Aqua Securities L.P.
125 Park Avenue
New York, NY 10017
Regulatory Disclosure Statement

REGULATORY DISCLOSURE STATEMENT

The U.S. Securities and Exchange Commission ("SEC"), the Financial Industry Regulatory Authority, Inc. ("FINRA"), and other regulators have various rules and regulations that require broker-dealers to disclose certain policies and procedures including, but not limited to, client identification, business continuity, order routing and investor protection.

In accordance with these various regulatory requirements and industry best practices, and to give its clients transparency into the Firm's policies and procedures, Aqua Securities L.P. ("AQUA" or the "Firm") is providing the following regulatory disclosures to its clients.

NEW ACCOUNT OPENING – VERIFYING YOUR IDENTITY

Federal laws and regulations require financial institutions to obtain and verify information that identifies each client who opens an account.

When opening an account, AQUA is required to obtain your name, address, tax information and other information and documentation that will be utilized to verify your identification. For accounts other than natural persons (e.g., a corporation, partnership or trust) AQUA will request identifying documents evidencing the existence of the entity, such as articles of incorporation, a government-issued business license, a partnership agreement or a trust agreement. AQUA may also request to see a valid government issued form of identification evidencing nationality or residence and bearing a photograph such as a driver's license, passport or other identifying documents for the control persons or beneficiaries of the account.

As required by federal law, if AQUA is unable to verify your identity, AQUA will not be able to open an account or establish a relationship with you. AQUA reserves the right to request additional information or documentation at any time at its sole discretion material changes in account information should be forwarded in writing to AQUA's Compliance Department at the above address.

QUALITY OF EXECUTIONS - SEC RULE 605

The Securities and Exchange Commission ("SEC") Rule 605 requires market centers that trade national market system securities to make available to the public monthly electronic reports that include uniform statistical measures of execution quality. The SEC requires that the disclosure of a market center's order execution information be made available free and readily accessible to the public via a web site. Information regarding AQUA's most recent monthly SEC Rule 605 quality of executions information is available at **http://www.aquaequities.com**.

ORDER ROUTING - SEC RULE 606

In accordance with SEC Rule 606, AQUA is required to disclose on a quarterly basis the identity of the market centers to which AQUA routed orders for certain equity securities and the nature of any relationships with those market centers. AQUA's most recent quarterly SEC Rule 606 order routing information is available at **http://www.aquaequities.com**. A written copy of where your individual orders were routed for execution is available by contacting AQUA Trade Support at (212) 821-1100.

ORDER FLOW & DIRECTING OF ORDERS

AQUA Securities, L.P. does **not** receive payment or remuneration of any kind for directing order flow on any transaction.

ORDERS IN THE AQUA ATS

All orders placed in the AQUA ATS are handled as pegged orders. Unless otherwise instructed, AQUA treats your order as a midpoint pegged order.

FINRA BROKERCHECK

FINRA BrokerCheck is a free tool that assists investors by providing background and regulatory information on current and former FINRA member firms and registered representatives. This information can be obtained at **www.brokercheck.finra.org** or by calling the FINRA BrokerCheck Hotline toll-free number at 1-800-289-9999. A copy of an investor brochure that includes information describing FINRA BrokerCheck can be obtained by calling the FINRA BrokerCheck Hotline number or accessing the FINRA website.

INFORMATION ON SECURITIES INVESTOR PROTECTION CORPORATION (“SIPC”)

SIPC was created by the Securities Investor Protection Act of 1970 (“SIPA”), and its primary purpose is to provide protection within the limits of the SIPA to securities clients of failed brokers or dealers who are members of the SIPC. AQUA is a member of the SIPC.

Information on SIPC and the SIPC Brochure is available at either **www.sipc.org**, or by contacting SIPC at (202) 371-8300, or by sending an email request to **asksipc@sipc.org**.

EXTENDED HOURS TRADING RISK DISCLOSURE STATEMENT

AQUA does ***not*** ordinarily accept orders for execution outside of normal market hours (before 9:30 a.m. or after 4:00 p.m. EST). Unless otherwise agreed, all orders received prior to 9:30 a.m. will be executed through the primary market opening mechanism. Should AQUA accept an order for execution outside of normal market hours, clients should consider the points below.

In accordance with FINRA Rule 2265, AQUA is providing the following disclosure to inform clients of the risks you should consider before engaging in extended hours trading.

- **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 trading 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 trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading 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 trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading 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 trading 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 trading hours. Similarly, important financial information is frequently announced outside of regular trading 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.

SETTLEMENT OF SECURITIES TRANSACTIONS

The Securities and Exchange Commission has amended its Settlement Cycle Rule, which requires broker-dealers to settle most securities transactions within two business days ("T+2") of their execution date, instead of three ("T+3"). Broker-dealers were required to comply with the T+2 settlement cycle beginning on trade date **September 5, 2017**.

The T+2 rule amendment applies to the same securities transactions currently covered by the T+3 settlement cycle. These include transactions for stocks, bonds, options (exercise and assignment), rights, warrants, municipal securities, Exchange Traded Funds (ETFs), Exchange Traded Products (ETPs), American Depositary Receipts (ADRs), certain mutual funds and limited partnerships that trade on an exchange. The T+2 requirements do not apply to certain other categories of securities, such as exempted securities. The shortened settlement aligns the U.S. settlement cycle with the settlement cycles in other (non-U.S.) markets. The SEC believes that the shortened settlement cycle will provide many benefits to the market including a reduction in credit, market, and liquidity risk, and as a result, a reduction in systemic risk for U.S. market participants.

When a customer buys a security, CF&Co. must receive payment from the customer no later than two (2) business days after the trade is executed. When a customer sells a security, the customer must deliver the security to CF&Co. no later than two (2) business days after the sale.

PRIVACY POLICY NOTICE

Protecting your privacy is important to Aqua Securities, L.P. and our employees. We believe the confidentiality and protection of customer information is one of our most fundamental responsibilities. Whether you are an existing customer or are considering a relationship with us, you have an interest in how we collect, use, retain and secure non-public personal information. While information is critical to providing quality services, we recognize that one of our most important assets is our customers' trust.

If we change our privacy policies, a revised customer privacy notice will promptly be posted to our web site at **www.aquaequities.com**. You agree to accept posting of a revised customer privacy notice electronically on the web site as actual notice to you. You should review the customer privacy notice periodically to remain informed of any changes. Any dispute between you and AQUA is subject to our customer agreement/terms and conditions and our general policies, terms, and procedures governing AQUA's customer and other accounts, including where applicable, arbitration of disputes and limitation of damages.

If you have any questions that this customer privacy notice does not address or if you wish to discuss AQUA's privacy policies in greater detail, please contact our Compliance Department at (212) 938-5000 or write us at Aqua Securities L.P., Attn: Compliance Department, 125 Park Avenue, New York, NY 10017.

THE INFORMATION WE COLLECT

AQUA may collect non-public personal information about you from the following sources:

1. Information you provide to us on account opening documentation, applications, subscriptions or other forms;
2. Transactions with us, our affiliates, or others;
3. From non-affiliated third parties (e.g., credit reporting agencies and others).

NON-PUBLIC INFORMATION

The following is considered non-public personal information about you:

1. Information we receive on applications or other forms, such as name, address, tax identification number and electronic mail address;
2. Information about your transactions with us, our affiliates, or others;
3. Information we receive from a consumer reporting agency, such as creditworthiness and credit history.

PARTIES TO WHOM WE MAY DISCLOSE INFORMATION

We do not disclose non-public personal information to third parties, except to those third parties that may assist us in servicing your account, , to securities and banking regulators upon requests, to others pursuant to subpoena and as otherwise as permitted or required by law.

If you decide to close your account(s) or become an inactive customer, we will continue to adhere to the privacy policy and practices described in this notice, or subsequent notices, which may amend the policy stated herein.

This customer privacy notice is not intended to interfere with our ability to transfer all or part of our business and/or assets to either an affiliated or an un-affiliated third party at any time, and for any purpose, in accordance with applicable law, rule, and regulation.

CONFIDENTIALITY AND SECURITY PROCEDURES

AQUA takes steps to safeguard customer information and restrict access to your personal and account information to those employees who need to know that information in order for us to provide products or services to you. We emphasize the importance of confidentiality through employee training, operating procedures, written policies and this privacy policy. We maintain physical, electronic, and procedural safeguards to guard your non-public personal information.

KEY TERMS TO PRIVACY

"Nonpublic Personal Information" - Personally identifiable financial information that is provided by a customer or potential customer to a financial institution that results from a transaction with the customer or that is otherwise obtained by the financial institution in connection with providing a financial product or service.

"Affiliate"- Any entity that is part of the Aqua Securities, L.P. family by virtue of common ownership or control.

"Non-Affiliated Third Party" - Any entity that is not part of the Aqua Securities, L.P. family of companies.

BUSINESS CONTINUITY PLAN

Our Business Continuity Plan information is available at **http://www.aquaequities.com**.

COMPLAINTS

In accordance with SEC Rule 17a-3(a)(18)(ii), please be advised that any complaints may be directed to the above address, Attn: Compliance Department.

QUESTIONS

Should you have any questions or require any additional information regarding this statement, please contact your client sales representative or the Compliance Department at **(212) 938-5000**.