# Liquidation Policy

TradeZero America, Inc. (the "Firm") can force the sale or cover of equities and or option positions in a customer's account(s) (a "Buy-in" or "Liquidation") at any time without prior notice if a customer's account poses a regulatory or financial risk to the customer, the Firm, or its clearing firm. The following are examples of scenarios in which the Firm may force the sale or cover of positions in a customer's account. If during the trading day, the equity in a customer's account:

- Falls between 15 – 20%*, TradeZero America may, at its discretion, buy-in or liquidate the customer's position in order to raise account equity up to 25%* or more;
- Falls to 15%* or below, TradeZero America may, at its discretion, buy-in or liquidate the customer's entire account.
- Is over concentrated in one or more securities during pre-market or after-hours trading and the account is using more than allowable margin.
- Or after quantitative or qualitative analysis, the position(s) in the account potentially posts undo regulatory or financial exposure for the client, the Firm, or its clearing firm.

**These percentages can be raised without notice due to increase in market volatility or increase in individual stock and option volatility.*

*The Firm may also at its discretion, Buy-in or Liquidate a customer position, if a stock has been halted; and (1) the opening indication(s) demonstrate substantial losses in the account; (2) increases the chances for an account to go negative; (3) diminishes the tradability of the stock.*

*After a Buy-in or Liquidation, it is the customer's responsibility to maintain or increase account equity to meet any margin or equity requirements imposed by law or regulation, the Firm, or its clearing firm.*

# Short Position Closing Policy

If the Firm or its clearing firm cannot continue to borrow the securities in which a customer has a short position, the Firm or its clearing firm may, in their sole discretion, close a customer's short position at any time without prior notice to the customer. For example: SEC Rule 204 of Regulation SHO and Broker Recall (lending broker recalls borrowed securities)

In these situations, TradeZero America may try to notify customers that their short position(s) may be covered. Please know that there is a risk that if the customer covers their position prior to a Regulation SHO Rule 204 or Broker Recall cover, the customer may end up with a long the position. The Firm or its clearing firm will not be responsible for or liable to the customer for any resulting long position and/or its potential consequences for the customer's account or ability to trade, including losses and margin calls. A Reg Sho Rule 204 cover normally happens on the opening of trading on T+2 but if the customer's position is greater than the opening volume, the covering transaction may be spread out during the day. A Broker Recall can occur any time during the trading day.

# Margin Call Liquidation

If the customer receives a margin call and fails to fund his/her account or fails to cover the call by liquidation, TradeZero or its clearing firm may, at any time and in their sole discretions, liquidate any position(s) in the account to satisfy the margin call.

Furthermore, the margin requirement for day trading is calculated differently than the margin requirement for holding position(s) overnight. As a result, if a customer is holding a position(s) in the after-hours trading session that will incur a large margin call or the portfolio is deemed too consolidated or concentrated in one position by the Firm's risk department, the Firm may reduce the position(s) to prevent an excessive margin call or undue risk to the customer, the Firm, or its clearing firm. This may bring the customer account equity % for the portfolio to 50% or even 100% depending on the marginability of the position(s) and or the volatility of the securities held in the account.