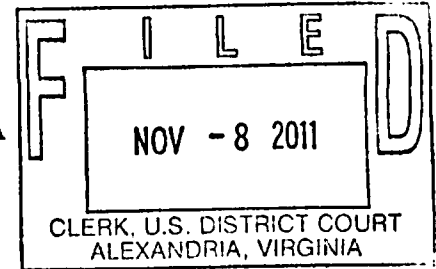


UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

LONG TERM-SHORT TERM, INC. AND
FREDDIE RICK,

Defendants.

C.A. No. 11 - CV 1127

FINAL JUDGMENT AS TO DEFENDANT FREDDIE RICK

The Securities and Exchange Commission having filed a Complaint and Defendant Freddie Rick having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or

instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of \$150,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall make this payment pursuant to the terms of the payment schedule set forth in paragraph III. below by certified check, bank cashier's check, bank wire transfer, or United States postal money order payable to the Securities and Exchange Commission. The payments shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Freddie Rick as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC

§ 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

III.

Defendant shall pay \$150,000 in 2 installments according to the following schedule: (1) \$75,000 within 14 days of entry of this Final Judgment; (2) \$75,000 within twelve months of entry of this Final Judgment plus post-judgment interest pursuant to 28 U.S.C. § 1961.

If Defendant fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment interest, minus any payments made, shall become due and payable immediately without further application to the Court.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein. Defendant has adopted and implemented, and agrees and undertakes to continue to adopt and implement, "BetterTrades Compliance Guidelines" ("Compliance Guidelines") that establish guidelines and policies for all company personnel, including speakers, instructors and faculty members, attached as Appendix A. Defendant agrees and undertakes to (a) adopt procedures designed to ensure that it is disseminated to officers, employees, and representatives of Defendant; (b) conduct appropriate training programs regarding the dictates of the Compliance Guidelines; (c) review the Compliance Guidelines and update it on a regular basis as needed; (d) develop appropriate

support to clarify, interpret and implement the Compliance Guidelines; (e) adopt an appropriate system of penalties to discourage and punish any violations of the Compliance Guidelines; (f) adopt appropriate procedures designed for preventing, reporting, investigating and handling any violations of the Compliance Guidelines; (g) adopt procedures designed to verify, on a regular basis, compliance with the Compliance Guidelines; and (h) certify, in writing, compliance with the undertaking(s) set forth above. The certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Defendant agrees to provide such evidence. Defendant shall submit the certification and supporting material to Moira T. Roberts, Assistant Director. Defendant shall submit such certification and supporting material every six months for a period of two years from the date the Final Judgment is entered.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: November 8, 2011

/s/
Gerald Bruce Lee
United States District Judge

UNITED STATES DISTRICT JUDGE

Appendix A

BetterTrades Compliance Guidelines

It is vital to BetterTrades and entities affiliated with it (including CodeReady Solutions and High Class Management) that we conduct our business in compliance with all applicable legal and regulatory requirements. BetterTrades has issued policies and guidelines to promote this compliance. These Compliance Guidelines set out the fundamental standards to be followed by everyone who works in any capacity for us, including our directors, officers, employees and independent contractors. Everyone who works in any capacity for us is bound to follow these Compliance Guidelines. These Compliance Guidelines refer to each of you as a “Representative”.

These Compliance Guidelines are organized by topics. Within each topic, illustrative examples are provided. No set of Compliance Guidelines can anticipate or address every question or concern. Should you have a question about whether certain conduct is permitted by BetterTrades Policies or these Compliance Guidelines, you are expected to raise that concern with a supervisor, the Company’s compliance officer, legal counsel, or BetterTrades management.

Representatives who are found to violate the spirit or letter of BetterTrades policies or of these Compliance Guidelines will be subject to disciplinary action up to and including separation from BetterTrades.

Statements by or about Representatives Must be Accurate and Complete

- **Accurate and complete statements are central to the integrity of BetterTrades, to the marketing of its classes and products, and to the credibility of its course content. As the Company’s Presentation Policies make clear, it is not acceptable to make exaggerated, misleading or untrue statements, regardless of the reason.**
- **Every statement made by a Representative about himself must be accurate. This mandate applies to all statements in BetterTrades’ promotional materials, in our classes, presentations, trading labs and workshops, and in response to inquiries from students and potential students.**
- **No Representative shall discuss or make reference to his own funded trades or funded trading history unless he receives written authorization from the Company’s Compliance Officer (“CO”).**
- **To minimize the potential for exaggerated or untrue statements about funded trading profits and/or trading history, no Representative shall refer to any funded trades unless he submits supporting trading records and brokerage statements to the Company’s CO and obtains written permission from the CO to discuss or mention his own trading experiences or particular trades. The following examples are provided to illustrate this guideline.**

- A Representative can discuss funded trades he has made, or profits he has earned, provided that the trades or profits were funded, the trade is closed, the CO has verified the accuracy of the statements and provided written permission.
- A Representative can state that he trades every day, or trades for a living, or is in the market every day, or similar statements, provided that the trades were funded, the CO has verified that funded trading records and brokerage statements substantiate the statement(s) and provided written permission.
- **No Representative shall mention, discuss or disclose any part of his personal background unless he has submitted a sworn affidavit attesting to the accuracy of that information and obtained written permission from the CO.**
- It is never permissible to exaggerate or invent personal circumstances in order to create a more compelling personal story. The following examples are provided to illustrate this guideline.
 - A Representative shall not suggest that he began to trade because he lost his job, or needed additional income to pay the mortgage or medical bills, if that reason is not accurate. Before any such anecdotes can be told, a Representative must submit a signed affidavit to the CO in which he attests to the accuracy of the anecdote and obtains written permission to use the anecdote from the CO.
 - A Representative shall not suggest that a significant portion of his income comes from funded trading profits when his income comes largely from BetterTrades.
 - A Representative shall not suggest that he is “retired” or “virtually retired” when he works for BetterTrades.
- **BetterTrades is a stock market education company and many of our Representatives demonstrate application of trading strategies to unfunded trades in classes, workshops, presentations and trading labs. Every Representative must make clear to students that any demonstrated trades are unfunded.**
- Teaching trading strategies often involves step by step instructions, such as where to draw lines of support and resistance, where to place stop losses, how to choose a specific option (whether in, at, or out of the money), how to select the proper delta, and how to determine the proper open interest, on a particular trade.

- Representatives must explain that each such example involves an unfunded trade and is used solely for educational purposes.
- Any Representative who displays or discusses records from his virtual trading account must explain that the records represent his virtual, unfunded trades, not funded trades with real money. The name of an unfunded account, like “Practice to Profits,” or a notation that appears on unfunded trading records, like “Virtual Account,” is not sufficient to alert students that the trades are unfunded.
- Where a Representative’s trading experience is based largely on his unfunded trades, any statements made about his trading experience or particular trades must explain that such trading involved unfunded paper trades. No Representative can create the mistaken impression that he made a “profit” and/or became wealthy as a result of unfunded trades.
- **No Representative shall represent directly, or by implication, that the SEC has endorsed, authorized or approved any of BetterTrades’ promotional materials, classes and/or products.**
- **No Representative shall make statements that create a false or misleading impression.**
- As our Presentation Policies explain, “accurate means not only literally truthful, but for the impression not to be false or misleading in the context that it is made. Context affects whether the statement is viewed as accurate.” The following examples are provided to illustrate this guideline.
 - A Representative may talk about a particular trading strategy and then may reference a recent vacation, purchase of a new car, or significant contribution to a favorite charity. While the words in each sentence may be true, the statements together can create the inaccurate impression that the vacation, or car, or contributions were made possible as a result of profitable trades. Unless that linkage can be supported by trading records of funded trades, the two statements cannot be combined.
 - A Representative may report that he is a conservative trader and averages \$2,000 a week in trading profits and has provided trading records that show trading profits of \$2,000 a week for a number of weeks. Shortly thereafter, he may state that some people may not think that \$2,000 is very much but \$100,000 a year is a good income. While the statements in each sentence may be true—the Representative may average \$2,000 a week in trading profits in some weeks, and \$100,000 in income is a good income, the statements together can create the inaccurate impression that the individual earned \$100,000 in trading profits in the past year. Those statements cannot be

combined, unless trading records from the individual demonstrate that he earned \$100,000 in trading profits in the past year.

Statements by Representatives about BetterTrades' Students Shall be Accurate and Complete

- **No Representative shall discuss, refer to, or relate the trading history or success of current or former BetterTrades' students unless that trading experience has been verified by BetterTrades.**
 - No Representative shall refer to his personal knowledge of the trading history of unnamed students unless (1) the funded trading records of that individual have been provided to BetterTrades; (2) the Company CO verifies the claimed success against the individual's funded trading records; and (3) the Company CO provides written approval.
 - No Representative shall use a student email reporting on successful trade(s) unless (1) the student executes a written release in which he attests to the accuracy of the claims and consents to the use of his story and provides supporting trading records to BetterTrades; (2) the Company CO verifies the claimed success against the individual's funded trading records; and (3) the Company CO provides written approval.
 - No Representative shall copy the content of a student email and paste it into any type of BetterTrades' promotional material unless (1) the student executes a written release in which he attests to the accuracy of the claims and consents to the use of his story and provides supporting trading records to BetterTrades; (2) the Company CO verifies the claimed success against the individual's funded trading records; and (3) the Company CO provides written approval.
- **No Representative shall make statements about the success rates of BetterTrades' students or imply that the experience of particular students are representative of what other students or new students can generally expect.**
 - BetterTrades does not track the "success" rates of students. While students often recount anecdotes about successful trades, or about profits made, those individual reports, even if verified, do not provide a basis for claims about the overall trading success, or average success rates, of BetterTrades' students. Neither BetterTrades nor its Representatives shall make claims about the success of its students that require proof that it does not have.
 - No Representative shall use the trading profits of one student, or a handful of students, even if verified, to claim that these experiences are representative of what students generally will achieve by trading with BetterTrades' strategies.

All Applicable Federal Laws and Regulations Governing Use of Testimonials and Endorsements in Promotional Materials Must be Followed

- **Numerous federal laws and regulations govern use of testimonials and endorsements in promotional materials, including advertising. BetterTrades intends to comply with all such applicable federal laws and regulations.**
- **BetterTrades recognizes that accuracy and transparency are critical elements of every student testimonial.**
- **Each Representative must follow the following guidelines for collection and verification of student testimonials.**
 - **BetterTrades will only use student testimonials that have been verified. Verification can be difficult because BetterTrades cannot compel a student to produce funded trading records for any trades, much less for the entire period in which he has traded.**
 - **To avoid potential misunderstandings, BetterTrades will only use student testimonials that involve “net” trading profit made during a particular period. Every student providing a testimonial regarding trading profits earned during a period must produce funded trading records and brokerage statements for that period so that BetterTrades can verify (1) the claimed trading profit and (2) that the student kept that profit through the end of the period. The examples are provided to illustrate this guideline.**
 - **Assume that a student volunteers to provide a testimonial stating that he made \$43,000 in trading profits in January. That student must provide all of his January trading records so that BetterTrades can verify that the student earned a net of \$43,000 in trading profits for the month.**
 - **Assume the same student volunteers to provide a testimonial stating that he made \$43,000 in trading profits during the first 10 days of January. Trading records provided by the student show that he made \$43,000 in trading profits during the first 10 days of the month. Those records also show that the student subsequently lost \$63,000 through unprofitable trades during the remaining days of the month and that he deposited \$63,000 on the last day of the month to offset his trading losses. The student testimonial cannot be used because the student did not retain his \$43,000 trading profit through the month of January.**
 - **Assume a student volunteers to provide a testimonial stating that he made \$1,000,000 in trading profits during the last calendar year. The student must**

provide trading records and brokerage statements for the prior calendar year so that BetterTrades can verify that he made \$1,000,000 in net profits during that year.

- Assume that same student volunteers to provide a testimonial stating that he made \$1,000,000 in trading profits during the last calendar year. Trading records and brokerage statements provided by the student for the prior calendar year show that the student made \$1,000,000 in gross profits during that year and lost \$450,000 through unprofitable trades. The student testimonial cannot be used because the student did not retain his \$1,000,000 trading profit through the end of the year.
- Each student providing a testimonial must execute a written release in which he vouches for the accuracy of the claimed trading success and consents to the use of his story.
 - A written release will only be valid for 24 months after it was provided by the student. If more than 24 months have passed from the date on the release, a new release must be obtained from the student before the testimonial can be used.
- If a Representative has reason to believe that someone other than the student earned the asserted trading profits or that the student lost money when he traded in an undisclosed account, the Representative shall put his concerns in writing and submit them to the CO.
- After a testimonial is recorded and verified and a written release is provided, BetterTrades and its Representatives may use that testimonial. The original of every executed student testimonial release and supporting trading records will be maintained by the CO once the claim has been verified by the CO. The marketing department will maintain a list of all vetted and approved student testimonials.
- **BetterTrades will disclose in its promotional materials when a student's trading profits were earned and when his testimonial was recorded.**
 - Any Representative who refers to a student testimonial, or uses it to promote BetterTrades' classes or products, must also make clear when the student's trading profits were earned and when the testimonial was recorded.
- **Representatives shall not provide testimonials or endorsements of BetterTrades' products or services.**
 - No Representative shall create supposedly objective blogs or tweets or social media postings that promote BetterTrades products or services.

- No Representative shall pose as an ordinary consumer providing a testimonial regarding the BetterTrades' educational system or his use of that system in trading. Even if every word of such a testimonial were to be literally true, there is a high likelihood that such a testimonial would be misleading because the Representative has a financial interest in the continued success of BetterTrades.
- **No Representative shall pay any social media users to post inaccurate information about BetterTrades' products or services.**
- **Accuracy and transparency are critical elements of every celebrity endorsement. Every Representative involved in a celebrity endorsement must follow the following guidelines.**
 - When BetterTrades promotional materials represent that an endorser uses BetterTrades' products or services or strategies, we must ensure that the endorser was a bona fide user at the time the endorsement was given. The endorser himself must have been the user and cannot rely on use by Representatives as the basis for his endorsement.
 - Once BetterTrades has verified that the celebrity personally uses its strategies and/or products, it can prepare a script to be used by the celebrity that reflects the celebrity's own views about BetterTrades' strategies and/or products.
 - BetterTrades must verify that the celebrity continues to use BetterTrades' strategies and/or products at the time the endorsement is made.
 - BetterTrades will only use a celebrity endorsement as long as it has good reason to believe that the endorser continues to subscribe to the stated views and continues to be a bona fide user, even if the promotional materials are aired or displayed years after the endorser provided his views. The following examples are provided to illustrate this guideline:
 - Assume that BetterTrades verifies that a celebrity endorser is a bona fide user of BetterTrades' strategies and/or products at the time the endorsement was provided. The endorsement provided by the celebrity asserts that he is "making money" by trading following the BetterTrades' strategies but does not make any claims about specific trades. At reasonable intervals thereafter, BetterTrades will require the celebrity to provide trading records to support the claim that he continues to make money by trading using BetterTrades products and/or strategies and continues to hold the views expressed in the endorsement.

- Assume that BetterTrades verifies that a celebrity endorser is a bona fide user of BetterTrades' strategies and/or products at the time the endorsement was provided. The endorsement provided by the celebrity asserts that he has made a specific trading profit by trading following the BetterTrades' strategies. BetterTrades will require the celebrity to provide trading records to support the claimed profit and records that show that he retained the trading profit up to the date that the endorsement was recorded. At reasonable intervals after the celebrity endorsement is first recorded, BetterTrades will require the celebrity to provide proof that he continues to trade using BetterTrades products and/or strategies and continues to hold the views expressed in the endorsement.
- BetterTrades will disclose in its promotional materials when specific trading profits were earned by the celebrity.
- **BetterTrades will require any vendor with whom it works on promotional materials to commit to adhere to the section of these Compliance Guidelines governing use of student testimonials and celebrity endorsements.**

BetterTrades is a Stock Market Education Company and Cannot Undertake Any Activities that Can Only Be Provided by Stock Brokers and/or Investment Advisors

- **Our Instructor Policies set forth activities that BetterTrades and its Representatives cannot undertake and each Representative must follow those Instructor Policies.**
- **BetterTrades recognizes that, in this age of laptops and cell phones, it is not possible to prohibit students from engaging in funded trades during a workshop or class. Neither BetterTrades nor its Representatives shall suggest or encourage students to engage in funded trades during any workshop or class.**
- **No Representative can review individual account activity for a student, review individual investment information for a student, or suggest that any other Representative could conduct such a review.**
 - From time to time, students ask questions about personal investments. While a student may seek an individualized response, the response provided should be general and appropriate for all students.
 - No Representative shall represent or suggest that he is assisting an individual student differently from all students in the class. The following examples are provided to illustrate this guideline.

- A student may ask about placement of a stop for a particular position he is holding. The Representative should answer that question by referring to the placement of a stop in a hypothetical stock and the reasons for that placement so that all students can benefit from the response and so that any risk of personalized advice is eliminated.
- A student may ask whether he ought to get out of a particular position he is holding in light of an expected earnings release. Depending on the strategy being taught, the Representative should answer that question by general discussion of the impact of earnings releases on the strategy, without reference to the particular position held by that student.
- No Representative shall represent or suggest that any other Representative will review investments in a student's individual stock portfolio or retirement account.
- **No Representative shall suggest a particular broker to students or volunteer to open brokerage accounts for students.**
 - BetterTrades has no exclusive relationship with any broker. We do not recommend one broker.
 - When a student asks for broker recommendations, Representatives can recommend several brokers from a list maintained by BetterTrades.

Benefits and Risks of Trading in the Stock Market Shall Not Be Misrepresented

- **No Representative shall minimize or downplay the risks associated with funded trading.**
 - The courses and products sold by BetterTrades are for educational purposes only. Some students have reaped financial rewards by trading using BetterTrades' strategies while others have not. Trading in the stock market offers the potential for financial success as well as the potential for significant losses.
 - All trading in the stock market involves risk. While the trading strategies taught by BetterTrades are well-recognized, BetterTrades does not and cannot warrant that these strategies can eliminate market risk or ensure profitable returns.
 - No Representative shall suggest that BetterTrades' strategies will enable students to generate steady monetary returns through trading. No trading strategy can guarantee steady returns or can guarantee only profitable trades.

- No Representative shall encourage a student to borrow money to fund a trading account, use his savings to trade, quit a job to trade, or liquidate a retirement account or use retirement funds to trade.
- BetterTrades recognizes that long-term successful funded trading requires knowledge, practice and experience. Our classes teach the fundamentals of trading strategies. Because some of our students have not traded before and others are not conversant with our strategies, we encourage our students to learn these strategies by paper trading or trading in a virtual environment. These alternatives are the only alternatives that are “risk free” because they involve unfunded trades. Whenever a Representative refers to “risk free” trading, he must explain that only unfunded trading is “risk free” and that live funded trading always carries market risks.
- **No Representative shall “over-promise” the benefits that can be obtained from BetterTrades classes and products.**
 - BetterTrades cannot and does not guarantee that any of its strategies will produce trading profits.
 - No Representative shall represent or suggest that students will be successful when trading, will make profits when trading, will achieve a certain rate of return each month, or will attain a certain level of profit.
 - No Representative shall represent or suggest that following any of the strategies taught by BetterTrades will guarantee a profit in the stock market.
 - BetterTrades prides itself on its ability to break down complicated trading strategies into steps that can be easily understood by individuals who have no specialized training or prior trading experience. It believes that its teaching system can make particular trading strategies simple or easy to understand and learn. No Representative shall represent or suggest that making money or consistent profits through funded trading is “simple” or “easy.”
 - BetterTrades teaches a number of different strategies, each of which has different steps and a different risk level. There is no one trading strategy that we teach.
 - BetterTrades’ educational system breaks down the learning of a particular strategy into separate steps, much like a recipe breaks down preparation of a cake into separate steps. Learning the entire strategy has been compared to following a recipe. We must be extremely careful if we use the recipe analogy when we refer to learning a strategy.

- Consumers commonly understand that following a recipe will lead to a successful outcome – for example, if one follows a recipe for baking a cake, one expects that an edible cake will result. Consumers may not factor in risks to the success of the recipe – for example, the milk could have soured, the leavening agent could have expired, the eggs could be rotten, or the oven temperature could be wrong. If any of these risks exist, the baking recipe will not likely succeed.
- Similarly, the recipe taught by BetterTrades for any trading strategy will be vulnerable to market risks, both known and unknown, and each of these risks impacts outcome. There are no “recipes” that produce reliable, regular, profits in funded trades.
- Following the recipe steps of a strategy may produce a profit in trading. It may also lead to a trading loss. No recipe for a trading strategy can account for market risk. For those reasons, no Representative shall represent or suggest that BetterTrades teaches “recipes” that students can follow which will generate trading profits.
- BetterTrades believes that certain efficiencies can be gained when a student purchases and uses the products that it sells. However, BetterTrades understands that students can become successful traders without purchasing any of these products. No Representative can condition answering a student’s question on the student’s purchase of BetterTrades products.
- **The standard Company disclaimer, in legible type, must be prominently displayed for a period sufficient for students to read it.**
 - BetterTrades has adopted a uniform, standard disclaimer across the company and has implemented procedures designed to ensure display of our standard disclaimer. Our procedure is that this standard disclaimer will be posted on every newsletter and commentary, or a link to the standard disclaimer will be provided.
 - The standard disclaimer will be displayed in our infomercials. A link to our standard disclaimer will be provided for other types of promotional materials.
 - The standard disclaimer will be shown at the beginning and end of every on location and on line class. The standard disclaimer will also be included in all of our course manuals.
 - Our standard disclaimer, written in plain English, is intended to warn consumers (1) that the education offered by BetterTrades provides no guarantee that a student will make money by trading; (2) that funded stock market trading is risky; (3) that there is a real risk that a student could lose money by trading following any

strategy; (4) that students in a funded trade could lose the amount of their investment; (5) that BetterTrades does not track its students' trades in the market and makes no representations about the average trading profits earned by its students; and (6) that all information provided is for educational purposes only and should not be used as the basis on which to make a funded trade.

- Each Representative must be attentive to the use of our standard disclaimers. Should a situation arise where the disclaimer is not displayed, or where a non-standard disclaimer is displayed, you are expected to take steps so that the standard disclaimer is displayed before the class, lab, workshop or presentation ends.
- BetterTrades recognizes the potential for its standard disclaimers to be compromised or undercut by statements made during a class or workshop. Representatives are expected to act promptly to correct misinformation and/or provide necessary context. The following examples are provided to illustrate this guideline.
 - Were a Representative to say something like, "I guarantee that this trade will be 80% successful" or "this trade will make you money," a student could reasonably conclude that BetterTrades was 1) offering specific funded trade recommendations and 2) guaranteeing the success of its recommendations. To cure any misunderstandings, the Representative must advise students that his remarks were addressed to the paper trade discussed in class and that no student should view his remarks as a recommendation for a funded trade.
 - From time to time, students spontaneously volunteer their trading profits or successes during classes and such reports cannot be verified during the class. In those instances, the Representative must put the statement in context and explain that BetterTrades does not track the success of its students or the success rates of its students so that other students do not come away with the impression that the success of one student can be easily replicated.
- **Representatives must obtain a written acknowledgement from each student attending every paid, on location workshop or class that he has read and agrees to the terms in the BetterTrades' disclaimer.**

Trading Skills of Faculty Members Must Be Maintained

- **Every Faculty member must execute fifteen funded trades every 90 days.**
- BetterTrades promotes its paid classes and workshops, in large measure, on the experience of its Faculty. Each Faculty member must execute 15 funded trades every 90 days. By the last day of each month, each Faculty member must submit

to the CO evidence of all trades made during that month or confirm in writing that no trades were executed during that month to the CO. At the end of each 90 day period, each Faculty member must submit to the CO evidence that he has executed 15 funded trades and the following written certification: "I certify that I personally made the 15 funded trades reflected in the records submitted by me to BetterTrades. I confirm that my conduct during the past 90 days adhered to the Company's Instructor and Presentation Policies and its Compliance Guidelines."

- Acceptable evidence of those trades is limited to copies (whether sent by facsimile or PDF attached to an email) or a screen shot of trade confirmations, trade notifications and brokerage statements. Excel spreadsheets and word documents will not satisfy this requirement.
- Unfunded trades, regardless of number, will not satisfy this requirement.
- **Any Faculty member who fails to meet this requirement in any 90 day rolling period will not be permitted to teach until he makes the requisite number of funded trades sufficient to come back into compliance and provides acceptable evidence of those trades.**

Compliance with Applicable Law and with BetterTrades' Policies and Compliance Guidelines is a Responsibility for Each Representative and for BetterTrades

- **One of the most important responsibilities of each Representative is the obligation to raise questions about the application of our Policies and Compliance Guidelines or concerns about possible violations.**
 - Each Representative acts as the Company's "eyes and ears." When questions, concerns, and potential problems are raised in a timely manner, the Company is in the best position to address them.
 - The whole idea is to speak up – to promptly ask questions and get answers. Bring your questions and concerns into the open so problems can be resolved quickly.
 - Representatives who do not receive resolution of questions or concerns are expected to escalate those issues within BetterTrades.
- **Every Representative must read these Compliance Guidelines and our Policies, execute in writing the personal commitment to integrity that follows these Compliance Guidelines and submit that written certification to the CO within 5 days of receipt of these Compliance Guidelines.**
- **Every Representative must certify in writing, at the end of each quarter, that, to the best of his knowledge and belief, there have not been violations of the Policies**

and Compliance Guidelines of BetterTrades or must identify, in writing, any compliance issues that have not been addressed. Management of BetterTrades will rely on these certifications in connection with any certification that it may be required to make.

- **BetterTrades will promptly investigate reports of possible violations of its Policies and/or Compliance Guidelines.**
- **Representatives must cooperate in all Company investigations into potential violations of our Policies and/or Compliance Guidelines.**

Your Personal Commitment to Integrity

I acknowledge that I have received and read these Compliance Guidelines. I understand that every director, officer, employee and independent contractor of BetterTrades is required to comply with BetterTrades' Policies and these Compliance Guidelines.

I agree to abide by and follow BetterTrades' Policies and these Compliance Guidelines.

If I have questions about application of the Policies or Guidelines, or concerns about a possible violation of the Policies or Compliance Guidelines, I will raise the concern with a supervisor, legal counsel, or Company management.

Dated: _____

Signature: _____

Print name: _____