

This statement, pursuant to the "Truth-In-Lending" rule, is provided to explain how interest charges are computed in your account if you effect transactions on credit.

Interest will be charged on any credit extended to you by TradeStation Securities, Inc. ("TradeStation") for the purpose of purchasing, carrying or trading in any security or other property.

The annual rate of interest which you will be charged is based on the TradeStation [Equity Margin Rate](#). The TradeStation Equity Margin Rate is the rate quoted on the TradeStation website. Factors affecting the determination of the TradeStation Equity Margin Rate will include the short term market interest rates quoted by money center banks and the Federal Reserve and the rate that TradeStation is charged for borrowing money. The TradeStation Equity Margin Rate is the rate for U.S. dollar funds, as quoted by an independent broker of such funds selected by TradeStation for the last transaction completed prior to 9:30 a.m. (Eastern Time) on the business day on which such rate is determined. The annual rate of interest will be no more than 400 basis points above the TradeStation Equity Margin Rate or 500 basis points above the Fed Funds Rate and will appear on your monthly statements. Since the rate of interest charged is related to the Fed Funds Rate any change in this rate will cause a corresponding change in the rate charged to your account, which change will be made without prior notice to you. If for any reason TradeStation changes the rate of interest it charges you, we will give you at least 30 days prior written notice.

Debit balances in your account represent money lent to you by TradeStation, and it is the amount lent to you by TradeStation upon which TradeStation charges you interest. Each additional purchase of securities on credit increases your debit balance as do interest expenses and any other charges assessed against your account. Interest may be charged to your account at varying times during the month to reflect any changes in interest rates which have occurred during that month. Any interest charged on your debit balance which is unpaid at the close of an interest period will be added to the opening balance for the next interest period.

If you have a debit in your cash account and you also have a margin account, interest calculated on the debit balance in the cash account (calculated on a settlement date basis) will be charged to your margin account. Free and available credit balances in cash accounts (i.e. credit balances from which proceeds of securities sold but not available for delivery, whether because not long or not in good deliverable form, are deducted) are netted against settlement date debit balances in the calculation of your net balance.

In addition to interest on debit balances, interest will be charged on proceeds of sales paid to you prior to settlement date and on late payments, including those in cash accounts.

The method of computing interest is as follows: interest is computed on a daily basis on the net debit balance during the interest period. TradeStation's basic interest period runs from the 1st day of the month through the last day of the month, and is itemized to show the dates of sub-periods and corresponding interest rate changes, if any, during the month. You commence your interest calculation by ascertaining the net debit balance on the 1st day of the month (or the first day thereafter on which there is a net debit balance) and on each day thereafter. You then multiply each day's net debit balance by the interest rate and by the fraction $1/365$. The interest charged during the interest period is the total of the daily charges so computed. Your monthly statements show the opening and closing balances for the period.