers. In exchange for routing your equity orders to certain market centers, we may receive monetary rebates per executed share for equity orders that add liquidity to its book and/or rebates for aggregate exchange fees. The rebates are considered payment for order flow even though it may not necessarily offset our aggregate payments for removing liquidity.

As for options order flow, we do not receive payment for routing your options orders to designated broker/dealers or market centers for execution.

Order routing decisions are based on a number of factors including the size of the order, the opportunity for price improvement and the quality of order executions. However, Opal Securities, Inc. regularly review routing decisions, market centers and test trade executions to ensure that your orders meet our duty of best execution.

FINRA BrokerCheck Hotline

The Financial Industry Regulatory Authority, Inc. offers investors information and education through the FINRA BrokerCheck Hotline at 800-289-9999 and FINRA website at www.finra.org. Available is an investor brochure that includes information describing FINRA BrokerCheck (https://brokercheck.finra.org).

Securities Investor Protection Corporation

Opal Securities, Inc. is a member of SIPC, which protects securities customers of its members up to $500,000 (including $250,000 for claims for cash). An explanatory brochure is available upon request or at www.sipc.org. In addition to the coverage provided by SIPC, our clearing firm, Wedbush Securities, has purchased additional coverage for each eligible client, subject to an aggregate firm loss limit of $100,000,000. SIPC and excess SIPC coverage do not provide protection for losses resulting from market fluctuations.

In accordance with FINRA Rule 2266, please be advised that information pertaining to the Securities Investors Protection Corporation (“SIPC”), including a SIPC Brochure, may be obtained by contacting the following via email or the web at:

Securities Investor Protection Corporation
1667 K St. N. W., Suite 1000
Washington, DC, 20006-1620
Phone (202) 371-8300

Fax: (202) 223-1679
Email: asksipc@sipc.org

For more detailed information, please visit the SIPC website at www.sipc.org

Questions and Complaints

Any questions or complaints should be directed to Opal Securities, Inc., Attention: Compliance, 400 W 61st Street Unit 2032, New York, NY 10023. The telephone number is (646) 481-1350 or by email at compliance@opalsecurities.com.