L.M. KOHN & COMPANY
BROKERAGE AND INVESTMENT MANAGEMENT

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ACTIVE TRADING DISCLOSURE

The purpose of this disclosure is to cover the objectives and risks associated with active trading techniques and strategies that may be employed in your account. Active trading can result in intra-day trades, meaning that a purchase of a security and the subsequent sale of the security can occur for most or all of the active trades.

Objectives

The objective of an active trading strategy is to make investments in securities, based on technical timing strategies, to profit from short-term movements of the security. The securities traded can be individual stocks, options*, and Exchange Traded Funds (ETFs). Exchange Traded Funds can include equity index funds, equity sector funds, and fixed-income funds. It is firm policy that leveraged ETFs or ETNs are prohibited for brokerage accounts.

For non-margin accounts, the first transaction (trade) must settle in the account prior to another transaction being completed with the same cash position. Transactions are settled in three business days. If additional cash is available in the account, then other transactions may be completed. Based on this type of strategy, cash will be invested in money market instruments until a security is purchased. Margin trading will be permitted as long as margin equity is 50%.

**(Options transactions are settled in one business day)*

Risks

As with any stock market investment, there is the risk of loss of principal invested. Every transaction could result in losses of principal. Investment results will vary and may not reflect the performance of any market index.

Short-term investments in taxable accounts can result in short-term capital gains and losses. Short-term gains and losses are treated differently than long-term gains and losses and can result in higher tax consequences. For detailed information about your situation, please consult your tax advisor.

An active trading strategy should only apply to a portion of your investable assets and only for assets where the risk of loss of principal is acceptable. Active trading accounts are high risk with greater potential of principal loss.

Account # (s) _____

Client Signature(s): _____ Date:_____

By signing above, I/we confirm that I/we are receiving and reviewing trade confirmations and account statements. I/We are fully aware of the risks involved in active trading and that the number, size and frequency of the transactions in my/our account(s) are in keeping with my/our investment objectives.