

## **CCM Use and Risk Disclosure**

**IT IS IMPORTANT THAT YOU READ AND FULLY UNDERSTAND THE FOLLOWING RISKS OF TRADING AND INVESTING IN YOUR SELF-DIRECTED CCM ACCOUNT.**

### **USE OF SELF-DIRECTED TRADING ACCOUNTS**

All Customer Accounts are self-directed. Accordingly, Customers are solely responsible for any and all orders placed in their Accounts and understand that all orders entered by them are based on their own investment decisions or the investment decisions of their duly authorized representative or agent. Consequently, any Customer of CCM agrees that neither CCM, nor any of its affiliates, officers, directors, employees, agents, principals or representatives:

- i. Provide investment advice in connection with an Account;
- ii. Recommend any security, transaction, order or investment strategy;
- iii. Solicit orders;
- iv. Act as a market maker in any security;
- v. Make discretionary trades; and
- vi. Produce or provide research. To the extent third-party research materials or similar information is made available through CCM's application, website, or websites of any of its affiliates, the information is intended for informational and educational purposes only and it does not constitute a recommendation to enter into any securities transactions or to engage in any investment strategies.

### **GENERAL RISKS OF TRADING AND INVESTING**

All securities trading, whether in stocks, exchange-traded funds ("ETFs"), options, or other investment vehicles, is speculative in nature and involves substantial risk of loss. CCM encourages its Customers to invest carefully and to use the information available at the websites of the SEC at <http://www.sec.gov> and FINRA at <http://FINRA.org>. Customers can review public companies' filings at the SEC's EDGAR page at <https://www.sec.gov/edgar/search/>. FINRA has published information on how to invest carefully at its website. CCM may also make some of this information available on its website. CCM believes it is very important that every Customer understands all of the risks of any form of trading or investing prior to trading or investing real dollars. Past performance is not necessarily indicative of future results. By investing their money in securities through CCM, Customers are taking full responsibility for all trading actions, and should make every effort to understand the risks involved.

### **CCM USE AND RISK DISCLOSURES**

#### **1. You may lose money trading and investing.**

Trading and investing in securities is always risky. For that reason, Customers should trade or invest only with money they can afford to lose. Trading stocks, ETFs and equity options involves significant risk, and you could lose all of your investments.

## **2. Past performance is not necessarily indicative of future results.**

All investments carry risk, and all trading decisions of an individual remain the responsibility of that individual. There is no guarantee that systems, indicators, or trading signals will result in profits or that they will not result in losses. All Customers are advised to fully understand all risks associated with any kind of trading or investing they choose to do.

## **3. Investment Advice**

All CCM brokerage accounts are self-directed, all investment decisions are self-directed, and the sole responsibility of the Customer, and made at the Customer's own risk. As such, Customers need to depend on their own understanding and knowledge of investing and the details of trading in order to handle situations as they arise, including the consultation of their own investment advisors as they deem appropriate.

## **4. Stop orders may reduce, but not eliminate, your trading risk.**

A stop order - if offered by CCM - is an order to buy or sell a security at the market price once the stock has traded at or through a specified price. If the security reaches the stop price, the order becomes a market order and is typically filled at the next available market price. If the security does not reach the stop price, the order is not executed. Stop orders are generally used by investors to limit the amount they might lose or to ensure a trade was profitable. There can be no guarantee, however, that it will be possible under all market conditions to execute the stop order at the price specified. In an active, volatile market, the market price may be declining (or rising) so rapidly that there is no opportunity to liquidate the Customer's position at the stop price they designated. Under these circumstances, the broker's only obligation is to execute your order at the prevailing market price. Therefore, stop orders may reduce, but not eliminate, your trading risk.

## **5. Common Risks to Trading and Investing**

- **Market and volatility risk:** Prices of securities can fluctuate rapidly due to events, including but not limited to, issuer-specific news, macroeconomic events, interest-rate changes, geopolitical developments, and market sentiment. Rapid price movements may result in executions at prices materially different from the last trade price or the displayed quote. You understand that CCM is not liable for any price fluctuations.
- **Liquidity and execution risk:** Not all securities have deep or continuous markets. Low-liquidity securities may experience wide spreads, partial fills, or no execution. Order protections and auction processes vary by venue and product.
- **Order type risk:**

Quick Buy/Sell Orders:

### *During Market Hours*

- Quick Buy orders to *buy a specific quantity of an asset* will be submitted as limit orders with an additional 2% price collar to prevent execution outside of such percentage and based on the National Best Bid and Offer (NBBO) at the time. Such orders attempt to execute upon submission, but may be partially filled, with any unfilled amount being canceled after 5 seconds.

All other Quick Buy/Sell orders will be submitted as immediate-or-cancel orders:

- Quick Sell orders to *sell a specific quantity of an asset* will be submitted as immediate-or-cancel orders. The order will attempt to execute immediately at the best available price. There is no separate price collar and any portion of the order that cannot be executed will be cancelled.
- Quick Buy orders to *buy a specific dollar amount of an asset* will be submitted as immediate-or-cancel orders. The order will attempt to execute immediately at the best available price. There is no separate price collar and any portion of the order that cannot be executed will be cancelled.
- Quick Sell orders to *sell a specific dollar amount of an asset* will be submitted as immediate-or-cancel orders. The order will attempt to execute immediately at the best available price. There is no separate price collar and any portion of the order that cannot be executed will be cancelled.

### *During Extended Hours*

- Quick Buy/Sell orders to *buy or sell a specific quantity of an asset* will be submitted as limit orders with an additional 2% price collar to prevent execution outside of such percentage and based on the Best Bid and Offer (BBO) available at the time. Such orders attempt to execute upon submission, but are entered with Good-for-Day (GFD) time in force, meaning they may execute at any time within the trade day once conditions are met.
- Quick Buy/Sell orders to *buy or sell a specific dollar amount of an asset* are not available during Extended Hours.

### Limit Orders:

- Limit orders are orders to buy or sell at a specified price. Limit orders may not execute, or may execute partially. A limit order may be designated as GFD or “good-’til-cancelled” (“GTC”). Orders designated as GTC means the order remains valid until (A) it is executed; (B) you cancel the order; (C) 90 calendar days from when the order is placed (based on Eastern Time); or (D) the contract to which it relates is closed. CCM reserves the right to cancel any order at our discretion without notification to you.
- **No Order Modification for Dividends:** We will not adjust the price or size of your limit orders for dividends. All limit orders will be entered as Do Not Reduce (DNR) or Do Not

Increase (DNI), as relevant. You are responsible for monitoring open orders and acting accordingly when a corporate action is announced.

- **Technology, cybersecurity, and systems risk:** Outages, latency, cyber incidents, and vendor failures may delay or prevent order entry, cancellation, or execution, or display inaccurate balances.
- **Regulatory and trading halts:** Exchanges or regulators may halt or restrict trading (including Limit Up/Limit Down). New orders may be rejected and existing orders may be cancelled or remain unexecuted during halts.
- **Tax risk:** We do not provide tax advice. Tax outcomes depend on your individual situation and may change with law or guidance. You are responsible for maintaining adequate records and consulting your tax adviser.
- **Third-party content and tools:** Third-party research, ratings, or tools are not endorsements of a particular security, sector or industry and the provided information may be incomplete or inaccurate. We do not guarantee their accuracy.
- **Day trading and concentrated position risk:** Frequent trading and concentrated holdings can increase costs and risk of loss. Pattern day trading in margin Accounts, if offered, may trigger special requirements and restrictions.
- **Use of stablecoins and pegged token services:** Use of stablecoins or other pegged token services and related service offerings, should be evaluated for a variety of risk factors, including storage and management of reserves, market, credit, liquidity, settlement risk, in addition to legal risks related to adoption of new asset services.

## **RISKS OF INVESTING IN STOCKS AND ETFs**

Investments always entail some degree of risk. Be aware that:

- i. All CCM brokerage accounts are self-directed and all investment decisions are self-directed, CCM is not making any determination that an investment is suitable for you.
- ii. Some investments in stock cannot easily be sold or converted to cash. Check to see if there is any penalty or charge if you must sell an investment quickly.
- iii. Investments in stock issued by a company with little or no operating history or published information involves greater risk than investing in a public company with an operating history and extensive public information.
- iv. Stock investments are not federally insured against a loss in market value.
- v. Stock you own may be subject to tender offers, mergers, reorganizations, or third-party actions that can affect the value of your ownership interest. Pay careful attention to public

announcements and information sent to you about such transactions. They involve complex investment decisions. Be sure you fully understand the terms of any offer to exchange or sell your shares before you act. In some cases, such as partial or two-tier tender offers, failure to act can have detrimental effects on your investment.

- vi. Investors should consider the investment objectives and unique risk profile of an ETF carefully before investing. ETFs are subject to risks similar to those of other diversified portfolios. **Leveraged and Inverse ETFs may not be suitable for all investors and may increase exposure to volatility through the use of leverage, short sales of securities, derivatives and other complex investment strategies.** Although ETFs are designed to provide investment results that generally correspond to the performance of their respective underlying indices, they may not be able to exactly replicate the performance of the indices because of expenses and other factors. A prospectus contains this and other information about the ETF and should be read carefully before investing. Customers should obtain prospectuses from issuers and/or their third party agents who distribute and make prospectuses available for review. ETFs are required to distribute portfolio gains to shareholders at year end. These gains may be generated by portfolio rebalancing or the need to meet diversification requirements. ETF trading will also generate tax consequences.