

## Policy Statement

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Technology makes it work. People make it happen.

## Payment for Order Flow Practices

The Securities and Exchange Commission requires that all registered broker/dealers disclose their policies regarding receipt of “payment for order flow.” Best execution is paramount at CAPIS, and, as such, we do not consider the availability of payment for order flow when selecting a routing destination for your order. However, certain destinations used by CAPIS may utilize a “maker-taker model”. Under this model, market centers offer credits for orders that provide liquidity to their books and assess fees for orders that take liquidity from their books. In some cases, the credits offered by a market center to CAPIS over a period of time may exceed the charges assessed for taking liquidity. More likely, such credits are lower than the fees assessed for taking liquidity. If you have any questions, please contact your CAPIS representative.

## SIPC Information

CAPIS is a member of the Securities Investor Protection Corporation (SIPC). You may obtain more information about SIPC, including the SIPC brochure, by contacting SIPC at its website at [www.sipc.org](http://www.sipc.org) or by phone at 202.371.8300.

## Regulation NMS Rule 606

SEC Rule 606(a) requires broker/dealers to provide publicly available quarterly reports detailing the routing of non-directed orders. A copy of CAPIS’ quarterly order routing report may be obtained by contacting your CAPIS representative or by visiting the firm’s website at [www.capis.com](http://www.capis.com).

In accordance with SEC Rule 606(b)(1), CAPIS will, upon the request of a customer, disclose to that customer the venue where its orders in 1) NMS stocks submitted on a held basis, 2) NMS stocks submitted on a not held basis where CAPIS is not otherwise required to provide a report pursuant to SEC Rule 606(b)(3), and 3) NMS securities that are options contracts, were routed for execution in the prior six months. This report will also include whether the orders were directed or non-directed, and the time of any resulting transactions.

## CAPIS Customer Identification Program

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account.

As such, any partnership, corporation, or other legal entity that opens an account with CAPIS will be required to provide its name, physical address, and tax ID. In addition, certain clients may be asked to provide additional information, such as certified articles of incorporation, government-issued business license, a partnership agreement, or trust agreements. If the requested identification information is not provided, CAPIS may not be able to open or continue servicing your account.

## Privacy Policy

CAPIS is committed to respecting the privacy rights of your personal information. We may ask you to provide information that personally identifies you (“Personal Information”) for purposes of transacting business with CAPIS. We will take measures to ensure that the Personal Information you submit to us remains private and is used only for the purposes as set forth herein. To further protect your Personal Information, CAPIS has adopted a set of information management guidelines (outlined below) to describe the Personal Information we collect about you, why we collect it, how we use it, and when we share it with third parties. This Privacy Policy has been developed with the recognition that technologies are rapidly evolving and that underlying business models are still not established. Accordingly, this Privacy Policy is subject to change. Any such changes will be posted on our Web page. Please see the Effective Date stated at the conclusion of this Policy.

### Use of Personal Information

CAPIS may match aggregated information with third party data. Also, we may disclose aggregated statistics in order to describe our services to potential advertisers, partners and other third parties, and for other lawful purposes. It should be noted, however, that this Privacy Policy only addresses the use and dissemination of information that we collect from you. To the extent that you disclose any information to other parties, through other web sites throughout the Internet linked to our Site, different policies may apply. Since CAPIS does not control the privacy policies of third parties, you are subject to the privacy customs and policies, if any, of that third party, and CAPIS shall not be responsible for the use or dissemination of your Personal Information by that third party. Therefore, we encourage you to ask questions before you disclose your Personal Information to others.

### Opting-Out

If you would like to opt-out of further secondary use of your Personal Information with parties other than CAPIS, unless otherwise required by law, court order, or other government or law enforcement authority, contact our Compliance Department at 214.978.4761. We may ask you to provide certain information to identify you as our customer and to locate your account relationships with us.

### Policy Modifications

CAPIS reserves the right to modify the terms of this policy at any time and in our sole discretion, by posting a change notice to our web site. Your continued use of the Site following our posting of a change notice will constitute binding acceptance of those changes.

## Trading Limits

Each CAPIS account is assigned unique order and daily trading limits designed to reduce trading risks. Limits are based on a client's assets under management and/or trading history, but may, under certain circumstances, be temporarily increased by firm principals upon client request.

## Extended Hours Trading Risk Disclosure

This disclosure is provided to customers who will engage in trading outside normal market hours. Such trading involves certain risks explained below.

### Risk of Lower Liquidity

Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

### Risk of Higher Volatility

Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

### Risk of Changing Prices

The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

### Risk of Unlinked Markets

Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

### Risk of News Announcements

Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

## Risk of Wider Spreads

The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

## Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV")

For certain Derivative Securities Products (such as exchange-traded funds, ETFs), an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

## FINRA BrokerCheck

FINRA BrokerCheck is a free tool to help investors check the professional background of current and former FINRA-registered securities firms and brokers. Brochures containing more details of this tool are available by calling the BrokerCheck hotline at 800.289.9999 or online at [www.finra.org](http://www.finra.org).

## MSRB Disclosure

CAPIS is registered with the SEC and MSRB. Customers may obtain an investor brochure at [www.msrb.org](http://www.msrb.org) describing the protections provided by MSRB rules and how to file complaints with an appropriate regulatory authority.

## Complaints

Complaints may be directed to:

Capital Institutional Services, Inc.  
Attn: Compliance Dept./ Complaints  
1700 Pacific Avenue, Suite 1100  
Dallas, Texas 75201  
214.978.4761 | [www.capis.com](http://www.capis.com)

**Policy effective on March 11, 2019.**



Member: NYSE, FINRA, NFA, SIPC