



## Day-Trading Risk Disclosure Statement

Higgins Capital Management, Inc. is required under FINRA Rule 2270 to provide this Disclosure Statement prior to effecting any transactions for customers to whom we have recommended a day-trading strategy. Such strategy is defined as “an overall trading strategy characterized by the regular transmission by a customer of multiple day electronic orders to effect both purchase and sale transactions in the same security or securities.”

It is important that you, as a customer of Higgins Capital Management, Inc., consider the following points before engaging in day-trading activities.

**Day-trading is extremely risky.** 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 educations or home ownership or funds required for current income to meet your living expenses.

**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 firms' order-execution systems and procedures. You should confirm that a firm has adequate systems capacity to permit customers to engage in day-trading activities.

**Day-trading may result in your paying large commissions.** Day-trading may require you to trade your account aggressively, and you may pay commissions on each trade. The total daily commissions that you pay on your trades may add to your losses or significantly reduce your earnings.

**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 may also lead to extraordinary losses because you may have to purchase a stock at a very high price to cover a short position.