

Form ADV Part 2A: Disclosure Brochure

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This brochure provides information about the qualifications and business practices of RED Option Advisors, Inc. (“RED Option”). If you have any questions about the contents of this brochure, please contact RED Option at 877-733-6786. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

RED Option is a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about RED Option is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

This brochure dated December 19, 2013 replaces the previous version, which was dated December 17, 2012. The following section highlights revisions made to the RED Option Disclosure Brochure:

We added a new Volatility Strategy described in item 8.

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ITEM 4 - ADVISORY BUSINESS

RED Option Advisors, Inc. ("RED Option") is an SEC-registered investment adviser based in Chicago, Illinois. RED Option started in 2003 as a division of thinkorswim Advisors, Inc. and a member of the thinkorswim Group, Inc. In 2009, the thinkorswim Group, Inc. was acquired by TD Ameritrade Holding Corporation. thinkorswim Group, Inc. wholly owns thinkorswim Holdings, Inc., which wholly owns RED Option, TD Ameritrade Holding Corporation is a publicly traded company. Approximately 42% of its common stock is owned by the Toronto-Dominion Bank. RED Option has been registered as an investment adviser since 2010.

As used in this brochure, the words "we," "our" "us" and "RED Option" refer to RED Option Advisors, Inc. and the words "you," "your," "participant," "subscriber," and "client" refer to you as either a client or prospective client of our firm. In addition, as used in this brochure, the term "Associated Persons" refers to our officers, employees, and all individuals involved in providing services on behalf of our firm.

RED Option is an Internet-based company that provides risk –defined options trading strategies recommendations to retail investors. The strategies we offer cater to various types of clients ranging from those who have a basic understanding of options spreads to experienced options traders. We recommend that you have a working knowledge of both Calendar Spreads and Vertical Spreads before you subscribe to any of our options trading strategies. The strategies generally involve buying or selling multiple options contracts on the same underlying securities. For additional information on Calendar Spreads and Vertical Spreads, see Item 8 below.

Our services are designed to provide you with specific trade recommendations via email that include detailed trade descriptions and explanations. We offer the following ten (10) distinct option strategy-based newsletters by subscription:

1. Covered Call
2. Collar (Covered Call with Protective Put)
3. Index Calendar
4. Equity Calendar
5. Vertical Spreads
6. Iron Condor
7. Double Double
8. Sector Index
9. RED Option Weeklys
10. Volatility Strategy

Recommendations vary within each strategy and are limited to advice on equity securities, exchange traded funds, index funds, and options contracts on equity securities. Any available weekly, monthly, or quarterly option cycle may be utilized in all of our strategies in order to capture a specific market event or favorable circumstance as long as all initial trade guidelines are met.

If you subscribe to any one or more of our strategies, you will receive trade recommendations via email that are specific to each strategy for which you have subscribed. The emails will include trade specifics and explanations of the dynamics and reasoning behind the recommendation. Email alerts are sent to you each time we recommend opening, adjusting, or closing a trade. We will send you approximately two

trade recommendations per strategy per month, as well as any adjustments or closing recommendations. In the event that we do not see an opportunity that meets our criteria in the market for a particular period, we will not send new trade recommendations for that period.

Autotrade Program

We offer subscribers the opportunity to have the strategy recommendations automatically executed through the "Autotrade" program, which involves an agreement between you and TD Ameritrade, Inc. ("TD Ameritrade"), our affiliated broker-dealer. The Autotrade program requires you to open and maintain a brokerage account with TD Ameritrade, and to subscribe to one or more of our options strategies. All client transactions in the Autotrade program are executed through TD Ameritrade. In addition, you must agree to the provisions of the electronic Autotrade Limited Trading Authorization Agreement and an SEC Risk Disclosure statement.

We are affiliated with TD Ameritrade through common control and ownership, see Item 10 below for additional disclosures on this topic. As a RED Option subscriber using the Autotrade program, you acknowledge that RED Option personnel may access your TD Ameritrade account when instructed by you to provide and edit information related to the RED Option service for TD Ameritrade's use in entering transactions.

Upon entering the Autotrade program, you must set a specific dollar amount that you would like to allocate on a per trade basis for the strategy / strategies that you are subscribed to. There are minimum allocation amounts for each trading strategy. Please see Investment Strategies in Item 8 below. A trade encompasses all the transactions (including trade adjustments and rolling transactions) for that particular trade for that strategy through the closing of the trade. Thereafter, TD Ameritrade will automatically execute all new recommendations for each individual strategy to which you subscribe in your TD Ameritrade brokerage account based on your preselected allocation. Additionally, TD Ameritrade will execute any subsequent adjustments and closing recommendations in your brokerage account until you elect to discontinue the service.

As part of the Autotrade program, in an effort to seek best price, RED Option will verify pricing through TD Ameritrade systems reflecting the national bid and offer. We will then enter a block order into a dedicated RED Option account at TD Ameritrade. After the order is placed, TD Ameritrade facilitates the processing and filling of the order and then disperses the trade into the TD Ameritrade accounts of each subscriber in the particular strategy that has elected to participate in Autotrade, per their individually determined Autotrade allocations. The Autotrade allocation amount you choose at TD Ameritrade is a ceiling and you will not be included in a trade for an amount above your selected allocation amount. However, due to price movement, some trades may only get a partial fill and then you may get an allocation less than the dollar amount you have selected. Furthermore, all clients will generally receive at least two contracts per block order for an order to be filled except for the Covered Call and Collar strategies. In those strategies, clients must receive at least one contract per block order for an order to be filled.

You may cancel or change your Autotrade allocations at any time. If you choose to cancel your allocations, all existing positions will continue to be adjusted and closed per RED Option recommendations. However, no new positions will be placed for you. You have the option to cancel Autotrade altogether and take control of all your own open positions. If you choose to cancel Autotrade, you must contact the TD Ameritrade trade desk immediately to remove your Limited Trading Authorization.

Market Blog

The Market Blog is a free daily newsletter (Sunday to Friday) that provides commentary on market news, upcoming earnings and industry events. Market Blog is accessible on the RED Option website at www.redoption.com or you can subscribe to receive the Market Blog daily via email.

ITEM 5 - FEES AND COMPENSATION

Options Trading Services

As a subscriber of our services, you can choose from ten (10) distinct risk-defined options trading strategies. We are compensated with a subscription fee of \$20 per strategy per month. Your credit card will be charged \$20 for each individual strategy that you are subscribed to on the first day of each month. TD Ameritrade clients may also use the TD Ameritrade Online Cash Services feature to pay the RED Option monthly subscription fee.

If you wish to cancel your subscription, you may do so online by logging into your account or by calling RED Option at 877-733-6786. If you submit the request for cancellation before RED Option sends the first recommendation for that month, you may request and receive a refund. If you submit the cancellation/refund request after RED Option sends the first trade recommendation for that month, we will not refund any portion of that month's fee.

Negotiation of Fees

We reserve the right to negotiate pricing in individual circumstances and provide varying offers to new and existing clients.

Other Fees and Expenses

RED Option clients that participate in Autotrade will pay separate per-trade transaction commissions in their TD Ameritrade brokerage account. For additional information on the Autotrade program, see Item 4 above. RED Option clients may also place the transactions at the broker-dealer of their choice and pay the respective commissions charged by their broker-dealer.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Form ADV Part 2 requires investment advisers such as RED Option to disclose whether the firm or any person associated with the firm accepts performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. This section is not applicable to our firm because we do not charge performance-based fees.

ITEM 7 - TYPES OF CLIENTS

We provide options advisory services for retail investors (individuals, corporations, and other business entities). The strategies offered by our firm cater to various types of clients ranging from those who have a basic understanding of options spreads to experienced options traders. In all cases, we recommend that you have a working knowledge of both Calendar Spreads and Vertical Spreads before you subscribe to any of our options strategies. See responses below at *Methods of Analysis*, *Investment Strategies* and *Risk of Loss* for additional information on Calendar Spreads and Vertical Spreads.

RED Option has minimum allocation requirements per trade for participation in each of the investment strategies as follows:

• Index Calendar, Equity Calendar, Vertical Spreads, Sector Index	\$500	per trade
• Iron Condor, Double Double, RED Option Weeklys	\$1,000	per trade
• Volatility Strategy	\$2,500	per trade
• Collar, Covered Call	\$5,000	per trade

The above minimum allocation requirements may not guarantee your participation in every trade in that particular strategy. Accordingly, you may wish to set your minimum allocation to the level recommended in the strategy descriptions to make participation in each recommended trade more likely. See responses below at *Methods of Analysis*, *Investment Strategies* and *Risk of Loss* for additional information on our strategy descriptions and recommended allocations.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Our primary methods of analysis are charting, fundamental, technical, cyclical and probability.

Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

Risk: Charts may not accurately predict future price movements. Current prices of securities may not reflect all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Risk: The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may not reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Cyclical Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Probability Analysis - a proprietary calculation that determines the statistical likelihood of an option price exceeding, falling between or below upper and lower boundary prices. Probability can be computed for a certain time frame or a specific point; we use 'Probability of Expiring' (specific date) and 'Probability of Touching' (time range) on the TD Ameritrade trading platform. These probabilities are used in construction of risk-defined option trading strategies. RED Option looks for favorable probabilities when initiating recommendations for our subscribers. These probabilities are a result of many variables in the options of the underlying stock, ETF or Index. They are generally based on volatility, price and time to expiration and are continually updated as these variables change. We use these probabilities as a guideline for option positions that are fundamentally positive at the time of initiation.

Risk: Probability Analysis may not accurately predict future price movements. Current prices of securities may not reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Investment Strategies

RED Option offers ten (10) distinct investment strategies for individual subscription as described below:

1) Covered Call

The "Covered Call" strategy as recommended by RED Option consists of purchasing 100 shares of a mid to large capitalization stock, ETF or index-based ETF ("underlying") and then selling a call option on the 100 shares for a credit.

The Covered Call strategy is designed to profit in two different scenarios. Upon selling a call, the credit received effectively reduces the cost of the trade, thus reducing the overall amount of money risked on the trade. If the price of the underlying moves above the strike price of the call, the client may be assigned and the client will be obligated to sell the underlying at the strike price. This may result in a profit, as the client will keep the profit realized from selling the underlying at a higher price than was initially paid, as well as the initial credit received for selling the call (less any applicable commissions and assignment fees).

If the price of the underlying trades in a relatively narrow trading range and stays below the strike price, the strategy provides an opportunity to roll the call option from month to month (buying back the call and then selling a further-out month call). That can lead to collecting additional premium each month and further reducing the amount of money risked on the trade. The client may also have the benefit of receiving dividend payments on many of the stocks RED Option recommends for this strategy. Of course, this is only possible if the client remains in the position and does not get assigned.

The Covered Call strategy may be utilized when an investor believes the underlying will either move up or remain in a relatively narrow trading range over the life of the call option. There is limited upside potential for this strategy, up to the strike price of the call. If the stock moves above the strike price of the call, the client likely will not keep the underlying shares as they will be called away and the client is obligated to sell the underlying at the strike price as described above. In addition, the strategy does not provide downside protection beyond the credit received when the call was sold, should the underlying lose significant value. In the event the underlying experiences a large down move of more than a 25% drop in price, RED Option will review and may send out a recommendation to close out the trade. For Autotrade clients, RED Option will attempt to close out the trade.

Suggested Allocation

Typically the shares of the underlying purchased will be trading for less than \$70 per share. An allocation of \$7,000 or above per trade should ensure but does not guarantee participation in each recommended trade. However, a minimum of at least \$5,000 is required to Autotrade this strategy.

The length of any specific Covered Call recommendation will typically be 20 to 180 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- You have the possibility of receiving dividend payments on underlying stock.
- You also have the possibility to roll options to generate additional net premiums.
- Investor education

Potential Risks

- The potential loss of up to 100% of the capital you invest in each trade (which can happen if the price of the underlying stock drops to zero) plus any commissions charged by your broker-dealer.
- This strategy is capital intensive since you are buying the stock for cash and no margin is used. There can be no assurance that an individual covered call trade will be successful.
- Potential gains will be reduced, or possibly eliminated, by commissions you must pay your broker-dealer for recommended transactions, which includes commissions incurred for adjustments or rolling of a position.

(2) Collar (Covered Call with Protective Put) Strategy

The “Collar” strategy involves three simultaneous elements:

1. Purchasing 100 shares of a large capitalization stock, which may or may not be dividend paying, with high liquidity and medium correlation to market movements (beta); and
2. Selling a high-volatility call option on those 100 shares, which results in collection of a credit; and
3. Buying a protective put on those 100 shares that defines the amount of risk in the overall position and guards against a large downward move in the price of the stock. (The protective put typically is about 10-20% “out-of-the-money”. Having the protective put in place means that each recommended trade will not result in a 100% loss and should not result in a loss of more than 20%).

The Collar strategy gives you the opportunity to roll option positions from month to month, thereby collecting additional premiums against the long stock position and thus reducing the cost and risk of each trade. This can work to your benefit if it is anticipated that the underlying stock is going to continue to trade in a relatively narrow range.

Suggested Allocation

An allocation of \$7,000 per trade for this strategy should ensure but does not guarantee your participation in every recommended trade, given that the 100 shares of stock typically costs less than \$7,000 (\$70 per share). The minimum required by TD Ameritrade to Autotrade this strategy is \$5,000 per trade; however, you need to be aware that a \$5,000 allocation would not be enough for participation in trades where the stock costs over \$50 per share.

The length of any specific trade recommendation in the Covered Call with Protective Put strategy typically ranges from 20 to 180 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- You have the possibility of receiving dividend payments on underlying stock.
- You also have the possibility of rolling options to generate additional net premiums.
- Investor education.

Potential Risks

- The potential loss is up to 20% of the capital you invest in each trade (which can happen if the price of the underlying stock drops below the “stop” position) plus any commissions charged by your broker-dealer.
- This strategy is capital intensive since you are buying the stock for cash and no margin is used.
- Potential gains will be reduced or possibly eliminated by the commissions you pay for the recommended transactions.

- Of the various strategies recommended by RED Option, the collar strategy entails the least risk. However, there can be no assurance that an individual collar strategy will be successful.

(3) Index Calendar Strategy

The “Index Calendar” strategy involves:

- The simultaneous sale of a front-month call option and the purchase of a back-month (further out month) call option, at the same strike price, in the same underlying, which is known as a “Call Calendar”; or
- The simultaneous sale of a front-month put and the purchase of a back-month (further out month) put, at the same strike price, in the same “underlying,” which is known as a “Put Calendar.”

The underlying investment (“underlying”) will be exchange traded funds (ETFs) based on the major Indices (e.g. SPX, DJX, RUT) with high liquidity and medium correlation to market movements (beta).

The structure of a Calendar Spread will always be short (selling) the front-month option and long (buying) the back-month option. The positions that RED Option recommends will always be initiated as a net debit whether it is a “Call Calendar” or “Put Calendar.” The short and long positions that are recommended will be entered simultaneously, so that they are not done as two transactions but rather as one transaction, known as a “Calendar trade.”

When recommending an Index Calendar trade, we want to see the underlying trading at or near the strike price of the option position. As option expiration gets closer, the short option in the front month will decay (lose premium) faster than the long option in the far-term month. This would ideally provide the opportunity to buy the short option back for less than it was sold for and then either sell the long option in the back month to close the position or possibly collect additional premium by rolling the short strike to an additional expiration. The desired result is for the underlying to trade at or near the option strike price so the option positions can be rolled and more credits can be taken in than the net debit that was paid to initiate the trade. We will monitor the recommended trade and will seek to make further recommendations intended to take advantage of such opportunities and/or suggest when to adjust or close the trade.

Suggested Allocation

An allocation of \$500 per trade for this strategy should allow, but does not guarantee, your participation in every recommended trade. There can be no assurance that an individual Index Calendar trade will be successful.

The length of any specific trade recommendation in the Index Calendar strategy typically ranges from 20 to 100 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- Potential gains are possible when the underlying remains in a defined trading range and credits generated by rolling the options exceed the debit paid at inception.
- Investor education.

Potential Risks

- Any large moves to the upside or to the downside may negatively affect this position.
- If the underlying should move too quickly and there is not a chance to roll, you could potentially lose 100% of your allocation plus any commissions charged by your broker-dealer.
- Potential gains will be reduced or possibly eliminated by the commissions you pay for the recommended transactions.

(4) Equity Calendar Strategy

The “Equity Calendar” strategy is based on the same principles as the Index Calendar (see Index Calendar description above). In the Equity Calendar strategy, the underlying are individual stocks (equities) with medium correlation to market movements (beta).

As with the Index Calendar, the structure of the Equity Calendar will always be short (selling) the front-month option and long (buying) the back month option. The trades that we recommend will always be initiated as a net debit, whether it is a “Call Calendar” or a “Put Calendar.” When recommending an Equity Calendar trade, we want to see the underlying trading at or near the strike price of the option position. As option expiration gets closer, the short option in the front month will decay (lose premium) faster than the long option in the back month (far-term month). This would ideally provide the opportunity to buy the short option back for less than it was sold for and then either sell the long option in the back month to close the position or possibly collect additional credit by rolling the short strike to an additional expiration. The desired result is for the underlying to trade at or near the option strike price so the option positions can be rolled and more credits can be taken in than the net debit that was paid to initiate the trade. We will monitor the recommended trade and will seek to make further recommendations intended to take advantage of such opportunities and/or suggest when to adjust or close the trade.

An advantage of the Equity Calendar strategy is that the pool of individual stocks is much larger than the pool of individual ETFs. However, there is a possibility that a specific news event will cause the underlying to have a large move up or move down. When recommending an Equity Calendar trade, we want the market to remain in a narrow trading range and for the underlying not to have any big moves in either direction.

Suggested Allocation

An allocation of \$500 per trade for this strategy should allow, but does not guarantee, your participation in every recommended trade. There can be no assurance that an Individual Equity Calendar trade will be successful.

The length of any specific trade recommendation in the Equity Calendar strategy typically ranges from 20 to 100 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- Potential gains are possible when the trade remains in a defined trading range and the credits generated by rolling exceed the debit paid at inception.
- Investor education.

Potential Risks

- Any large moves to the upside or to the downside may negatively affect this position.
- If the “underlying” should move too quickly and there is not a chance to roll, you could potentially lose 100% of your allocation and any commissions charged by your broker-dealer. .
- Potential gains will be reduced or possibly eliminated by the commissions you pay your broker-dealer for the recommended transactions.

(5) Vertical Spreads Strategy

The “Vertical Spreads” strategy is a defined-risk directional option spread that looks to take advantage of slight market moves in one particular direction. RED Option makes trade recommendations using vertical call spreads and vertical put spreads in underlying securities (“underlying”) such as individual stocks, ETFs or Indices with high liquidity and generally with moderate volatility. The spreads are “vertical” because the options are on the same underlying in the same expiration month but at different strike prices. The details of each specific trade will be stated in the trade recommendation email that we send you.

A Call Vertical spread involves simultaneously buying one call option and selling another call option at a different strike price in the same underlying, in the same expiration month. A Put Vertical spread involves simultaneously buying a put option and selling another put option, at a different strike price in the same underlying, in the same expiration month. Generally, we will be recommending, “selling” vertical call or put spreads, because there is a higher probability that the recommended trade will be successful.

We will generally recommend selling out-of-the-money Call Verticals or out-of-the-money Put Verticals. Upon selling the Vertical, a credit will be collected. The goal of the trade is that the underlying will remain within a narrow trading range so that the credit received upon initiation can be retained. There are three out of four market situations where this type of trade can be successful.

- (1) If the underlying is moving sideways for a period of time,
- (2) If the underlying is moving up and down within a small range and not going in one direction for an extended period of time or
- (3) If the underlying has a relatively large move but does not go over the short vertical strike price on the upside or downside, depending on the particular trade that we recommended. On the other hand, selling a Call Vertical or Put Vertical will not be successful if the market has a relatively straight-line move in one direction over the short strike price without pulling back.

We may recommend Vertical Spread trades with a bullish or bearish direction. Bullish Vertical Spreads recommendations will use long Call Verticals or short Put Verticals. Bearish recommendations will use short Call Verticals or long Put Verticals. If we recommend buying a Call Vertical or a Put Vertical for a debit, we will be seeking a short-term move by the underlying in the desired direction. Such a move would increase the value of the Vertical because the Vertical could be sold for a credit that is greater than the debit paid upon initiation of the recommended trade.

Suggested Allocation

An allocation of \$500 per trade for this strategy should allow, but does not guarantee, your participation in every trade that RED Option recommends for the Vertical Spreads strategy. There can be no assurance that an individual Vertical Spread trade will be successful.

The length of any specific trade recommendation in the Vertical Spreads strategy typically ranges from 20 to 45 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- Potential gain on selling Verticals when the underlying remains in a relatively narrow trading range or on buying Verticals when the underlying moves in the desired direction.
- Investor education.

Potential Risks

- You could potentially lose 100% of your allocation per trade plus any commissions charged by your broker-dealer.
- Potential gains will be reduced or possibly eliminated by the commissions you pay your broker-dealer for the recommended transactions.

(6) Iron Condor Strategy

The “Iron Condor” strategy is an option strategy involving a single complex option spread. It entails the simultaneous sale of an out-of-the-money call “vertical” and an out-of-the-money put “vertical,” in the same month in the same underlying (see the “Vertical Spreads” strategy description for additional information about verticals). A call is out-of-the-money when the price of the underlying is lower than the option's strike price: a put is out-of-the-money when the price of the underlying is higher than the put's strike price. The underlying security (“underlying”) is typically an ETF or Index with medium volatility and high liquidity relating to a well-known index such as the SPX, SPY, DIA, QQQ, MNX, and IWM.

When looking for an Iron Condor to recommend, we are seeking a calculated probability of approximately 70-80% that the short Call Vertical and the short Put Vertical will not close in the money at options expiration. Only one side of the recommended trade can possibly close in the money since it is structured by means of a vertical on the upside, and a vertical on the downside. The Iron Condor strategy is designed to profit when the underlying remains in a reasonably narrow trading range during the expiration cycle positions that we recommend.

The trade recommendations that we make in the Iron Condor Strategy will typically involve collecting a credit upon initiation of the trade. The goal is to keep the initial credit collected upon initiation, which will occur if the underlying stays between the short Put Vertical strike price and short Call Vertical strike price. Depending on market movements and the time remaining to options expiration, we may recommend adjustments to the trade. In some instances, RED Option may also recommend purchasing Iron Condors in an environment of extremely low volatility with the debit amount being the maximum risk on the trade.

Most of the time the recommended Iron Condor trades are designed to be market neutral, but depending on a number of factors there may be instances when we will skew the recommended trades a little in one market direction or another. When that is the case, we will indicate these details in the trade recommendation we send to you.

Suggested Allocation

An allocation of \$2,000 per trade for this strategy should ensure but does not guarantee your participation in every recommended trade and any necessary adjustments. The minimum allocation required by TD Ameritrade to Autotrade this strategy is \$1,000 per trade; however, you need to be aware that if a trade requires more than \$1,000 to participate, the minimum allocation would not be enough. There can be no assurance that any individual Iron Condor trade will be successful.

The length of any specific trade recommendation in the Iron Condor strategy typically ranges from 20 to 70 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- Potential gains are possible when the market remains within a defined trading range.
- Investor Education

Potential Risks

- If the underlying does not remain in a reasonably narrow trading range during the life of the trade, you could potentially lose 100% of your allocation.
- Potential gains will be reduced or possibly eliminated by the commissions you pay for the recommended transactions.

(7) Double Double Strategy

The “Double Double” strategy consists of three possible trade types - a “Double Calendar,” a “Double Diagonal” or a “Straddle/Strangle Swap.” The underlying securities (“underlying”) will be highly liquid individual stocks, ETFs and Indexes (e.g. the SPY, IWM, or DIA) with medium correlation to market movements (beta). The Double Double strategy is the most complex of the strategies we recommend. Accordingly, it is important to have a clear understanding of all previous strategies listed in order to comprehend the nature of the Double Double. An ideal market condition for this strategy would be one in which the underlying either trades near the strike price or experiences an increase in volatility prior to options expiration.

A “Double Calendar” is the purchase of two Calendars, buying a call calendar above the strike price of the underlying and buying a put calendar below the strike price of the underlying. The Double Calendars that we recommend will always involve paying a debit upon initiation of the recommended trades. As the front month options that were sold decay and lose value, the idea is that we recommend you buy those front month options back by rolling to subsequent months, collecting a credit, and therefore reducing the amount of risk on the trade. If our recommendations are successful, upon rolling the two Calendars, you will collect a credit for both the put Calendar roll and call Calendar roll.

“Double Diagonal” - Unlike the Double Calendar, where the strike prices will be the same in both the front and back month, in the Double Diagonal the front month strike prices will be different than the back month strike prices. A Diagonal spread combines a Calendar spread (since the options expire at different times) and a Vertical spread (since the strike prices are different). A Double Diagonal is simply two diagonals. When the diagonals are rolled (collecting a credit on each one), the resulting position will be an Iron Condor. At that point, we will be looking for the same conditions as in the Iron Condor strategy (see Iron Condor strategy). The biggest difference between the Double Diagonal and the Iron Condor is that the Double Diagonal requires more buying power because of the make-up of the trade.

A “Straddle / Strangle Swap” is the sale of a front-month at-the-money call and an at-the-money put, which is known as a “Straddle.” This is coupled with the purchase of a back-month out-of-the-money Call and an out-of-the-money put, which is known as a “Strangle.” The call and the put are the same number of strikes away from the price at which the underlying is trading. If the call is two strikes above that of the underlying, the put will be two strikes below the price of the underlying. The goal is for us to recommend that you roll the positions for credits. When the two diagonals are rolled, the result is a short Put Vertical and a short Call Vertical at the same strike price (see Vertical Spreads strategy).

Suggested Allocation

An allocation of \$2,000 per trade for this strategy should ensure but does not guarantee your participation in every recommended trade (including all necessary adjustments). The minimum allocation required by TD Ameritrade to Autotrade this strategy is \$1,000 per trade; however, you need to be aware that if a trade requires more than \$1,000 to participate, the minimum allocation would not be enough. There can be no assurance that an individual Double Double trade will be successful.

The length of any specific trade recommendation in the Double Double strategy typically ranges from 20 to 60 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- Potential gains are possible when the trade remains in a defined trading range.
- Investor education.

Potential Risks

- Any large moves to the upside or to the downside before we have a chance to recommend adjustments could potentially result in a loss of 100% of your allocation plus any commissions charged by your broker-dealer.

- Potential gains will be reduced or possibly eliminated by the commissions you pay your broker-dealer for the recommended transactions.

(8) Sector Index Strategy

The “Sector Index” strategy looks to take advantage of the rise and fall in volatility that may occur in various sectors of the market. We will recommend positions using various strategies, such as Calendar Spreads, Iron Condors, Vertical Spreads and Double Diagonals and Butterflies. (See the strategy descriptions above).

For the underlying, we will recommend ETFs with high liquidity specific to certain sectors of the market, such as ones tied to gold, oil, or real estate.

Suggested Allocation

An allocation of \$1,000 per trade should ensure but does not guarantee participation in each recommended trade for this strategy. However, \$500 is the minimum allocation amount in order to Autotrade this strategy. There can be no assurance that an individual Sector Index trade will be successful.

The length of any specific trade recommendation in the Sector Index strategy typically ranges from 20 to 90 days.

Potential Benefits

- You cannot lose more than your allocation (not including commissions charged by your broker-dealer or dividend risk).
- Potential gains are possible when the market remains within a defined trading range.
- Investor education.

Potential Risks

- You could potentially lose 100% of your allocation per trade plus any commissions charged by your broker-dealer.
- Potential gains will be reduced or possibly eliminated by the commissions you pay for the recommended transactions.

(9) RED Option Weeklys Strategy

The “RED Option Weeklys” strategy seeks to initiate positions in Weekly options or “Weeklys” (options with a shorter expiration), with each corresponding weekly option expiring every Friday of the month, except for the standard monthly series which expires after the third Friday. We aim to take advantage of this product by offering clients innovative ways to participate in news-driven market moves and short-term trading strategies. Because of their short-term nature, Weeklys allow clients more opportunity to trade on market events such as earnings reports, news and regulatory events, as well as in market-neutral environments.

Weeklys are most appropriate for experienced option traders. RED Option clients using Weeklys must be extremely attentive to their positions as changes to underlying prices and days to expiration will have a larger impact due to the shorter time frame.

Weekly options are listed on a Thursday and expire on various Fridays outside of the standard “monthly” expiration cycle, which occurs the Saturday after the third Friday of each month for most underlyers. No new Weeklys are listed that would expire during the expiration week for standard options (the third Friday of the month). Some ETFs, indices and large-cap company stocks have multiple Weekly option cycles

listed at one time, which can also be traded. Due to the shorter time frame to expiration, Weekly options may have lower premium costs than monthly options. Weekly options are highly liquid and only trade in products that have high volume and tight markets.

We look for short-term opportunities of approximately 1-60 days in this strategy. Since we will be using the various strategies listed in this ADV, see the strategy descriptions listed above to review the details of each strategy. We will look for news-based events for directional trades or high volatility for market-neutral positions. We generally look for high volatility underlyings so that there is the opportunity to sell short-term options that decay at a very fast pace due to the shorter time frame to expiration

We will use the following strategies: buying or selling Vertical Spreads, buying Index Calendars, buying Equity Calendars, buying Double Doubles, buying or selling Butterflies* (see description below) and buying or selling Iron Condors. As with regular options, there may also be opportunities to roll Weekly options. The strategy implemented by RED Option on any particular trade will depend on many variables such as the underlying, beta, volatility, timelines and events. The same risks will apply to the trade recommendations in the RED Option Weeklys strategy as detailed in the descriptions of the individual strategies within this ADV Part 2. Each trade recommendation that we make will define the strategy that is being used, as well as outline details on the various dynamics of the individual trade.

For the underlying, we will recommend Weekly options in large cap equities, ETFs and Indices.

** A butterfly is a 3-legged, complex option strategy, comprised of two verticals. It is the simultaneous sale of one call vertical spread and the purchase of another call vertical spread, with a common short strike. Therefore, a butterfly will consist of 4 contracts, but only 3 legs due to the overlapping short strikes. The same would be true of a put butterfly spread. RED Option will always buy a butterfly to initiate.*

Suggested Allocation

An allocation of \$1,000 for this strategy should allow, but does not guarantee, participation in each recommended trade. There can be no assurance that any individual recommendation in the Weeklys strategy will be successful. We recommend that clients who use this strategy have a strong working knowledge of the other RED Option strategies as described above.

The frequency of RED Option trade recommendations in Weeklys will be similar to the other RED Option strategies. However, the frequency may increase or decrease from time to time, as the recommendations are dependent on specific market events such as earnings season.

Potential Benefits

- Short-term defined risk in that the client cannot lose more than their allocation (not including commissions charged by your broker-dealer or dividend risk).
- May appeal to the active trader as these options trade more frequently and for a shorter time frame than the other options used in RED Option strategies.

Potential Risks

- You could potentially lose 100% of your allocation per trade plus any commissions charged by your broker-dealer.
- Potential gains will be reduced or possibly eliminated by the commissions the client pays for the recommended transactions.
- Weekly options are often more volatile due to the shorter time to expiration and Weeklys will lose time value at an accelerated rate compared to monthly options.

(10) Volatility Strategy

The Volatility Strategy will use a variety of RED Option Strategies. We aim to take advantage of this product by offering clients a way to participate in event-driven markets and short-term volatility trading strategies. Because of the event-driven nature, the Volatility Strategy will allow clients the opportunity to trade many different option strategies in a short-term time frame in all market sectors.

The Volatility Strategy is most appropriate for experienced option traders. RED Option clients using this strategy must be extremely attentive to their positions as changes to underlying prices and days to expiration will have a larger impact due to the shorter time frame.

We will use monthly, quarterly and Weekly option cycles when trading the Volatility Strategy. We generally look for short-term opportunities of approximately 1-60 days in this strategy. Since we will be using the various strategies listed in this ADV, please see the strategy descriptions listed above to review the details of each strategy. We will look for news-based events for directional trades or high volatility for market- neutral positions. We generally look for high volatility underlyings so that there is the opportunity to sell short-term options that decay at a very fast pace due to the shorter time frame to expiration.

We will use the following strategies: buying or selling Vertical Spreads, buying Index Calendars, buying Equity Calendars, buying Double Doubles, buying or selling Butterflies* (see description below) and buying or selling Iron Condors. As with regular options, there may also be opportunities to trade Weekly options. The strategy implemented by RED Option on any particular trade will depend on many variables such as the underlying, beta, volatility, timelines and events. The same risks will apply to the trade recommendations in the RED Option Volatility strategy as detailed in the descriptions of the individual strategies within this ADV Part 2. Each trade recommendation that we make will define the strategy that is being used, as well as outline details on the various dynamics of the individual trade.

For the underlying, we will recommend options in equities, ETFs and Indices.

** A butterfly is a 3-legged, complex option strategy, comprised of two verticals. It is the simultaneous sale of one call vertical spread and the purchase of another call vertical spread, with a common short strike. Therefore, a butterfly will consist of 4 contracts, but only 3 legs due to the overlapping short strikes. The same would be true of a put butterfly spread.*

Suggested Allocation

An allocation of \$2,500 for this strategy should allow, but does not guarantee, participation in each recommended trade. There can be no assurance that any individual recommendation in the Volatility Strategy will be successful. We recommend that clients who use this strategy have a strong working knowledge of the other RED Option strategies as described above.

The frequency of RED Option trade recommendations in Volatility will be similar to the other RED Option strategies. However, the frequency may increase or decrease from time to time, as the recommendations are dependent on specific market events such as earnings season.

Potential Benefits

- Short-term defined risk in that the client cannot lose more than their allocation (not including commissions charged by your broker-dealer or dividend risk).

- May appeal to the active trader as these options trade more frequently and for a shorter time frame than the other options used in different RED Option strategies.

Potential Risks

- You could potentially lose 100% of your allocation per trade plus any commissions charged by your broker-dealer.
- Potential gains will be reduced or possibly eliminated by the commissions the client pays for the recommended transactions.
- Weekly options are often more volatile due to the shorter time to expiration and Weeklys will lose time value at an accelerated rate compared to monthly options.

Related Risk of Loss Common to All Strategies

Options trading involves a high degree of risk and is not suitable for all investors. You should be prepared to undertake the risks associated with options trading, which may include a total loss of premium and transaction costs.

We do not represent or guarantee that our services, methods of analysis, or investment strategies can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot, and do not, offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

ITEM 9 - DISCIPLINARY INFORMATION

Form ADV Part 2 requires investment advisers such as RED Option to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business and/or our management. Neither RED Option nor any of our management persons have been involved in any events that are material to a client's or prospective client's evaluation of RED Option or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We are required to disclose any relationship or arrangement that is material to our advisory business or our clients with certain *related persons*. *Related persons* are our officers, partners, or directors (or other persons occupying a similar status or performing similar functions), or employees or any other person or company who is under common control with our firm.

RED Option is a subsidiary of TD Ameritrade Holding Corporation ("Corporation"). The Corporation also owns TD Ameritrade, Inc., a registered broker/dealer. In May 2010, thinkorswim, Inc., a registered securities broker-dealer merged with TD Ameritrade, Inc. to form a single broker-dealer operating as TD Ameritrade, Inc. ("TD Ameritrade"). The Autotrade program requires you to open and maintain a TD Ameritrade brokerage account. Currently, this service is only available for TD Ameritrade accounts opened with the thinkorswim division of TD Ameritrade, Inc. We offer the Autotrade program to all participants in each of our options-based strategies exclusively through a TD Ameritrade brokerage account. Because we are affiliated with TD Ameritrade through common control and ownership, we have a financial incentive to enter orders through TD Ameritrade. While we believe that fees charged by TD Ameritrade are competitive, comparable services may be available through other providers for higher or lower costs.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a Code of Ethics expressing our commitment to ethical conduct. Our firm's Code of Ethics describes our fiduciary duties and responsibilities to our clients, and sets forth our practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with the firm may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is our expressed policy that no person employed by our firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with our Code of Ethics, we require that anyone associated with our advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to our Chief Compliance Officer or their designee. We require that all individuals act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Our Code of Ethics also includes our policy prohibiting the use of material non-public information. Any individual not in observance of the above and/or our Code of Ethics may be subject to discipline.

A copy of our Code of Ethics is available to clients or prospective clients upon request.

Participation or Interest in Client Transactions

Neither our firm nor a related person has any material financial interest in client transactions beyond the provision of services as disclosed in this brochure.

Personal Trading

Subject to our Code of Ethics, as described above, our firm and our Associated Persons are restricted from purchasing or selling any security (or derivative thereof) which they know, or reasonably should know, will be recommended in a RED Option strategy. This restriction prohibits holding recommended securities (a) in their personal accounts and (b) in accounts as to which they have beneficial ownership. Beneficial ownership includes:

1. the accounts of a spouse, minor children, other persons living in their household and non- emancipated adult children (collectively, "family members"),
2. trusts established for the related person's benefit, family members or any other relative as to which trusts the related person has sole or shared voting or investment power, and
3. entities in which the related person or his/her family members have sole voting or investment power or as to which the related person or his/her family members have shared voting or investment power and pecuniary interests.

However, the restriction does not apply to securities listed on the S&P 500 and ETFs based on major indices or other large cap issues with a market capitalization or net assets of \$5 billion or more and reasonable trading volume where a transaction in the security will not likely move the market.

Our employees, including officers and control persons of our firm, are permitted to participate in Autotrade. For additional information on our Autotrade program, see Item 4 above.

ITEM 12 – BROKERAGE PRACTICES

RED Option subscribers may use the information in the strategy recommendations for option strategy education or they may decide to execute the trades recommended in their brokerage account. When the RED Option strategy recommendations are delivered, RED Option subscribers have the option to place the transactions at the broker-dealer of their choice. If a subscriber has a brokerage account at TD Ameritrade, they can instruct TD Ameritrade to automatically execute the RED Option trade recommendations in their TD Ameritrade brokerage account via the Autotrade program. RED Option Clients who choose to Autotrade at TD Ameritrade may have an advantage over non-Autotrade clients since those recommended transactions may be executed in their accounts before non-Autotrade clients have placed the trades at their respective broker-dealer.

RED Option is a subsidiary of TD Ameritrade Holding Corporation (“Corporation”). The Corporation also owns TD Ameritrade, Inc., a registered broker/dealer. The Autotrade program requires our clients to open and maintain a brokerage account by TD Ameritrade. TD Ameritrade provides options execution services and competitive commission rates as well as knowledgeable and responsive support staff. Commission rates may vary depending on the relationship you have with TD Ameritrade. TD Ameritrade is a recommended broker since it offers a platform that supports single click complex option spreads order entry and advanced analytical tools. We believe TD Ameritrade provides competitive functionality, speed, and execution of orders. Nonetheless, transactions will not always be executed at the lowest available price or commission. For additional information on our Autotrade program and on opening an Autotrade account, see Item 4 above.

TD Ameritrade was awarded an overall 4 out of 5 Stars and was named in the top five for “Best for Option Traders” in Barron’s 2013 Online Broker Survey, March 9, 2013. TD Ameritrade also received the highest point total in the Research Amenities, Range of Offerings and Customer Service and Education categories. In addition, Investor’s Business Daily, January 28, 2013 issue, named TD Ameritrade’s thinkorswim #1 for Options Trading Platform, Mobile Platform/Trading, ETF Choices and Educations Resources.

Research and Other Soft Dollar Benefits

We do not accept or use research or services (“soft dollars”) provided by broker-dealers or other third party service providers in connection with providing advisory services.

Brokerage for Client Referrals

We do not receive client referrals from any unaffiliated broker-dealer or third party.

Directed Brokerage

When a client chooses to use the Autotrade program to execute RED Option strategy recommendations, the client is required to have a TD Ameritrade brokerage account at RED Option’s affiliated broker-dealer, TD Ameritrade, Inc. As such, clients may be unable to achieve the most favorable execution of their transactions and may pay higher brokerage commissions than they might otherwise pay through another broker-dealer that offers the same types of services and may cost clients more money. Not all advisers require their clients to direct brokerage.

The ability to Autotrade RED Option strategy recommendations exclusively at TD Ameritrade entails a potential conflict of interest. RED Option has an incentive to encourage you to open a TD Ameritrade account using the Autotrade feature because of the amount of fees you pay TD Ameritrade. We believe, however, that the use of TD Ameritrade as broker to execute Autotrade transactions is in the best interest of our clients as TD Ameritrade provides competitive options execution services and commission rates as well as knowledgeable and responsive support staff as described above. RED Option will periodically evaluate the execution, performance and reliability of TD Ameritrade to help ensure quality executions. Nonetheless, it is your sole decision to determine whether you wish to participate in the Autotrade program and to open a brokerage account with TD Ameritrade.

Trade Aggregation/Allocation of Investments

Through the Autotrade program, we will enter a block order into a dedicated RED Option account at TD Ameritrade. After the order is placed, TD Ameritrade facilitates the processing and filling of the order and then disperses the trade into the TD Ameritrade accounts of the subscribed clients for the particular strategy based on their individually determined Autotrade allocations. The Autotrade allocation amount a subscriber chooses at TD Ameritrade is a ceiling and subscribers will not be included in a trade for an amount above their selected allocation amount. However, due to price movement, some trades may only get a partial fill and then the Autotrade participant may get an allocation less than the dollar amount they have selected. Furthermore, all clients will generally receive at least two contracts per block order for an order to be filled except for the Covered Call and Collar strategies where clients must receive at least one contract per block order for an order to be filled.

**ITEM 13 - REVIEW OF
ACCOUNTS**

Form ADV Part 2 requires investment advisers such as RED Option to disclose whether the firm periodically reviews client accounts and the frequency of reports that are provided to clients. At this time, we do not review our clients' accounts nor do we provide them with written reports regarding their accounts.

**ITEM 14 - CLIENT REFERRALS AND OTHER
COMPENSATION**

Form ADV Part 2 requires investment advisers such as RED Option to disclose any economic benefits the firm may receive from any third party in connection with providing investment advice to our clients. The Form also requires investment advisers to disclose all arrangements whereby the investment adviser compensates, directly or indirectly, any person or firm for client referrals. At this time, we do not have any information to report that is applicable to this Item.

**ITEM 15 -
CUSTODY**

For RED Option clients who participate in the Autotrade program through TD Ameritrade, clients will receive written account statements from TD Ameritrade at least quarterly detailing the positions and activity in their TD Ameritrade brokerage account. In addition, clients will receive trade confirmations for each buy, sell or exchange transaction in their accounts. Clients should carefully review account statements and trade confirmations for accuracy.

**ITEM 16 - INVESTMENT
DISCRETION**

If you participate in the Autotrade program, TD Ameritrade will automatically execute all new recommendations for each individual RED Option strategy to which you subscribe in your TD Ameritrade brokerage account. Additionally, TD Ameritrade will execute any subsequent adjustments and closing recommendations in your brokerage account until you elect to discontinue the service. Through Autotrade, you must establish a specific allocation amount per trade, and per strategy ("specific allocation amount"). We will then determine which securities to trade within your pre-defined allocation limits. TD Ameritrade will execute the transactions per the authority granted by you via your acceptance and acknowledgment of the provisions of the electronic Autotrade Limited Trading Authorization form.

We do not tailor our investment advice to any one individual subscriber's needs. Instead, we tailor our investment recommendations and trading decisions based on our strategies' objectives, as further described in the *Methods of Analysis, Investment Strategies and Risk of Loss* section above. Therefore, other than your preset specific allocation amount, you will not be able to set restrictions or impose any limitations on the trading authority you grant to TD Ameritrade under the Autotrade program.

In implementing our trading authority, we select specific stocks, indices and ETFs based on a number of criteria, including for example:

- Significant Liquidity, with high open interest
- Range bound, when the position initiated does not have a bias up or down
- Stochastics, defined as technical and mathematical indicators, to identify potential reversal trends
- Low to medium correlation to market movements (beta)
- Low to medium volatility

If you do not participate in the Autotrade program, you are free to accept or reject the RED Option strategy recommendations and can choose to implement the recommendations at your selected broker-dealer.

ITEM 17 - VOTING CLIENT SECURITIES

We do not vote proxies on behalf of our clients and we do not provide advice regarding proxy-voting issues. You are responsible for instructing each custodian holding your account assets to forward all proxy and other shareholder communications to you.

ITEM 18 - FINANCIAL INFORMATION

We do not require or solicit prepayment of fees of more than \$1,200 per client, six months or more in advance. We are well capitalized and do not foresee any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you. We have never been the subject of a bankruptcy petition.

RED Option Advisors, Inc.

600 W. Chicago Avenue, Suite 100
Chicago, Illinois 60654

Telephone: 877-733-6786

www.redoption.com

December 17, 2013

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

-
- Thomas White
 - Christian Wright

This brochure supplement provides information on the personnel list above and supplements the RED Option Advisors, Inc. ("RED Option") brochure. You should have received a copy of that brochure. Please contact us at 877-733-6786 if you did not receive RED Option's brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas White and Christian Wright is available on the SEC's website at www.adviserinfo.sec.gov.

Thomas White
Chief Strategist

Item 2 Educational Background and Business Experience

Year of Birth: 1968

Formal Education after High School:

- BS in Business Management from Purdue University in Lafayette, Indiana

Business Background for the Previous Five Years:

- RED Option Advisors, Inc., Chief Strategist, 06/2011 to Present.
- RED Option Advisors, Inc., Trader, 03/2010 to 06/2011.
- RED Option, division of thinkorswim Advisors, Representative, 05/2009 to 03/2010
- SCMS, LLC, Registered Representative, Trader 09/1995 to 04/2009

Certifications:

- Series 65-- Uniform Investment Adviser Law Examination

Item 3 Disciplinary Information

RED Option is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Thomas White. No events have occurred that are applicable to this item.

Item 4 Other Business Activities

RED Option is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Thomas White is currently not actively engaged in any outside business activity or occupation.

Item 5 Additional Compensation

Mr. White receives compensation solely from his responsibilities at RED Option Advisors, Inc. and from no other source.

Item 6 Supervision

Mr. White is supervised via periodic meetings with RED Option officers. Mr. White reports directly to Mr. Joseph Kinahan, President of RED Option Advisors, Inc. and may be reached at 877-733-6786.

Christian Wright
Operations Manager

Item 2 Educational Background and Business Experience

Year of Birth: 1977

Formal Education after High School:

- BA, Technical Sales, Weber State University, 2001

Business Background for the Previous Five Years:

- 05/2011- Present RED Option Advisors, Inc. Operations Manager
- 01/2011- 05/2011 RED Option Advisors, Inc. Senior Specialist,
- 02/2008- 01/2011 TD Ameritrade, Inc. Client Specialist

Certifications:

- Series 7—General Securities Representative Examination, 4/14/2008
- Series 63—Uniform Securities Agent State Law Examination, 05/16/2008
- Series 24—General Securities Principal Examination, 09/01/2010
- Series 66—Uniform Combined State Law Examination, 01/20/2011

Item 3 Disciplinary Information

RED Option is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Christian Wright. No events have occurred that are applicable to this item.

Item 4 Other Business Activities

RED Option is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Christian Wright is currently not actively engaged in any outside business activity or occupation.

Item 5 Additional Compensation

Mr. Wright receives compensation solely from his responsibilities at RED Option Advisors, Inc. and from no other source.

Item 6 Supervision

Mr. Wright is supervised via periodic meetings with RED Option officers. Mr. Wright reports directly to Mr. Thomas White, Chief Strategist of RED Option Advisors, Inc. and may be reached at 877-733-6786.