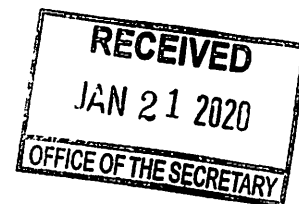


**HARD COPY**  
UNITED STATES OF AMERICA

Before The  
**SECURITIES AND EXCHANGE COMMISSION**  
January 17, 2020



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**In the Matter of** :

**ALPINE SECURITIES CORPORATION,** :

**a Utah limited liability Company** :

**For Review of Adverse Action Taken By** :

**NATIONAL SECURITIES CLEARING** :

**CORPORATION** :

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**NSCC'S BRIEF ADDRESSING WHETHER ALPINE'S APPLICATION FOR REVIEW  
IS TIMELY AND IF SO WHETHER THE SEC HAS JURISDICTION AND  
INCORPORATED MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT**

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## INTRODUCTION

By application for review dated December 19, 2018 (the “Application”), Alpine<sup>1</sup> commenced this proceeding challenging NSCC’s SEC-approved Required Fund Deposit rules, which require members to post sufficient margin to enable NSCC to manage the risk incurred in processing its members’ transactions. Two components of the Required Fund Deposit are at the heart of this proceeding, the Illiquid Charge and the Credit Risk Rating Matrix (“CRRM”). Alpine purports also to challenge the Excess Net Capital Premium (“ENCP”), Volatility Charge, and the Mark-to-Market Charge (collectively with the Illiquid Charge and the CRRM, the “Challenged Margin Components”) in a footnote with little further discussion.<sup>2</sup> Alpine also sought to stay continued implementation of the Illiquid Charge during the pendency of this proceeding (the “Stay Motion”<sup>3</sup>).

On November 22, 2019, the SEC denied the Stay Motion, ruling that Alpine had not established a likelihood of success on the merits because it appeared Alpine had failed to file the Application in a timely manner.<sup>4</sup> Before it would entertain argument on the merits, however, the SEC directed the parties to file briefs addressing whether (despite the preliminary adverse finding) Alpine could establish that its Application was timely filed, and if so, whether the SEC has jurisdiction. As discussed below, the answer to both questions is a resounding no.

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<sup>1</sup> Capitalized terms used, but not otherwise defined, shall have the meaning ascribed to them in the Order Denying Stay (as defined herein).

<sup>2</sup> Application at n. 1; *see also id.* Ex. B (Request for rulemaking with respect to certain actions, practices and rules of a certain clearing agency, File No. 4-738 (Dec. 19, 2018)) at 12 (the “Rulemaking Petition”).

<sup>3</sup> Alpine’s Mot. for an Interim Stay & Inc. Mem. of Points & Auths. in Supp., *In re Alpine Sec. Corp.*, Admin. Proc. File No. 3-18979 (SEC Dec. 19, 2018).

<sup>4</sup> Order Den. Stay & Den. Mot. for Protective Order, Release No. 87599 (Nov. 22, 2019) (“Order Denying Stay”). Although the Application is dated December 19, 2019, the Order Denying Stay specifies December 26, as the date Alpine commenced this proceeding, and NSCC will utilize that as the operative date.

## BACKGROUND

Alpine is a small, self-clearing, registered broker-dealer whose business focuses on providing clearing and settlement services for its customers' transactions in microcap securities. Alpine is a member of NSCC.

NSCC is a registered clearing agency pursuant to Section 17A of the Exchange Act<sup>5</sup> and subject to the specific requirements of Exchange Act Section 17A(b)(3)<sup>6</sup>, and Exchange Act Rule 17Ad-22(e) promulgated thereunder<sup>7</sup>. NSCC is also an SRO and therefore subject to Section 19 of the Exchange Act ("Section 19").<sup>8</sup>

As a registered clearing agency, NSCC has promulgated rules, approved by the SEC pursuant to Section 19(b)(2) of the Exchange Act, requiring NSCC members to make a Required Fund Deposit to NSCC's Clearing Fund, which operates as NSCC's default fund in the event NSCC is required to settle open positions as a result of a member default.<sup>9</sup>

There is no dispute that each of the NSCC rules establishing the Challenged Margin Components was approved in accordance with Section 19(b)(2) and applied to Alpine as part of Alpine's daily Required Fund Deposit more than thirty days before Alpine filed its Application in December 2019:

- The Illiquid Charge rule was approved in its current form on May 4, 2017, was assessed to Alpine (and other members as applicable) the very next day, and was subsequently assessed to Alpine on more than 300 separate days prior to Alpine filing its Application.<sup>10</sup>

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<sup>5</sup> 15 U.S.C. § 78q-1.

<sup>6</sup> 15 U.S.C. § 78q-1(b)(3).

<sup>7</sup> 17 C.F.R. § 240.17Ad-22(e).

<sup>8</sup> 15 U.S.C. § 78s.

<sup>9</sup> Order Denying Stay at 2–7 (describing NSCC and its risk management program).

<sup>10</sup> Illiquid Charge Approval Order, 82 Fed. Reg. 21,863; Declaration of Timothy J. Cuddihy, sworn to January 17, 2020 ("Supplemental Cuddihy Decl.") Ex. B; Order Denying Stay at 6.

- The CRRM rule was approved in its current form on May 19, 2017. NSCC first assigned Alpine a CRRM rating of 7 (the highest risk of default) in June 2017, and, after a brief period of Alpine being rated a 6, NSCC again assigned Alpine a 7 in August 2018.<sup>11</sup>
- The SEC approved the ENCP rule in its current form on September 21, 2006, the ENCP was then assessed to Alpine no later than July 12, 2018, and was subsequently assessed on numerous days before Alpine filed its Application.<sup>12</sup>
- The SEC approved the Volatility Charge rule in its current form on February 26, 2018, it was assessed in its new form the very next day, and it was subsequently assessed on nearly 200 days before Alpine filed its Application.<sup>13</sup>
- The SEC approved the Mark-to-Market Charge rule in its current form on December 19, 2016, it was then assessed to Alpine no later than January 20, 2015, and was subsequently assessed on more than 700 days before Alpine filed its Application.<sup>14</sup>

Alpine was on notice of the adoption and assessment of each of these rules and the associated charges based upon public filings, NSCC Important Notices, and daily charges associated with its Required Fund Deposit.<sup>15</sup> Alpine was on notice of its CRRM rating since June of 2017 because the DTC Offset is not available to members rated 7.<sup>16</sup>

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<sup>11</sup> CRRM Approval Order, 82 Fed. Reg. 24,177; Order Denying Stay at 7.

<sup>12</sup> Order Approving Rules Changes to Institute a Clearing Fund Premium Based Upon a Member's Clearing Fund Requirement to Excess Regulatory Capital Ratio, Release No. 34-54457, 71 Fed. Reg. 55,239, 55,243 (Sept. 21, 2006) (the "ENCP Approval Order"); Supplemental Cuddihy Decl. Ex. B (NSCC only has five years of data readily available and the ENCP may have been assessed earlier and more often than reflected in Ex. B).

<sup>13</sup> Order Approving Amendment to Enhance the Calculation of the Volatility Component of the Clearing Fund Formula, Release No. 34-82781, 83 Fed. Reg. 9,042, 9,046 (Feb. 26, 2018) (the "Volatility Charge Approval Order"); Supplemental Cuddihy Decl. Ex. B.

<sup>14</sup> Order Approving Rule Change to Provide for Loss Allocation of "Off-the-Market Transactions", Release No. 34-79598, 81 Fed. Reg. 94,462, 94,467 (Dec. 19, 2016) (the "Mark-to-Market Approval Order"); Supplemental Cuddihy Decl. Ex. B (NSCC only has five years of data readily available and the Mark-to-Market Charge may have been assessed earlier and more often than reflected in Ex. B).

<sup>15</sup> Order Denying Stay at 11.

<sup>16</sup> Order Denying Stay at 7.



## ARGUMENT

### I. Alpine's Section 19(d) Application is Untimely.

The Application is premised on Section 19(d)(2), which requires an applicant that is claiming an SRO has “limited or prohibited” its access to SRO services to file its application for review with the SEC within thirty days of receiving notice of the challenged SRO action.<sup>17</sup> The SEC has authority to extend this thirty-day period, but only upon “a showing of extraordinary circumstances.”<sup>18</sup> As explained below, the SEC correctly determined Alpine could not succeed on the merits of its Application because it had failed to comply with the thirty-day filing period with respect to its challenge to the Challenged Margin Components, and it could not establish extraordinary circumstances to excuse its untimeliness.<sup>19</sup>

#### ***A. Alpine has not established that it challenges any NSCC action of which it received notice in the thirty days before it filed its application for review.***

Because the SEC received Alpine's Application on December 26, 2018, Section 19(d) can be invoked only if Alpine first received notice of the actions it challenges within the prior thirty days; *i.e.*, on or after November 26, 2018. Alpine admits this is impossible.<sup>20</sup> Instead, it argues the Application is timely because each of the Challenged Margin Components continued to be assessed during the thirty-day period prior to its filing.<sup>21</sup> This argument is specious. Alpine is

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<sup>17</sup> 15 U.S.C § 78s(d)(2); *see also* Order Denying Stay at 10, citing *Orbixa Techs., Inc.*, Release No. 70893, 2013 WL 6044106, at \*1, \*3 & n.12 (Nov. 15, 2013) (dismissing an application for review that did not “challenge any [SRO] action of which [the applicant] received notice in the thirty days before it filed the application” as untimely).

<sup>18</sup> Rule of Practice 420(b), 17 C.F.R. § 201.420(b).

<sup>19</sup> Order Denying Stay at 10–15.

<sup>20</sup> *See* Alpine's Reply Mem. in Supp. of Its Mot. for an Interim Stay, *In re Alpine Sec. Corp.*, Admin. Proc. File No. 3-18979 (SEC Feb. 4, 2019) (“Alpine SEC Stay Reply”) at n.28 (“Alpine acknowledges that it could not challenge margin charges imposed more than 30 days before it filed its Petition for Review, and it is not attempting to do so here.”).

<sup>21</sup> Alpine also argues that it “could not discern the impact of the rules, and whether they would result in a denial or limitation of Alpine's access to NSCC's services, until after NSCC's

challenging the facial validity of the Challenged Margin Components, not the calculation or imposition of any particular daily assessment. The continuing assessments pursuant to the rules as approved could not have the effect of resetting the thirty-day period on a daily basis; otherwise, the limitations period would be illusory whenever the challenged SRO action constituted a continuing charge or other continuing requirement with respect to a member's ongoing activities.<sup>22</sup> In other words, the continuing charges are simply a manifestation of the rules that Alpine now challenges, which were approved by the SEC and implemented by NSCC long before the applicable 30-day period.<sup>23</sup>

Indeed, Alpine does not argue that any of the Required Fund Deposit assessments, including during November 26–December 26, 2018, were themselves calculated in violation of

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imposition of the components at issue caused the actual limitation of access that spurred this Petition.” Application at n.11. This is directly contrary to the record, where Alpine admitted that it sought to avoid the effects of the Challenged Margin Components by using ex-clearing relationships to clear trades without assistance from NSCC until April 2018. Order Denying Stay at 11. Furthermore, the highest Illiquid Charge that was assessed to Alpine before it filed the Application occurred on June 5, 2018—more than six months before Alpine filed its Application. Supplemental Cuddihy Decl. Ex. B.

<sup>22</sup> Alpine's argument that its challenge to the Challenged Margin Components could never run afoul of the thirty-day requirement so long as NSCC continued to apply the Required Fund Deposit charges may be analogized to the “continuing violation” exception to statutes of limitations. Under the continuing violation doctrine, the limitations period is not tolled simply because the activity at issue continues after the initial wrong. For instance, the D.C. Circuit has recognized that the continuing violation exception does not apply where the effect of the conduct in question would be immediately apparent—as it was here. *See, e.g., AKM LLC v. Sec'y of Labor*, 675 F.3d 752, 757 (D.C. Cir. 2012). Similarly, this exception is not designed to allow litigants to challenge actions outside of a statute of limitations period simply because they claim to continue to be negatively affected by an action that they should have appealed, but did not. *See Earle v. Dist. of Columbia*, 707 F.3d 299, 306 (D.C. Cir. 2012) (citation omitted) (the “mere failure to right a wrong ... cannot be a continuing wrong ... for that is the purpose of any lawsuit and the exception would obliterate the rule.”).

<sup>23</sup> As the SEC itself stated, “Alpine's stay motion effectively challenges actions NSCC took well more than 30 days before Alpine filed its application for review, rather than the [charges] imposed during that 30-day period.” Order Denying Stay at 11.

NSCC's rules. Alpine instead attacks the *rules themselves*, arguing the Challenged Margin Components "result" in charges that are "arbitrary, onerous and unreasonable,"<sup>24</sup> and that the rules themselves are not "justified"<sup>25</sup>. This is indeed the conclusion the SEC reached in denying Alpine's Stay Motion.<sup>26</sup>

Nor, in light of the manifest facial challenge to NSCC's rules, can Alpine circumvent the thirty-day requirement by arguing that the rules were applied in a discriminatory manner. The Application contains no assertions that the charges are being applied differently to Alpine than to any other NSCC member, or that they are being applied inconsistently with the rules under which they were approved.<sup>27</sup>

Finally, none of the cases Alpine cites support its argument that Section 19(d)'s thirty-day limit does not apply if the rules continue to be applied during the thirty days prior to filing the application.<sup>28</sup> None of these cases arise under Section 19(d), relate to proceedings before the SEC, or support Alpine's argument by analogy.<sup>29</sup> *Weaver v. Fed. Motor Carrier Safety Admin.* actually counsels that the Application is time-barred. *Weaver* spoke only to the general principle that litigants may challenge an agency's adoption of a rule, despite failing to do so when the rule was first adopted, *but only so long as the challenge is brought within the applicable statutory*

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<sup>24</sup> Application at 1 (emphasis added); *see also id.* ("NSCC's calculation and *application* of the specified Required Deposit components to Alpine substantially limits Alpine's access to NSCC's essential clearing and settlement services." (emphasis added)); *id.* at 2 ("Alpine is adversely impacted by the rules, and the charges imposed by application of the rules").

<sup>25</sup> *See* Alpine SEC Stay Reply at 1; *see also* Alpine SEC Stay Reply at 6 (arguing that NSCC has failed to offer any justification for the CRRM rule).

<sup>26</sup> *See* Order Denying Stay at 11 ("Second, Alpine challenges the Illiquid Charge Rule Change and the CRRM Rule Change in its application for review and claims that it is 'adversely impacted' by them.").

<sup>27</sup> *See* Alpine SEC Stay Reply at 5.

<sup>28</sup> Alpine SEC Stay Reply at 11–12.

<sup>29</sup> Alpine SEC Stay Reply at n. 29.

limitations period.<sup>30</sup> *N.L.R.B. Union v. Fed. Labor Relations Auth.* held that regulatory action may be subject to *judicial* review beyond the statutory time limit under 5 U.S.C. § 7123(a), so long as it complies with the other relevant statutory time limits.<sup>31</sup> The *N.L.R.B.* court also suggested that one purpose of post-limitations judicial review was to provide a mechanism to challenge rules for parties who had not previously had the opportunity.<sup>32</sup> As discussed *infra* at 8–9, Alpine has had many such opportunities, but pursued none. Neither *Murphy Expl. & Prod. Co. v. U.S. Dep’t of Interior* nor *Commonwealth Edison Co. v. U.S. Nuclear Regulatory Comm’n* concern agency review of SRO action, and neither suggests that the review period is extended indefinitely because the action challenged is continuous.<sup>33</sup>

The SEC’s preliminary determination in denying the Stay Motion because the Application was untimely was correct, and the Application should be dismissed.<sup>34</sup>

***B. Alpine fails to establish that extraordinary circumstances exist to excuse the late filing of its application for review.***

As the SEC has recognized, “[b]ecause ‘strict compliance with filing deadlines facilitates finality and encourages parties to act timely in seeking relief,’” the extraordinary circumstances

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<sup>30</sup> 744 F.3d 142, 145 (D.C. Cir. 2014) (“Where Congress imposes a statute of limitations on challenges to a regulation, running from a regulation’s issuance, facial challenges to the rule or the procedures by which it was promulgated are barred.”).

<sup>31</sup> Order Denying Stay at 12 (*citing NLRB Union v. Fed. Labor Relations Auth.*, 834 F.2d 191, 196 (D.C. Cir. 1987)).

<sup>32</sup> 834 F.2d 191 at 195–96 (*citing Functional Music, Inc. v. FCC*, 274 F.2d 543 (D.C. Cir. 1958)).

<sup>33</sup> 270 F.3d 957, 958–59 (D.C. Cir. 2001); 830 F.2d 610, 615–16 (7th Cir. 1987).

<sup>34</sup> To the extent Alpine contends that the Illiquid Charge caused it to turn away transactions during the thirty day period, the SEC “do[es] not have authority to award damages” in a proceeding to review an allegedly improper prohibition or limitation of access to an SRO’s services. Order Denying Stay at 11–12 (*citing Citadel Sec. LLC*, Exchange Act Release No. 78340, 2016 WL 3853760, at \*3 (July 15, 2016), *aff’d sub nom. Chicago Bd. Options Exch. v. SEC*, 889 F.3d 837 (7th Cir. 2018)); *id.* at \*3 n.5 (collecting authority); and *John Boone Kincaid III*, Exchange Act Release No. 87384, 2019 WL 5445514, at \*5 (Oct. 22, 2019).

exception to the thirty-day filing deadline “is to be narrowly construed and applied only in limited circumstances.”<sup>35</sup> In determining whether to apply the exception, the SEC will consider whether “the failure timely to file was beyond the control of the applicant” and, if so, whether the applicant “promptly arranged for the filing of the appeal as soon as reasonably practicable thereafter.”<sup>36</sup> Alpine does not meet either of these standards.

Alpine failed to challenge the Challenged Margin Components at every turn. Alpine could have submitted comments to NSCC when the proposed rules were first publicized, but it did not.<sup>37</sup> Alpine could have submitted comments to the SEC challenging the proposed rules when they were published for public comment, but it did not.<sup>38</sup> After the rules were approved and implemented by

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<sup>35</sup> Order Denying Stay at 12–13 (citing *Julio C. Ceballos*, Exchange Act Release No. 69020, 2013 WL 772515, at \*3 (Mar. 1, 2013)).

<sup>36</sup> Order Denying Stay at 13, (citing *PennMont Sec.*, Exchange Act Release No. 61967, 2010 WL 1638720, at \*4 (Apr. 23, 2010), *pet. dismissed*, 414 F. App’x 465 (3d Cir. 2011)); *see also Robert M. Ryerson*, Exchange Act Release No. 57839, 2008 WL 2117161, at \*4 (May 20, 2008) (no extraordinary circumstances where fourteen-month delay “resulted from [applicant’s] deliberate choice not to appeal”); *Manuel P. Asensio*, Exchange Act Release No. 62315, 2010 WL 2468111, at \*9 (June 17, 2010); *Orbixa Techs.*, 2013 WL 6044106, at \*4; *6D Glob. Techs, Inc.*, Exchange Act Release No. 81604, 2017 WL 4054123, at \*4–5 (Sept. 13, 2017) (no extraordinary circumstances where the applicant did not establish “that its failure to file a timely appeal was the result of circumstances beyond its control”); *compare Indus. & Fin. Mkts. Ass’n*, Exchange Act Release No. 72182, 2014 WL 1998525, at \*11 (May 16, 2014) (finding “extraordinary circumstances” where rule challenger filed its application for review within thirty days of court of appeals decision clarifying the availability of review under Exchange Act Section 19(d)).

<sup>37</sup> NSCC Rule 36.

<sup>38</sup> Before the challenged NSCC rule changes were approved, Alpine received public notice of their substance and nature through publication in the Federal Register, which sought public comment from interested parties. *See* Order Denying Stay at n.74; *Cf. Am. Coke & Coal Chems. Inst. v. EPA*, 452 F.3d 930, 938 (D.C. Cir. 2006) (citation omitted) (“Under the APA, notice requirements are designed (1) to ensure that agency regulations are tested via exposure to diverse public comment, (2) to ensure fairness to affected parties, and (3) to give affected parties an opportunity to develop evidence in the record to support their objections to the rule and thereby enhance the quality of judicial review.”); *Nat’l Elec. Mfrs. Ass’n v. EPA*, 99 F.3d 1170, 1174 (D.C. Cir. 1996) (same).

NSCC, Alpine could have sought SEC review of the delegated authority that approved those rules, but it did not.<sup>39</sup> Most notably, if Alpine believed Section 19(d) was available to challenge the rules (which it is not), Alpine could have arguably submitted its Section 19(d) application within thirty days after any of the rules were first adopted, but it did not. Finally, Alpine could have sought judicial review for any of the approved rule changes following their respective approvals but, again, it did not.<sup>40</sup> Alpine took advantage of none of its opportunities.<sup>41</sup>

Alpine now posits three arguments as to why there are extraordinary circumstances that excuse its delinquency, none of which purports to explain why Alpine's failure to timely file was beyond its control. First, Alpine argues that its Application raises novel issues; second, that the charges threaten the entire microcap market; and third, that it would otherwise be without recourse to challenge NSCC's rules. None of these arguments remotely satisfy Alpine's weighty burden to excuse its manifest and repeated failure to comply with Section 19(d)'s thirty-day rule.

First, there is nothing "novel" about Alpine's arguments. It has simply constructed unfounded objections to the Challenged Margin Components that it could have timely asserted during any stage of the rule making process, but chose not to.<sup>42</sup> Moreover, the SEC has never

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<sup>39</sup> See generally Rules of Practice 430 and 431, 17 C.F.R. § 201.430 and .431 (addressing appeal of delegated authority orders to the SEC).

<sup>40</sup> 15 U.S.C. § 78y(a) (providing for appellate review of final SEC orders).

<sup>41</sup> Notably, if NSCC proposes a rule change to eliminate the Illiquid Charge and modify the Volatility Charge to better capture the risk associated with Illiquid Securities, Alpine will have yet another opportunity to participate in the notice and comment period as provided for under the rule making process under Section 19(b)(2). See Supplemental Cuddihy Decl. Ex A ¶¶ 20–22.

<sup>42</sup> See Application at 2, n.11; see also Alpine SEC Stay Reply at 12-13. Notably, Alpine did not articulate any basis for its contention that the Application "involves novel facts and legal issues" when it commenced this proceeding action, and did not do so until it filed the Alpine SEC Stay Reply on February 4, 2019, and that articulation was limited to the Illiquid Charge Rule and the CRRM Rule—two of the Challenged Margin Components.

found extraordinary circumstances based on “novel issues” alone. In *MFS Sec. Corp.*<sup>43</sup>, the SEC noted summarily that “MFS’s application presents novel facts and legal issues,”<sup>44</sup> but, in finding extraordinary circumstances, relied heavily on the fact that the court of appeals had invited it to review the actions taken against MFS under Section 19(d), notwithstanding the 30-day limitations period. Alpine has alleged nothing similar.<sup>45</sup>

Second, Alpine has argued that the NSCC’s risk management charges threaten “to choke the entire microcap market” and, consequently, those charges warrant SEC review “regardless of when the [Application] was filed.”<sup>46</sup> This bald assertion is wholly conclusory and unsupported by the record. Indeed, the current components of the Required Fund Deposit have been in effect since at least February 2018, with no evidence that the microcap market is being “choke[d],” and no similar complaints from any other participants in the microcap market.<sup>47</sup>

Finally, Alpine has suggested that extraordinary circumstances exist because it will be otherwise left without an avenue to challenge NSCC’s rules. Not only does this fail to explain

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<sup>43</sup> *MFS Sec. Corp.*, Exchange Act Release No. 47626, 2003 WL 1751581, at \*3 & n.17 (Apr. 3, 2003) (finding it was the *combination* of novel facts and legal issues *in addition* to the court of appeals’ request for the SEC’s views as to whether an action comported with relevant law that led it to find “extraordinary circumstances,” *aff’d*, 380 F.3d 611 (2d Cir. 2004)).

<sup>44</sup> *MFS Sec. Corp.*, 2003 WL 1751581, at \*3; *see also 6D Glob. Techs, Inc.*, 2017 WL 4054123 at \*4–5 (*distinguishing MFS Sec. Corp.*).

<sup>45</sup> Furthermore, the issues in *MFN* were not “novel” merely because there was “no Commission decision analyzing the validity” of the NYSE’s action. Alpine SEC Stay Reply at 12. The issues were novel because the SEC’s Section 19(d) analysis would aid the district court in determining a number of legal questions that would have implications far beyond MFS’s claims. *MFS Sec. Corp. v. New York Stock Exch., Inc.*, 277 F.3d 613, 621 (2d Cir. 2002) (stating the SEC’s 19(d) determinations “would make it considerably easier for the court to decide (1) whether the NYSE enjoys immunity from antitrust liability; (2) whether the Exchange Act worked an implied repeal of the antitrust laws in these circumstances; or (3) whether, if a possible antitrust contravention exists, the proper Sherman Act examination is that provided by a per se or rule of reason analysis.”).

<sup>46</sup> Alpine SEC Stay Reply at 13.

<sup>47</sup> Order Denying Stay at 14.

why Alpine did not bring these challenges before December 2018, it is also simply not true.

Alpine is not without recourse: it can file a rulemaking petition, which it has already done contemporaneously with filing its Application.<sup>48</sup>

Alpine has not shown any extraordinary circumstances exist that could excuse its delay in filing the Application, and its Application should be denied.

## **II. Even If Alpine’s Section 19(d) Petition Were Timely, Section 19(d) Does Not Provide the SEC with Jurisdiction to Evaluate the Challenged Margin Components.**

### ***A. The Challenged Margin Components are not prohibitions or limitations of access.***

Section 19(d) only allows an SRO member to bring a challenge when the SRO *prohibits or limits* the member’s access to the SRO’s services.<sup>49</sup> Yet Alpine has not established that a margin requirement can constitute a prohibition or limitation of access to services.

As a registered clearing agency, NSCC assesses the elements of the Required Fund Deposit to generate the margin necessary to mitigate against the transactional risk in providing its services. The margin requirements challenged by Alpine are part and parcel of NSCC’s clearance and settlement services and required by the SEC in order for NSCC to offer those services.<sup>50</sup> In reality, Alpine’s objection to the Required Fund Deposit is a challenge to the risk management elements of the services NSCC provides, not a claimed prohibition or limitation on access to those services.<sup>51</sup>

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<sup>48</sup> See Rulemaking Petition; Rule of Practice 192(a), 17 C.F.R. § 201.192(a) (“Any person desiring the issuance, amendment or repeal of a rule of general application may file a petition therefor with the Secretary.”); *see supra* n.2.

<sup>49</sup> 15 U.S.C. § 78s(d)(1).

<sup>50</sup> Order Denying Stay at 3; *see generally* Order Approving Securities Clearing Group, Release No. 34-27044, 1989 WL 550672, at \*6 (July 18, 1989) (noting instance where NSCC sustained a \$395,000 loss in order to liquidate a member’s position).

<sup>51</sup> If the Required Fund Deposit were considered a prohibition or limitation of services, NSCC and other clearing agencies would be required to file notice with the SEC for *each* member *every*



The SEC has recognized that an NSCC member's obligation to meet its risk-based financial requirements to the clearing agency is inseparable from the member's ability to participate in the services the clearing agency provides:

While it is possible that the proposed rule changes will force some members of [the Fixed Income Clearing Corporation ["FICC"] and NSCC to discontinue their direct membership in FICC and/or NSCC, the Act does not provide broker-dealers with the right to be direct members in a clearing agency. *Affected firms have a choice to raise excess regulatory capital or to limit their trading activities so that the risk to which the clearing agency and its other members is exposed is proportionate to the firm's excess regulatory capital.* The Commission finds that the proposed rule changes should not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act in accordance with Section 17A(b)(3)(I).<sup>52</sup>

Alpine's request that the SEC entertain its challenge to the Challenged Margin Components under Section 19(d) as a restriction or limitation on access to services is manifestly inconsistent with the letter and spirit of this order.

Alpine erroneously relies on authority holding that "fees" may in certain circumstances be found to be excessive and limit or prohibit access.<sup>53</sup> The Challenged Margin Components are not "fees." Alpine has presented no authority stating that the risk management component of the clearing agency service can be likened to a "fee" to purchase a product or process a transaction, and with good reason. *In re SIFMA*, relied upon by Alpine, concerned a fee to purchase depth-of-

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time they imposed the charge. NSCC did not file such notices—and Alpine did not protest that such notices were not filed—because Alpine's Section 19(d) claim is simply a contrived argument designed to circumvent Alpine's neglect to have participated in the rule making process.

<sup>52</sup> Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Changes to Institute a Clearing Fund Premium Based Upon a Member's Clearing Fund Requirement to Excess Capital Ratio, Release No. 34-54457 (Sept. 15, 2006), 71 Fed. Reg. 55,239, 55,239–40 (Sept. 21, 2006) (emphasis added) (approving clearing fund premium on NSCC and FICC members whose clearing fund requirements exceeds their regulatory excess capital).

<sup>53</sup> Application at 1, citing *In re SIFMA*, as defined below (listing cases where a *fee* has been found to constitute a limitation on access).

market data, non-payment of which resulted in members not being able to obtain the data.<sup>54</sup> That fee was not a component of the service; it actually had nothing to do with the depth-of-market data, other than constituting the cost of purchasing the data. Here, in stark contrast to a fee, the Challenged Margin Components constitute the risk management elements of the services NSCC provides to its members, as required by rules adopted by the SEC.<sup>55</sup>

Rather than demonstrating the Challenged Margin Components limit or prohibit access to NSCC's services, Alpine, in reality, only claims it does not want to post the margin, required by NSCC's SEC-approved rules, necessary to support its high risk business model. This has nothing to do with the protections afforded by Section 19(d) and Alpine has no basis to invoke that provision to justify its failure to participate in established rule making and judicial review processes.

Alpine has also not established that any of these rules have actually limited or prohibited its access to NSCC's services.<sup>56</sup> Indeed, as shown by Exhibit B to the Supplemental Cuddihy Declaration, Alpine had utilized NSCC's services on an almost daily basis prior to filing its Application. Exhibit B also shows that *since* filing its Application, Alpine has *increased* its use of NSCC's services and its Required Fund Deposit.<sup>57</sup> This highlights the overarching flaw in Alpine's position: its belated challenge to the Challenged Margin Components is not about

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<sup>54</sup> *In re Sec. Indus. & Fin. Mkts. Ass'n for Review of Actions Taken by Self-Regulatory Orgs.*, Release No. 72182, 2014 WL 1998525 (May 16, 2014) ("*In re SIFMA*").

<sup>55</sup> See Order Denying Stay at 3.

<sup>56</sup> Alpine tries to circumvent this obstacle by arguing that "NSCC could require Alpine to post any amount, [even] a billion dollars," but this absurd hypothetical is simply rhetoric. Alpine SEC Stay Reply at 8. Alpine has never alleged that NSCC incorrectly calculated its Required Fund Deposit, and each component of the Required Fund Deposit has been approved by the SEC, and found to be consistent with the Exchange Act and the risk management rules promulgated thereunder. See *supra* at 5.

<sup>57</sup> Supplemental Cuddihy Decl. Ex. B.

restrictions or prohibition on access to NSCC's services; Alpine simply wants to pay less in margin to enable it to do more business in microcap stocks while putting the additional risk associated with that high-risk business on NSCC and its other members.

***B. Rules approved under Section 19(b)(2) cannot be reviewed under Section 19(d).***

Under any circumstances, Alpine cannot seek review of the Challenged Margin Components under Section 19(d). While Section 19(d) may be available to challenge an SRO rule adopted pursuant to Section 19(b)(3)<sup>58</sup>, *i.e.*, a rule that is effective upon filing without SEC approval, it is not available to challenge a rule adopted under Section 19(b)(2), which is effective only upon SEC approval after public notice and a comment period.<sup>59</sup>

The SEC, by the Division of Trading and Markets, acting pursuant to delegated authority, approved each of the Challenged Margin Components by final order following a full rule-making process under Section 19(b)(2).<sup>60</sup> The rationale<sup>61</sup> for permitting a Section 19(d) challenge where the SEC has not yet had an opportunity to determine whether a rule is consistent with the Exchange

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<sup>58</sup> 15 U.S.C. § 78s(b)(3)(A).

<sup>59</sup> See Brief of Respondent U.S. Securities and Exchange Commission at \*45, filed in *NetCoalition v. SEC*, 715 F.3d 342 (D.C. Cir. 2013) (Nos. 10-1421, 10-1422, 11-1001, 11-1065), (“SEC *NetCoalition* Br.”) (“Section 19(d) of the Exchange Act provides a mechanism through which the consistency with applicable law of a rule that takes effect upon filing may be determined.”). Ordinarily, the SEC can amend or abrogate an SRO rule adopted in accordance with Section 19(b)(2) only by separate rule making that requires public notice and opportunity for comment by interested parties. See 15 U.S.C. § 78s(c); 15 U.S.C. § 78q-1(d); 15 U.S.C. § 78w(a).

<sup>60</sup> Illiquid Charge Approval Order, 82 Fed. Reg. at 21,865; Volatility Charge Approval Order, 83 Fed. Reg. at 9,046; Mark-to-Market Approval Order, 81 Fed. Reg. at 94,467; ENCP Approval Order, 71 Fed. Reg. at 55,243; CRRM Approval Order, 82 Fed. Reg. at 24,180.

<sup>61</sup> See *In re SIFMA* (“[B]ecause we have not initiated the statutory process to determine if the rule should be approved or disapproved, a proceeding under Section 19(d) is not the second proceeding to determine the enforceability of the rule, it is the first.”).

Act is simply not applicable here, where the SEC reviewed and approved the rule at issue. As argued by the SEC in *NetCoalition*:

This contrast between [19(b)(2) and 19(b)(3)] reflects the fundamental difference in the way Congress intended for different types of rules to be treated, an intention that would be frustrated if rules that take effect upon filing and are not suspended are reviewed in the same way as rules that are approved or disapproved by Commission order.<sup>62</sup>

*In re SIFMA*, cited by Alpine, is not to the contrary.<sup>63</sup> In fact, it demonstrates why Alpine's challenge is *not* cognizable under Section 19(d). *In re SIFMA* challenged an SRO fee schedule adopted pursuant to Section 19(b)(3). The SEC's determination under Section 19(d) that the fee in that proceeding was unreasonable does not address the threshold flaw in Alpine's argument: Section 19(d) is inappropriate to challenge an SRO rule approved pursuant to Section 19(b)(2).<sup>64</sup>

## CONCLUSION

For all these reasons, the Application is untimely and, even it were not, the SEC has no jurisdiction under Section 19(d) to consider claims that could and should have been addressed during the rule making process or subsequent judicial review.

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<sup>62</sup> SEC *NetCoalition* Br. at \*42.

<sup>63</sup> Application at 1, n.4, citing *In re SIFMA*.

<sup>64</sup> Indeed, rules that have been approved under Section 19(b)(2) have already been evaluated and approved based on the same criteria required to determine whether an action constitutes a denial or limitation of access under Section 19(d). Compare 15 U.S.C. § 78s(b)(2)(C) (the SEC shall approve a proposed rule if it is "consistent with the requirements of this chapter and the rules and regulations issued under this chapter that are applicable to [the SRO],") with 15 U.S.C. § 78s(f) (an action is not a limitation of access under Section 19(d) if the action "is in accordance with the rules of the [SRO], and that such rules are, and were applied in a manner, consistent with the purposes of this chapter"); see also SEC *NetCoalition* Br. at \*45 (arguing that the standard that applies to applications for review under Section 19(d) "is also the standard the SEC applies in deciding whether to approve or disapprove a rule under Section 19(b)(2)(C)."); *NetCoalition v. SEC*, 715 F.3d 342, 352 (D.C. Cir. 2013) (acknowledging the same argument by the SEC).

New York, NY  
January 17, 2020

Respectfully submitted,

PROSKAUER ROSE LLP



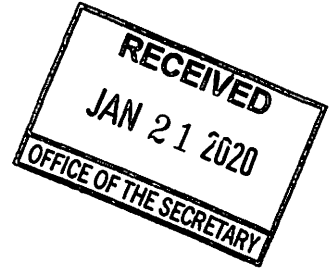
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Clearing Corporation*

\* Admission applications  
pending

**UNITED STATES OF AMERICA**  
**Before The**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 17, 2020**



\_\_\_\_\_ :

**In the Matter of** :

\_\_\_\_\_ :

**ALPINE SECURITIES CORPORATION,** :

**a Utah limited liability Company** :

**For Review of Adverse Action Taken By** :

**NATIONAL SECURITIES CLEARING** :

**CORPORATION** :

\_\_\_\_\_ :

**DECLARATION OF TIMOTHY J. CUDDIHY**

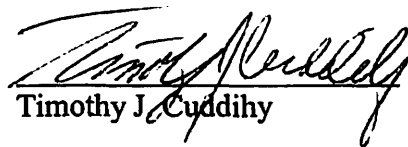
TIMOTHY J. CUDDIHY, declares under penalty of perjury pursuant to 28 U.S.C. § 1746, that the following statements are true and correct:

1. I am the Managing Director for Financial and Operational Risk Management for the National Securities Clearing Corporation (“NSCC”), a wholly owned subsidiary of The Depository Trust and Clearing Corporation. I submit this declaration in support of NSCC’s Brief Addressing Whether Alpine’s Application For Review Is Timely And If So Whether The SEC Has Jurisdiction And Incorporated Memorandum Of Points And Authorities In Support.
  
2. I have previously submitted a declaration in this matter, sworn to on January 23, 2019, and annexed hereto as Exhibit A (the “2019 Declaration”).

3. I further submit this declaration to update Exhibit 1 to the 2019 Declaration so that it incorporates charges through the January 15, 2020, and so that it includes the Excess Net Capital Premium, which I am advised is challenged by Alpine Securities Corporation in its Application for Review, dated December 19, 2019. The updated version of Exhibit 1 is annexed hereto as Exhibit B.

WHEREFORE, I declare under penalty of perjury that the foregoing is true and correct.

January 17, 2020

  
Timothy J. Cuddihy

# **EXHIBIT A**



**UNITED STATES OF AMERICA**  
**Before The**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 23, 2019**

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**In the Matter of** :

**ALPINE SECURITIES CORPORATION,** :

**a Utah limited liability Company** :

**For Review of Adverse Action Taken By** :

**NATIONAL SECURITIES CLEARING** :

**CORPORATION** :

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**DECLARATION OF TIMOTHY J. CUDDIHY**

TIMOTHY J. CUDDIHY, declares under penalty of perjury pursuant to 28 U.S.C. § 1746, that the following statements are true and correct:

1. I am the Managing Director for Financial and Operational Risk Management for the National Securities Clearing Corporation (“NSCC”). I submit this declaration in support of NSCC’s opposition to the motion of Alpine Securities Corporation (“Alpine”) for an order staying during the pendency of this proceeding the assessment or implementation of one of the

**SUBJECT TO PENDING APPLICATION FOR CONFIDENTIAL TREATMENT**

components of NSCC's Clearing Fund rules, the Illiquid Charge.<sup>1</sup> The Illiquid Charge is assessed as part of a member's Required Fund Deposit to the NSCC Clearing Fund to manage risk to NSCC associated with a member's transactions in Illiquid Securities. This declaration is also submitted in opposition to Alpine's request for what, I am advised, would effectively be an order affirmatively requiring NSCC to apply what is known as the DTC Offset to the Illiquid Charge in the event the Illiquid Charge were to remain in effect.<sup>2</sup> I am personally familiar with the facts stated below.

2. I am responsible for risk management, including designing and implementing new risk modeling, enhancing existing risk systems, counterparty surveillance, educating market participants, working with regulators on the business approach of DTCC's operating subsidiaries, including NSCC, to risk management, developing and executing best risk management practices, and developing, communicating and ensuring adherence to risk policies and procedures employed by NSCC. I have almost 30 years' experience in risk management in connection with financial services. I hold a MBA in finance and a BA in mathematics and statistics from Rutgers University.

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<sup>1</sup> Capitalized terms used, but not otherwise defined, shall have the meaning set forth in the accompanying Opposition To Alpine's Motion For An Interim Stay And Incorporated Memorandum Of Points And Authorities In Support.

<sup>2</sup> "DTC" refers to The Depository Trust Company, which, like NSCC, is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTC is a registered clearing agency, the nation's central securities depository and the facility where transactions cleared at NSCC are settled in the accounts of DTC's participants.

## *NSCC's Risk Management System*

3. NSCC places a special emphasis on risk management due to its primary function as a central counterparty (“CCP”) in clearing and settling virtually all broker to broker equity trades in the U.S. marketplace through its continuous net settlement system (“CNS”).

4. As a CCP, NSCC guarantees completion of each broker’s unsettled transactions in the event of a firm default, thus potentially exposing NSCC and its members to substantial credit risk. In order to manage this risk, and subject to strict oversight by the U.S. Securities and Exchange Commission (the “Commission” or the “SEC”), and as mandated by Congress, NSCC has adopted a rigorous risk management program designed to protect NSCC, its members and the securities marketplace, against the credit risk stemming from a member default. This program is described in detail in NSCC’s risk management disclosure framework.<sup>3</sup>

5. In managing its credit exposure to members, NSCC determines each member’s Required Fund Deposit daily, and monitors its sufficiency, as provided for in NSCC’s Commission-approved Rules.<sup>4</sup> The objective of the Required Fund Deposit is to ensure each member’s deposits are sufficient to mitigate against potential losses to NSCC arising out of NSCC’s liquidation of the member’s portfolio if the member were to default in its obligations to NSCC. The aggregate of all members’ Required Fund Deposits constitutes the Clearing Fund of

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<sup>3</sup> *Disclosure Framework for Covered Clearing Agencies and Financial Market Infrastructures, NSCC, available at [http://www.dtcc.com/~media/Files/Downloads/legal/policy-and-compliance/NSCC\\_Disclosure\\_Framework.pdf](http://www.dtcc.com/~media/Files/Downloads/legal/policy-and-compliance/NSCC_Disclosure_Framework.pdf) (“Framework”) (last visited Jan. 18, 2019).*

<sup>4</sup> *See NSCC Rule 4 and Procedure XV; see also Framework at 43-48.*

NSCC, which NSCC would access should a defaulting member's Required Fund Deposit be insufficient to satisfy losses to NSCC caused by the liquidation of that member's portfolio.

6. Pursuant to NSCC's Rules, each member's Required Fund Deposit includes various risk-based components, which are determined and implemented on an integrated basis, with each component charge established in conjunction with the other charges. Unless drawn upon due to a member default, the Required Fund Deposit remains as member funds and accrues interest.

7. NSCC employs best practices risk management methods, as approved by the Commission, to contain each member's credit risk within the member's Required Fund Deposit, and thereby avoid mutualizing losses among NSCC members (and thus the securities marketplace).<sup>5</sup>

8. In determining each member's Required Fund Deposit, NSCC monitors carefully various aspects of the member's financial, management, regulatory, and legal affairs. This includes, among other things, review of FOCUS reports, financial statements, site visits and interviews, and monitoring of regulatory activities, litigation, and media reports. The purpose of these activities is to understand the risks that a member poses to NSCC and the clearance and settlement system and to calculate a Required Fund Deposit reflecting that risk.<sup>6</sup> The level of scrutiny increases for those firms that NSCC has determined pose additional risks to NSCC,

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<sup>5</sup> See Framework at 46.

<sup>6</sup> *Id.* Note that the Required Fund Deposit changes daily depending on the transactions the member submits to NSCC for clearance. NSCC advises each member during the morning of each trading day as to whether its funding deposit has gone up or down.

including those firms on NSCC’s “Watch List” and those subject to “Enhanced Surveillance” as set out in Rule 2B, Sec. F.

### *The Illiquid Charge*

9. The Illiquid Charge<sup>7</sup> has been in effect for at least 15 years. The rule was most recently updated and approved by the Commission by order dated May 4, 2017<sup>8</sup>.

10. As set forth in the Illiquid Charge Order and Procedure XV, the Illiquid Charge applies if the member’s net position in Illiquid Securities meets a specific volume threshold set out in the rule, a volume threshold which is lower for a member with a weak credit rating (such as Alpine). The amount of the charge is determined according to a formula set out in the rule based on the price, volatility, and liquidity of the security. Once the member’s position in Illiquid Securities settles and the CCP risk is alleviated, the margin requirement is adjusted pursuant to NSCC’s rules.

11. Illiquid Securities tend to be thinly traded, with high price volatility, and not traded on a national securities exchange. They typically are issued by companies with low market capitalizations and small revenues, and may be susceptible to market manipulation, “pump-and-dump” schemes, and illegal distributions, which may result in criminal prosecutions, SEC enforcement actions, or private litigation. As described below, NSCC

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<sup>7</sup> See Procedure XV, Sec. I(A)(1)(h).

<sup>8</sup> See *Order Approving Proposed Rule Change to Describe the Illiquid Charge that May Be Imposed on Members*, Release No. 34-80597 (May 4, 2017), 82 Fed. Reg. 21,863 (May 4, 2017) (the “Illiquid Charge Order”).

takes careful account of legal and regulatory matters in evaluating the risk profile of members trading in Illiquid Securities.<sup>9</sup>

12. The Illiquid Charge mitigates against the financial risk faced by NSCC if called upon to liquidate Illiquid Securities in connection with a member default. Liquidation of Illiquid Securities could be difficult or delayed due to the lack of liquidity. The Illiquid Charge may be significantly greater than the net value of the positions because the share price of Illiquid Securities could skyrocket if NSCC were forced to buy-in positions for which the market trading was limited. Thus, NSCC's potential risk is a substantial multiple of the per share price of the original transaction when it may be compelled to buy-in positions for which there is an illiquid market.

13. It is important to emphasize the Illiquid Charge, as well as the other elements of the Required Fund Deposit, is imposed on a member's net positions—not on individual trades. That is because CNS nets down each member's settlement obligations in each issue to a single obligation to deliver or a single entitlement to receive securities. As noted below, Alpine appears to have ignored the effect of the netting process in arguing that the Illiquid Charge is unreasonable with respect to a particular Illiquid Security in which it trades.

14. Given Alpine's transactions in Illiquid Securities, NSCC has imposed the Illiquid Charge on Alpine for many years. Most recently, and as demonstrated in Exhibit 1, NSCC records demonstrate that from May 4, 2017 to November 18, 2018, NSCC imposed the Illiquid Charge on Alpine over 300 times, in amounts ranging from five figures to seven figures.

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<sup>9</sup> See NSCC Rule 2B, Sec. 4(d).

## *The CRRM Rating*

15. An integral component of NSCC's risk management procedures is the Credit Risk Rating Matrix ("CRRM"), which provides a numerical rating for each member reflecting its credit risk to NSCC. The members with the lowest risk of default are assigned a rating of 1-4; those with the highest risk of default are rated 5-7. The CRRM rating system is described in NSCC's Rules,<sup>10</sup> and was most recently approved by the Commission by order dated May 19, 2017<sup>11</sup>. (The same system is used by DTC and the Fixed Income Clearing Corporation, also registered clearing agencies and subsidiaries of DTCC.)

16. There are two principal components of the CRRM rating, one based on quantitative factors, such as excess net capital, leverage, liquidity and profitability, and the other based on qualitative factors, including changes in organization structure, news reports, and legal and regulatory actions. The quantitative and qualitative factors are blended together (60/40 weighted in favor of the quantitative) to determine the rating.<sup>12</sup> NSCC also reserves the right to manually adjust the CRRM rating either up or down if it determines that there are considerations that are not appropriately factored by the CRRM inputs. The quantitative and qualitative factors are set out in NSCC Rule 2B, Sec. 4.

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<sup>10</sup> See NSCC Rule 1, Definitions and Descriptions, "Credit Risk Rating Matrix" and NSCC Rule 2B, Sec. 4; *see also* Framework at 47.

<sup>11</sup> See *Order Approving Proposed Rule Changes to Enhance the Credit Risk Rating Matrix and Make Other Changes*, Release No. 34-80734 (May 19, 2017), 82 Fed. Reg. 24,177 (May 25, 2017) (the "CRRM Order").

<sup>12</sup> A third component of the rating system estimates the individual probability of a member's default, based on statistical analyses.

17. There are several consequences of applying a high risk CRRM rating to a member, including placing the member on NSCC's Watch List, which results in heightened review by NSCC's Counterparty Credit Risk Group ("CCR") and, in the case of a member rated a 7, makes the member ineligible for the DTC Offset to offset the Illiquid Charge (as discussed below).

18. A high risk CRRM rating can also result in Enhanced Surveillance. Enhanced Surveillance can include, for example, imposing adequate assurance requirements, increased on-site visits, or additional due diligence information requests, and may be required to make more frequent financial disclosures, including interim and/or *pro forma* reports.

#### *The CCR Group*

19. NSCC's CCR Group is composed of risk management professionals, charged with counterparty monitoring and setting the CRRM rating. All decisions to adjust the CRRM rating go through several layers of review, starting with an analyst recommendation and are subject to approval at the level of managing director. The CCR Group analyst, subject to supervisory review, considers additional qualitative factors (*e.g.*, regulatory history, type of audit opinion issued, and material management changes) to determine if a manual override of the model-generated rating is warranted. That is the case regarding adjustments to Alpine's CRRM rating, as discussed below.



## *Anticipated Rule Change Filing Regarding the Illiquid Charge*

20. NSCC regularly assesses its margining methodologies to evaluate whether margin levels are commensurate with the particular risk attributes of each relevant product, portfolio, and market. In that connection, NSCC is contemplating filing a rule change application designed to enhance the definition of Illiquid Securities in order to capture additional risk presented by securities that exhibit illiquid characteristics. The proposed rule change will, among other things, enhance the haircut-based Volatility Charge for Illiquid Securities beyond the current levels of the Illiquid Charge and enable NSCC to collect margin at levels that better reflect the risks presented by net unsettled positions in Illiquid Securities and help NSCC limit its exposures to members.<sup>13</sup>

21. By enhancing the Volatility Charge to base it on the price level and risk profile of Illiquid Securities, NSCC would be able to eliminate the Illiquid Charge, as that charge would no longer be necessary to address the illiquidity risks covered by an enhanced Volatility Charge. Notably, NSCC is contemplating eliminating the Illiquid Charge *only* in conjunction with enhancing the Volatility Charge, which would incorporate (and enhance) the risk management goals underlying the Illiquid Charge. This reflects the interdependent nature of the components of the Required Fund Deposit.

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<sup>13</sup> The Volatility Charge, for which Alpine does not seek a stay but does challenge in its underlying Application for Review and Petition for Rule Making, applies a parametric VaR (value at risk) model to determine the potential future exposure of a given portfolio based upon historical price movements. For Illiquid Securities, however, which are less amenable to statistical analysis (such as the securities traded by Alpine), a haircut-based volatility charge is applied in lieu of the VaR. The Volatility Charge is designed to capture the market price risk associated with each Member's portfolio at a 99% level of confidence. See Procedure XV, Secs. (I)(A)(1)(e) and (I)(A)(2)(d); *Order Granting Approval of Proposed Rule Change to Volatility Charge*, Release No. 34-79598 (Dec. 19, 2016) (order approving Volatility Charge).

22. Because NSCC cannot change the formula for the Required Fund Deposit without Commission approval, NSCC will continue to utilize the current system, including the Illiquid Charge, unless and until a rule change application is filed, the public is given notice and the opportunity to comment, and the Commission reviews the change.

*Alpine's Required Fund Deposit and CRRM Rating*

23. NSCC has long recognized Alpine poses particular credit risks. Due to its CRRM rating, Alpine has been on NSCC's Watch List since 2005. It is currently rated a 7, the lowest credit rating, and it was first rated a 7 in June 2017, since which time it has been subject to Enhanced Surveillance.

24. Monitoring by NSCC's CCR Group reveals that Alpine is thinly capitalized with limited excess net capital. It has no external lines of credit and relies on an owner to provide a credit line.<sup>14</sup> Alpine has a history of management changes.<sup>15</sup>

25. Alpine's business has long focused on distributing thinly traded microcap (often sub-penny) stocks, issued by companies with small market capitalizations and minimal revenues. In 2017, Alpine was DTC's largest depositor of microcap stocks valued at under one penny, amounting to 61% of all deposits of these securities at DTC. Microcap securities, as noted

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<sup>14</sup> As noted below, n. 18, since 2015 that same owner (and an affiliate of Alpine) has been embroiled in litigation with FINRA.

<sup>15</sup> Alpine replaced its CFO in June 2017, and its CEO and CCO, Chris Frankel, resigned in August, 2018. Alpine is currently undergoing management upheaval. Alpine advised NSCC on December 19, 2018, the day it filed this proceeding, that Robert Tew (CCO, President/CEO and sole Director of the Board) had resigned. The following day, Alpine informed NSCC that its anti-money laundering officer had resigned. Alpine advises that FINRA has recently approved two interim replacements (internally and from an affiliate) for these positions.

above, are risky investments and are a particular focus of enforcement proceedings initiated by the Commission and of private litigation. Again, as a CCP, NSCC guarantees the completion of Alpine's trades in these securities, as it does in all other securities transactions processed on behalf of its members.

26. In connection with its enhanced monitoring of Alpine, over the past two years NSCC has conducted three site visits to Alpine, focusing on its anti-money laundering compliance program, liquidity profile, and management changes. At no time has NSCC denied Alpine access to NSCC's services.

27. In June 2017, the SEC commenced an enforcement action against Alpine charging it "with securities law violations related to its alleged practice of clearing transactions for microcap stocks that were used in manipulative schemes to harm investors."<sup>16</sup>

28. In December 2018, the court found Alpine responsible for thousands of violations of its obligation to file Suspicious Activity Reports.<sup>17</sup> NSCC's CCR Group has been monitoring this litigation since its commencement. As noted, under NSCC rules, the CCR Group takes account of regulatory and legal proceedings in evaluating a Member's credit risk, particularly in

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<sup>16</sup> See *SEC Charges Brokerage Firm With Failing to Comply With Anti-Money Laundering Laws*, Securities and Exchange Commission (June 5, 2017), available at <https://www.sec.gov/news/press-release/2017-112> (last visited Jan. 18, 2019); see also *U.S. Sec. & Exch. Comm'n v. Alpine Sec. Corp.*, 308 F. Supp. 3d 775, 781 (S.D.N.Y. 2018), *reconsideration denied*, 2018 WL 3198889 (S.D.N.Y. June 18, 2018).

<sup>17</sup> See *U.S. Sec. & Exch. Comm'n v. Alpine Sec. Corp.*, 2018 WL 6528767 (S.D.N.Y. Dec. 11, 2018) (granting SEC partial summary judgment).

the case of enforcement actions commenced by the Commission, the pendency and outcome of which can bear on a firm's stability.<sup>18</sup>

29. Following the filing of the enforcement action and advice from Alpine that its relationship with its settlement bank was in question, in June 2017, NSCC's CCR Group assigned Alpine a CRRM rating of 7 (where it has remained, except for June – July 2018) to account for the risk of insolvency posed by the circumstances. In all respects, the CCR Group complied with its obligations under the NSCC rules in taking this action.

30. Because Alpine's CRRM rating is a 7, Alpine is not able to make use of the DTC Offset, which would allow Alpine to offset some or all of its net sell illiquid position against securities it has on deposit at DTC. The DTC Offset is not available to Alpine (or any member with a CRRM rating of 7) to reflect that, in the event of a default and the appointment of a trustee, NSCC could not be assured of having access (or timely access) to Alpine's securities holdings at DTC.

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<sup>18</sup> The CCR group has also been monitoring an administrative proceeding commenced by FINRA in 2015 against Scottsdale Capital Advisors ("SCA"), an affiliate of Alpine, and John Hurry, who NSCC has understood to be an owner of Alpine through the credit lines he has extended to the firm through SCA. (Alpine does not have any external credit lines.) In July, 2018, FINRA's National Adjudicatory Council ("NAC") found that Hurry had violated FINRA Rule 2010 and issued an industry bar. On August 6, 2018, the Commission granted Hurry's motion to stay the NAC's decision on the grounds that "Hurry has at least raised serious legal questions about the NAC's findings, and that the balance of hardships tip decidedly in favor of a stay." Hurry agreed the stay was "subject to the condition that he 'remain uninvolved in the stock deposit review process and otherwise refrain from 'managing the affairs of [SCA or Alpine] or any other SEC registered broker-dealer during the pendency of the Commission's review of this matter.'" *In the Matter of the Application of Scottsdale Capital Advisors Corporation, et al., for Review of Disciplinary Action Taken by Finra*, Release No. 34-83783, Admin. Proc. File No. 3-18612 (Aug. 6, 2018) (matter in brackets in original).

31. NSCC has at all times calculated Alpine's Illiquid Charge and CRRM rating based on its careful review of all aspects of Alpine's business, and in compliance with NSCC's Commission-approved Rules.

32. Notably, there are two potential consequences were the Commission to grant Alpine's motion to stay enforcement of the Illiquid Charge. First, the risk exposure covered by the charge would go uncovered by Alpine. That means in the event Alpine—which, among other problems, just received an adverse court decision in an SEC enforcement action—were to default and its Required Fund Deposit was insufficient to cover the costs of liquidating Alpine's open illiquid positions, the loss would have to be covered by the NSCC Clearing Fund and thereby mutualized among NSCC's other members. This is the result NSCC's Clearing Fund rules are designed to avoid. Second, even in the absence of a default, a stay would be unfair to other NSCC Members who would be placed at a competitive disadvantage in transacting in Illiquid Securities because they would remain subject to the charge, while Alpine would not.

*The Brant Declaration*

33. I have reviewed the declaration of David Brant, dated December 19, 2018, and wish to point out several errors and misstatements.

34. As noted above, when calculating the Required Fund Deposit, NSCC nets all buy and sell transactions in the security to one obligation—a net buy or a net sell position. In his discussion of the Required Fund Deposit for Alpine's transactions in PMCB, Mr. Brant has failed to take this into account.

35. In paragraph 19.a. of his declaration, Mr. Brant refers to a transaction for the sale of 99,000 shares in PMCB on Friday, November 23, 2018. He complains that the Illiquid Charge and other charges were excessive, relative to the values of the trade. However, Mr. Brant has misstated the calculation of the Illiquid Charge and other charges. The PMCB trade would have been netted with Alpine's other unsettled activity in PMCB on Monday, November 26, 2018. On that day, Alpine had a net sell position of 609,000 shares of PMCB. That was the number of PMCB shares on which the margin charge was based—not the 99,000 shares, as Alpine suggests. The net position represented *43.5 percent* of the 20-day average daily volume for the security.

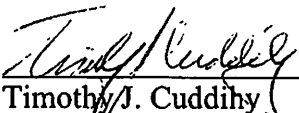
36. Similarly, in paragraph 19.b., Mr. Brant references another transaction for the sale of 99,000 shares in PMCB, executed on November 26, 2018. On November 27, 2018, which would have been the first day of margin for the trade, Alpine held a net sell position of 1,810,000 shares of PMCB. That is the number shares on which the margin charge would have been based, not the 99,000 shares. The net position represented *123.2 percent* of the 20-day average daily volume for the security.

37. In paragraph 22, Mr. Brant references transactions in TSOI executed on November 29, 2018, and November 30, 2018. In this case, unlike his discussion of PMCB, he does acknowledge that the Required Fund Deposit is based on the net, but he otherwise misstates the impact of the charges. On November 30, 2018, the first day of margin for trades effected on November 29, 2018, Alpine held a net sell position in TSOI of 3,085,100 shares, representing *174.8 percent* of the 20-day average daily volume for the security, resulting in an Illiquid Charge of \$92,533.00. On December 3, 2018, the first day of margin for trades effected on November 30, 2018, Alpine held a net sell position in TSOI of 4,347,826 shares, representing 180.5 percent

of the 20-day average daily volume for the security, resulting in an Illiquid Charge of \$169,565.21 (a \$77,032.00 increase from the previous day based on the increase in its net sell position from trades performed on November 30, 2018). In describing the margin related to these positions, Mr. Brant incorrectly sums the Illiquid Charge from November 30, 2018 and December 3, 2018. As described above, the Illiquid Charge is based on unsettled net positions. In this case, Alpine increased their net sell position and therefore the Illiquid Charge increased.

WHEREFORE, I declare under penalty of perjury that the foregoing is true and correct.

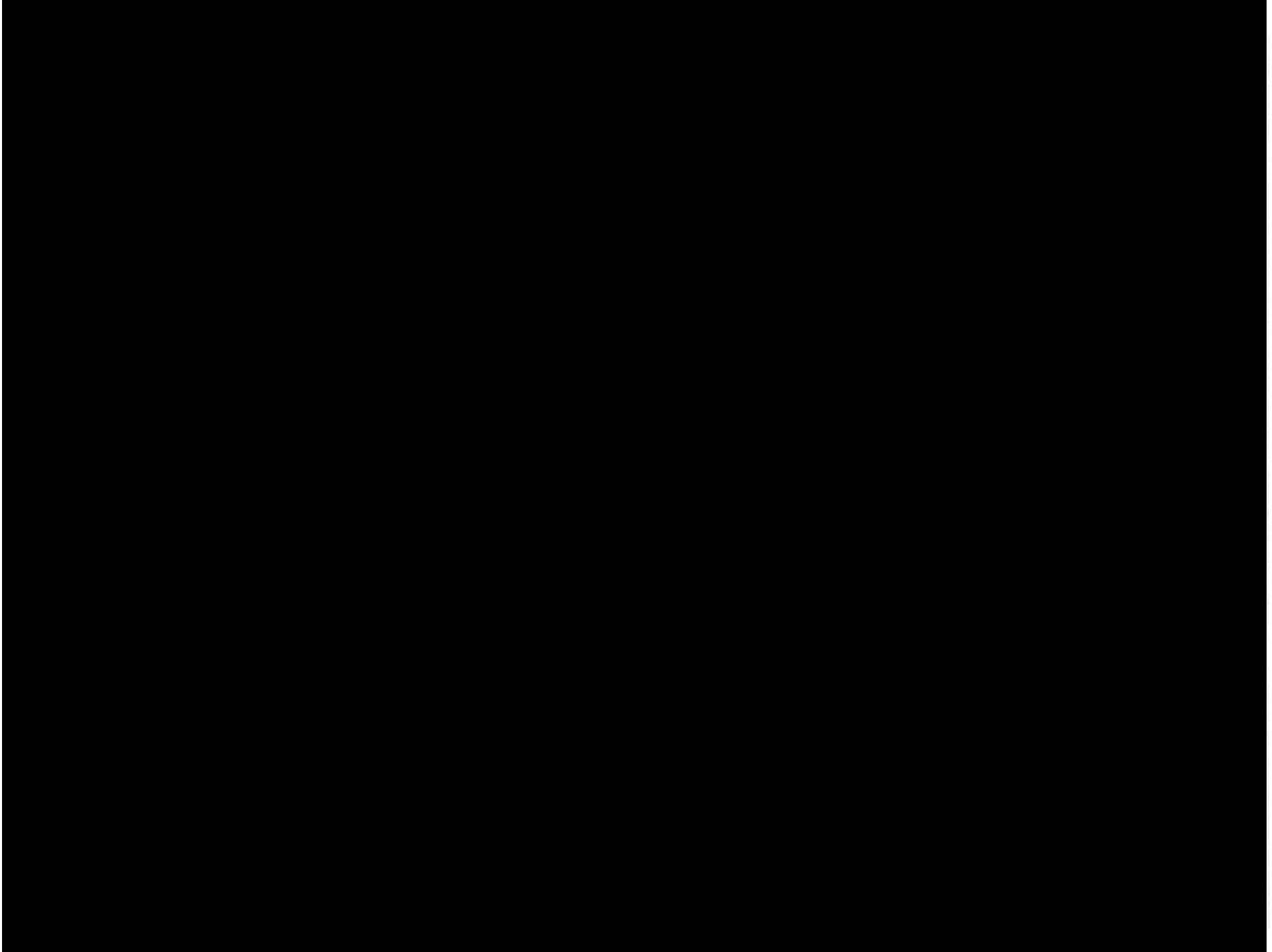
January 23, 2019

  
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Timothy J. Cuddihy

# **EXHIBIT 1**

**SUBJECT TO PENDING APPLICATION FOR CONFIDENTIAL TREATMENT**



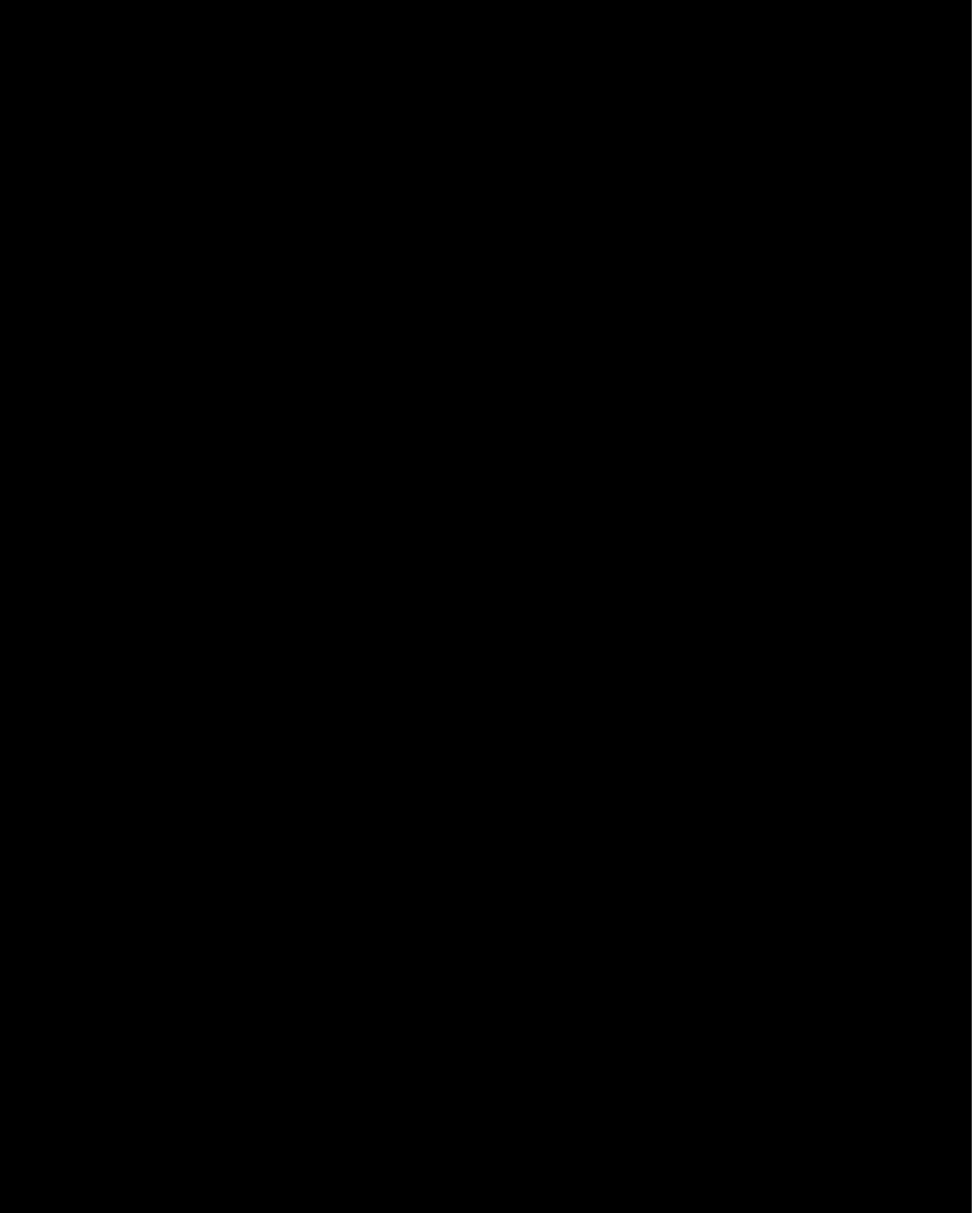


SUBJECT TO PENDING APPLICATION FOR CONFIDENTIAL TREATMENT

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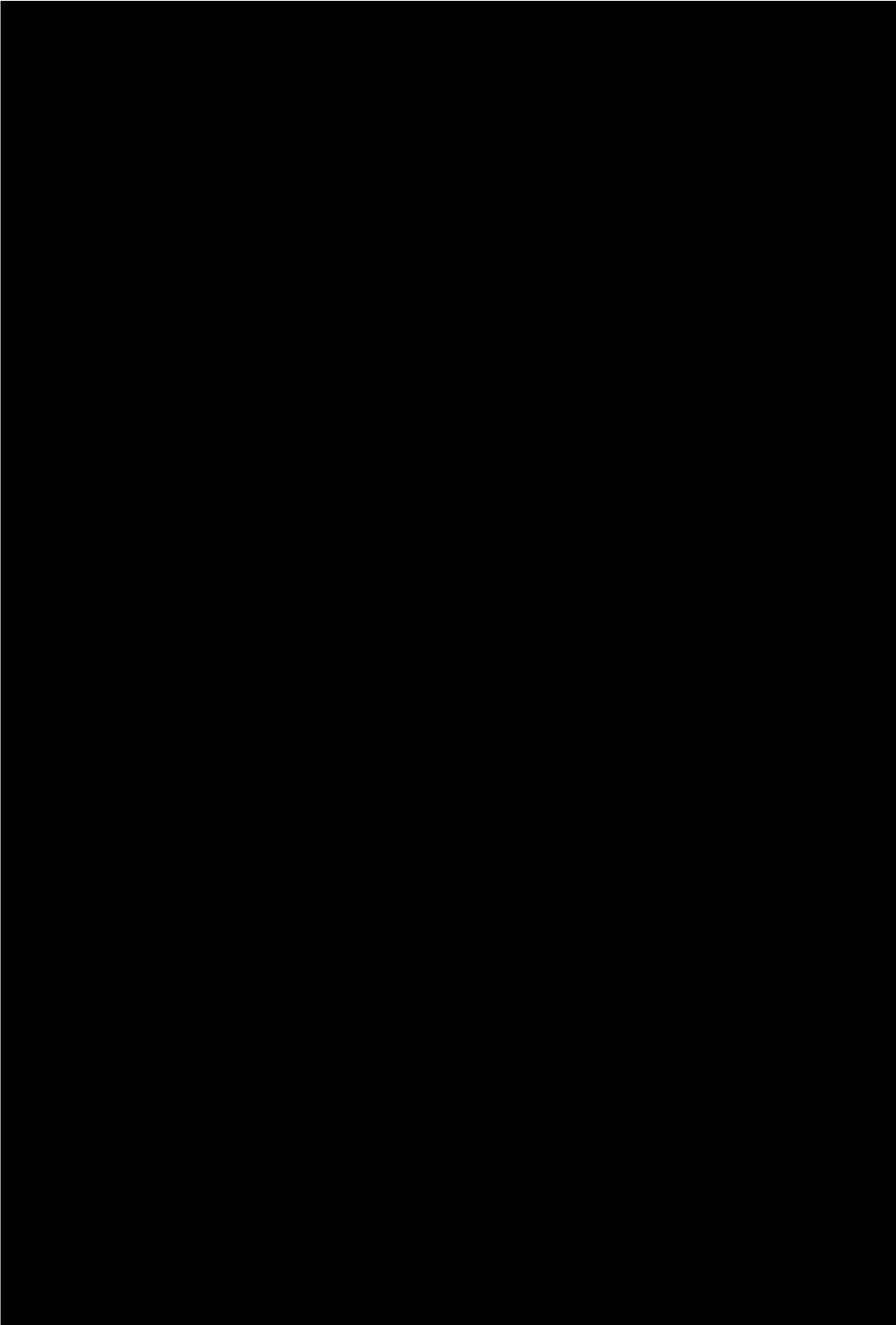
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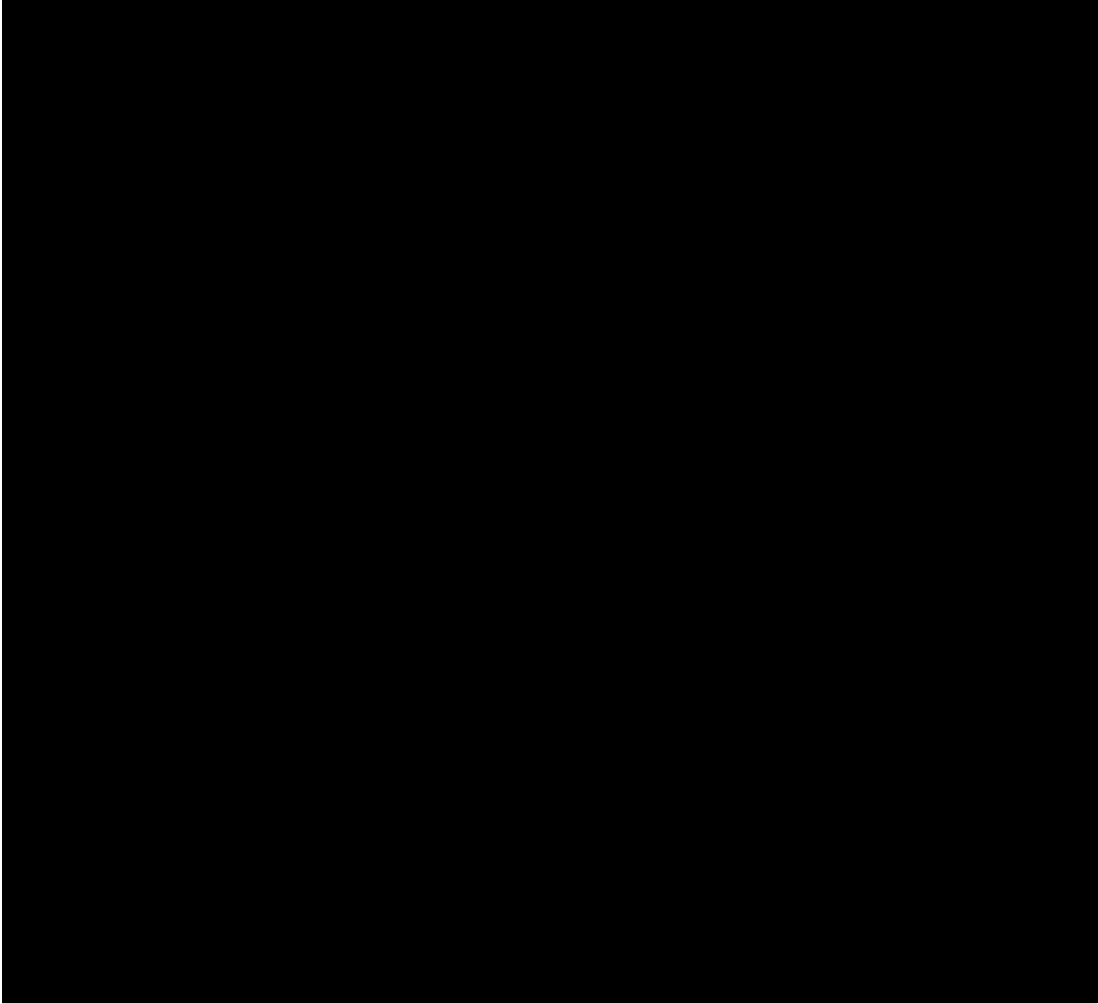
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SUBJECT TO PENDING APPLICATION FOR CONFIDENTIAL TREATMENT







SUBJECT TO PENDING APPLICATION FOR CONFIDENTIAL TREATMENT

# **EXHIBIT B**

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
1/20/2015	254,961	400,000	9,543	202,772	-	-
1/21/2015	417,996	500,000	-	253,599	121,662	-
1/22/2015	413,345	500,000	-	251,843	121,662	-
1/23/2015	412,266	500,000	-	250,001	121,662	-
1/26/2015	297,972	500,000	-	158,371	121,662	-
1/27/2015	173,067	400,000	-	167,504	-	-
1/28/2015	177,640	400,000	6,653	162,713	-	-
1/29/2015	161,866	400,000	-	156,633	-	-
1/30/2015	169,531	400,000	13,892	150,457	-	-
2/2/2015	181,970	400,000	5,969	168,799	-	-
2/3/2015	184,825	400,000	-	175,948	-	-
2/4/2015	217,240	400,000	-	203,030	-	-
2/5/2015	226,219	400,000	-	205,704	-	-
2/6/2015	227,059	400,000	-	207,770	-	-
2/9/2015	203,143	400,000	-	182,097	-	-
2/10/2015	215,823	400,000	-	195,100	-	-
2/11/2015	293,818	400,000	40,704	232,366	-	-
2/12/2015	309,675	400,000	10,715	276,507	-	-
2/13/2015	212,340	400,000	-	206,802	-	-
2/17/2015	210,073	400,000	-	204,706	-	-
2/18/2015	231,289	400,000	11,418	214,465	-	-
2/19/2015	236,305	400,000	4,574	220,220	-	-
2/20/2015	250,166	400,000	-	234,776	-	-
2/23/2015	241,107	400,000	10,834	212,578	-	-
2/24/2015	240,647	400,000	4,426	217,060	-	-
2/25/2015	232,280	400,000	4,634	207,612	-	-
2/26/2015	213,308	400,000	7,164	186,162	-	-
2/27/2015	198,665	400,000	-	176,880	-	-
3/2/2015	184,639	400,000	-	163,472	-	-
3/3/2015	174,129	400,000	-	159,508	-	-
3/4/2015	195,825	400,000	-	181,671	-	-
3/5/2015	201,952	400,000	2,297	186,266	-	-
3/6/2015	191,242	400,000	-	178,373	-	-
3/9/2015	186,266	400,000	-	166,520	-	-
3/10/2015	182,889	400,000	-	163,405	-	-
3/11/2015	180,388	400,000	-	163,475	-	-
3/12/2015	148,476	400,000	-	138,518	-	-
3/13/2015	135,131	400,000	4,547	124,976	-	-
3/16/2015	115,401	400,000	-	102,548	-	-
3/17/2015	164,479	400,000	9,624	141,886	-	-
3/18/2015	252,886	400,000	-	247,610	-	-
3/19/2015	146,476	400,000	-	139,570	-	-
3/20/2015	105,478	400,000	-	98,223	-	-
3/23/2015	121,441	400,000	-	114,206	-	-
3/24/2015	140,174	400,000	-	133,717	-	-
3/25/2015	171,492	400,000	3,507	154,525	-	-
3/26/2015	160,686	400,000	-	147,212	-	-
3/27/2015	163,102	400,000	-	145,313	-	-
3/30/2015	153,867	400,000	1,265	135,079	-	-
3/31/2015	113,418	400,000	-	101,671	-	-
4/1/2015	100,412	400,000	-	88,953	-	-
4/2/2015	102,939	400,000	-	91,482	-	-
4/6/2015	118,816	400,000	-	107,022	-	-
4/7/2015	357,513	400,000	184,778	161,080	-	-
4/8/2015	345,297	400,000	26,195	251,836	50,462	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
4/9/2015	368,651	400,000	14,247	287,216	50,462	-
4/10/2015	319,368	400,000	-	308,595	-	-
4/13/2015	373,214	400,000	17,662	344,723	-	-
4/14/2015	363,897	400,000	774	352,263	-	-
4/15/2015	268,241	400,000	-	259,675	-	-
4/16/2015	206,093	400,000	-	197,683	-	-
4/17/2015	141,101	400,000	-	135,550	-	-
4/20/2015	159,410	400,000	11,917	142,084	-	-
4/21/2015	144,775	400,000	2,457	136,876	-	-
4/22/2015	115,977	400,000	-	109,055	-	-
4/23/2015	111,158	400,000	-	105,571	-	-
4/24/2015	275,479	400,000	30,588	239,181	-	-
4/27/2015	362,196	400,000	-	356,544	-	-
4/28/2015	548,326	575,000	99,639	442,974	-	-
4/29/2015	263,859	400,000	80,345	177,899	-	-
4/30/2015	325,691	400,000	47,998	271,899	-	-
5/1/2015	312,881	400,000	-	297,901	9,615	-
5/4/2015	172,731	400,000	9,542	141,448	15,615	-
5/5/2015	171,373	400,000	-	141,371	23,750	-
5/6/2015	203,667	400,000	16,327	160,591	20,500	-
5/7/2015	200,750	400,000	8,896	166,186	20,250	-
5/8/2015	236,449	400,000	878	214,423	15,125	-
5/11/2015	233,134	400,000	-	205,764	22,066	-
5/12/2015	290,464	400,000	-	262,394	22,750	-
5/13/2015	275,477	400,000	-	252,400	17,752	-
5/14/2015	226,400	400,000	13,179	207,797	-	-
5/15/2015	161,677	400,000	-	153,934	-	-
5/18/2015	103,564	400,000	-	95,849	-	-
5/19/2015	118,551	400,000	-	110,755	-	-
5/20/2015	107,361	400,000	-	102,300	-	-
5/21/2015	410,962	425,000	74,964	330,939	-	-
5/22/2015	213,386	325,000	79,600	116,010	-	-
5/26/2015	114,269	325,000	-	103,026	-	-
5/27/2015	114,767	325,000	-	109,712	-	-
5/28/2015	277,339	325,000	-	166,286	106,000	-
5/29/2015	167,125	325,000	-	161,906	-	-
6/1/2015	306,032	325,000	-	170,818	130,000	-
6/2/2015	147,866	325,000	-	142,804	-	-
6/3/2015	164,438	325,000	-	159,377	-	-
6/4/2015	217,142	325,000	-	203,639	-	-
6/5/2015	203,833	325,000	-	190,758	-	-
6/8/2015	215,812	325,000	-	203,321	-	-
6/9/2015	243,679	325,000	24,103	207,160	-	-
6/10/2015	219,269	325,000	-	206,479	-	-
6/11/2015	209,974	325,000	-	196,834	-	-
6/12/2015	201,079	325,000	-	187,739	-	-
6/15/2015	170,522	325,000	-	163,876	-	-
6/16/2015	137,015	325,000	-	130,418	-	-
6/17/2015	66,739	325,000	2,017	58,093	-	-
6/18/2015	98,342	325,000	2,774	86,704	-	-
6/19/2015	96,368	325,000	-	87,272	-	-
6/22/2015	85,776	325,000	-	76,976	-	-
6/23/2015	64,168	325,000	2,832	52,423	-	-
6/24/2015	97,322	325,000	-	87,851	-	-
6/25/2015	113,067	325,000	-	104,366	-	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
6/26/2015	129,147	325,000	-	120,559	-	-
6/29/2015	116,783	325,000	-	110,122	-	-
6/30/2015	147,024	325,000	-	141,334	-	-
7/1/2015	158,152	325,000	-	152,011	-	-
7/2/2015	173,399	325,000	-	167,671	-	-
7/6/2015	151,552	325,000	-	145,467	-	-
7/7/2015	143,563	325,000	-	137,800	-	-
7/8/2015	142,697	325,000	-	136,800	-	-
7/9/2015	126,518	325,000	-	121,199	-	-
7/10/2015	109,437	325,000	12,032	92,354	-	-
7/13/2015	82,662	325,000	947	76,502	-	-
7/14/2015	107,730	325,000	-	102,550	-	-
7/15/2015	128,276	325,000	-	123,168	-	-
7/16/2015	134,157	325,000	-	129,101	-	-
7/17/2015	115,591	325,000	-	110,535	-	-
7/20/2015	107,296	325,000	-	102,239	-	-
7/21/2015	112,839	325,000	10,244	97,484	-	-
7/22/2015	105,003	325,000	-	99,961	-	-
7/23/2015	123,287	325,000	11,992	106,234	-	-
7/24/2015	151,027	325,000	13,928	131,886	-	-
7/27/2015	194,544	325,000	40,699	148,001	-	-
7/28/2015	194,407	325,000	22,732	166,384	-	-
7/29/2015	190,303	325,000	2,495	182,390	-	-
7/30/2015	203,267	325,000	14,662	183,132	-	-
7/31/2015	187,413	325,000	-	182,364	-	-
8/3/2015	187,303	325,000	-	182,256	-	-
8/4/2015	185,630	325,000	-	180,574	-	-
8/5/2015	194,651	325,000	19,346	170,266	-	-
8/6/2015	190,379	325,000	2,829	182,505	-	-
8/7/2015	160,597	325,000	-	155,541	-	-
8/10/2015	140,083	325,000	-	134,809	-	-
8/11/2015	105,846	325,000	-	100,219	-	-
8/12/2015	106,422	325,000	-	101,275	-	-
8/13/2015	118,251	325,000	-	113,096	-	-
8/14/2015	123,264	325,000	-	116,967	-	-
8/17/2015	166,428	325,000	-	161,363	-	-
8/18/2015	96,929	325,000	-	91,400	-	-
8/19/2015	77,475	325,000	-	72,145	-	-
8/20/2015	79,110	325,000	-	73,791	-	-
8/21/2015	71,733	325,000	-	66,487	-	-
8/24/2015	88,936	325,000	-	83,839	-	-
8/25/2015	113,801	325,000	-	108,739	-	-
8/26/2015	138,593	325,000	-	133,431	-	-
8/27/2015	110,892	325,000	-	105,832	-	-
8/28/2015	116,630	325,000	-	111,571	-	-
8/31/2015	180,540	325,000	-	175,272	-	-
9/1/2015	227,768	325,000	-	222,539	-	-
9/2/2015	262,485	325,000	34,526	222,408	-	-
9/3/2015	127,855	325,000	-	122,543	-	-
9/4/2015	97,621	325,000	-	89,702	-	-
9/8/2015	109,167	325,000	-	102,912	-	-
9/9/2015	95,599	325,000	-	90,575	-	-
9/10/2015	103,924	325,000	-	98,842	-	-
9/11/2015	97,668	325,000	-	92,634	-	-
9/14/2015	105,273	325,000	608	99,013	-	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
9/15/2015	93,826	325,000	-	88,775	-	-
9/16/2015	117,316	325,000	-	112,102	-	-
9/17/2015	124,783	325,000	-	119,745	-	-
9/18/2015	124,380	325,000	-	119,343	-	-
9/21/2015	93,157	325,000	-	88,120	-	-
9/22/2015	78,500	325,000	-	73,451	-	-
9/23/2015	90,436	325,000	-	85,387	-	-
9/24/2015	89,636	325,000	-	84,586	-	-
9/25/2015	98,462	325,000	-	92,725	-	-
9/28/2015	91,165	325,000	-	85,473	-	-
9/29/2015	107,051	325,000	-	101,871	-	-
9/30/2015	78,186	325,000	-	73,027	-	-
10/1/2015	91,340	325,000	13,368	72,784	-	-
10/2/2015	87,552	325,000	-	82,015	-	-
10/5/2015	70,852	325,000	-	65,574	-	-
10/6/2015	84,505	325,000	-	79,283	-	-
10/7/2015	96,422	325,000	-	91,359	-	-
10/8/2015	111,589	325,000	-	106,354	-	-
10/9/2015	132,774	325,000	7,447	104,193	-	-
10/12/2015	123,503	325,000	-	117,985	-	-
10/13/2015	149,874	325,000	-	144,169	-	-
10/14/2015	170,348	325,000	-	165,248	-	-
10/15/2015	145,745	325,000	-	140,508	-	-
10/16/2015	87,077	325,000	-	80,701	-	-
10/19/2015	102,859	325,000	-	73,893	23,000	-
10/20/2015	113,285	325,000	-	77,278	30,500	-
10/21/2015	171,701	325,000	-	132,870	33,040	-
10/22/2015	197,351	325,000	-	192,057	-	-
10/23/2015	210,132	325,000	15,939	188,999	-	-
10/26/2015	200,385	325,000	-	161,901	33,144	-
10/27/2015	142,639	325,000	-	93,022	43,894	-
10/28/2015	165,474	325,000	-	102,666	56,844	-
10/29/2015	143,336	325,000	-	67,418	69,344	-
10/30/2015	70,841	325,000	-	65,317	-	-
11/2/2015	160,781	325,000	43,964	76,190	34,783	-
11/3/2015	168,589	325,000	40,004	76,256	46,036	-
11/4/2015	145,918	325,000	989	92,378	46,036	-
11/5/2015	99,831	325,000	-	94,333	-	-
11/6/2015	180,804	325,000	-	175,492	-	-
11/9/2015	212,125	325,000	-	206,902	-	-
11/10/2015	275,991	325,000	-	235,436	-	-
11/11/2015	225,920	325,000	-	220,659	-	-
11/12/2015	445,420	475,000	-	287,195	151,766	-
11/13/2015	308,375	475,000	-	237,646	64,550	-
11/16/2015	295,864	475,000	-	222,754	66,495	-
11/17/2015	90,817	475,000	-	85,529	-	-
11/18/2015	117,284	475,000	-	84,913	26,697	-
11/19/2015	122,221	475,000	2,812	87,083	26,697	-
11/20/2015	153,572	475,000	4,708	101,198	41,797	-
11/23/2015	132,158	475,000	12,720	98,828	15,200	-
11/24/2015	112,693	475,000	468	88,961	17,000	-
11/25/2015	89,163	475,000	-	82,399	-	-
11/27/2015	118,146	475,000	9,321	100,495	-	-
11/30/2015	134,898	475,000	35,445	94,039	-	-
12/1/2015	85,447	475,000	3,670	76,365	-	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
12/2/2015	67,325	475,000	-	61,857	-	-
12/3/2015	73,996	475,000	-	68,735	-	-
12/4/2015	214,694	475,000	-	209,327	-	-
12/7/2015	261,098	475,000	-	199,737	55,723	-
12/8/2015	205,051	475,000	-	198,916	-	-
12/9/2015	80,041	475,000	-	74,574	-	-
12/10/2015	283,326	475,000	5,111	56,556	216,241	-
12/11/2015	280,020	475,000	4,933	86,456	183,236	-
12/14/2015	315,861	475,000	-	310,666	-	-
12/15/2015	266,161	475,000	-	261,006	-	-
12/16/2015	231,430	475,000	-	226,267	-	-
12/17/2015	235,868	475,000	-	227,354	-	-
12/18/2015	462,121	575,000	-	455,681	-	-
12/21/2015	458,784	575,000	-	452,280	-	-
12/22/2015	292,892	575,000	-	285,718	-	-
12/23/2015	64,496	350,000	-	59,327	-	-
12/24/2015	224,651	350,000	-	219,484	-	-
12/28/2015	217,233	350,000	-	212,049	-	-
12/29/2015	213,280	350,000	-	207,960	-	-
12/30/2015	60,651	350,000	4,355	50,928	-	-
12/31/2015	91,944	350,000	16,126	70,389	-	-
1/4/2016	88,324	350,000	6,120	76,832	-	-
1/5/2016	251,851	350,000	-	245,126	-	-
1/6/2016	242,324	350,000	-	236,956	-	-
1/7/2016	248,725	350,000	-	242,578	-	-
1/8/2016	89,806	350,000	-	83,753	-	-
1/11/2016	96,381	350,000	2,308	88,729	-	-
1/12/2016	96,471	350,000	-	91,225	-	-
1/13/2016	82,144	350,000	-	76,724	-	-
1/14/2016	83,415	350,000	-	78,119	-	-
1/15/2016	76,839	350,000	-	71,402	-	-
1/19/2016	96,271	350,000	4,864	85,782	-	-
1/20/2016	99,701	350,000	-	93,821	-	-
1/21/2016	408,412	450,000	-	78,489	324,377	-
1/22/2016	79,562	450,000	6,928	67,265	-	-
1/25/2016	59,676	350,000	5,752	48,497	-	-
1/26/2016	199,725	350,000	4,498	53,221	136,000	-
1/27/2016	211,963	350,000	4,291	58,217	144,000	-
1/28/2016	227,551	350,000	5,875	57,971	158,400	-
1/29/2016	67,440	350,000	-	61,922	-	-
2/1/2016	71,252	350,000	-	65,942	-	-
2/2/2016	186,242	350,000	21,139	82,444	77,232	-
2/3/2016	215,984	350,000	-	145,409	65,280	-
2/4/2016	239,694	350,000	-	159,596	74,803	-
2/5/2016	158,963	350,000	-	153,579	-	-
2/8/2016	109,038	350,000	12,636	91,002	-	-
2/9/2016	271,645	350,000	6,820	133,376	125,931	-
2/10/2016	152,481	350,000	-	147,105	-	-
2/11/2016	171,175	350,000	-	165,666	-	-
2/12/2016	88,135	350,000	-	82,604	-	-
2/16/2016	104,696	350,000	65	99,186	-	-
2/17/2016	77,202	350,000	-	70,958	-	-
2/18/2016	137,402	350,000	6,176	125,324	-	-
2/19/2016	124,056	350,000	-	118,424	-	-
2/22/2016	133,623	350,000	-	128,139	-	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
2/23/2016	90,110	350,000	2,281	82,516	-	-
2/24/2016	79,777	350,000	-	74,397	-	-
2/25/2016	79,977	350,000	-	74,653	-	-
2/26/2016	82,338	350,000	-	76,980	-	-
2/29/2016	117,493	350,000	-	74,215	36,945	-
3/1/2016	71,275	350,000	-	65,074	-	-
3/2/2016	86,034	350,000	-	78,445	-	-
3/3/2016	89,361	350,000	-	83,067	-	-
3/4/2016	98,114	350,000	-	91,746	-	-
3/7/2016	90,897	350,000	-	84,437	-	-
3/8/2016	101,468	350,000	-	95,164	-	-
3/9/2016	109,708	350,000	-	101,477	-	-
3/10/2016	130,797	350,000	-	122,238	-	-
3/11/2016	101,005	350,000	-	94,872	-	-
3/14/2016	94,153	350,000	-	88,029	-	-
3/15/2016	100,284	350,000	5,916	86,239	-	-
3/16/2016	128,611	350,000	9,072	111,224	-	-
3/17/2016	120,321	350,000	7,065	106,377	-	-
3/18/2016	111,035	350,000	-	103,405	-	-
3/21/2016	93,151	350,000	-	84,805	-	-
3/22/2016	103,547	350,000	6,234	89,756	-	-
3/23/2016	105,933	350,000	347	98,741	-	-
3/24/2016	419,874	450,000	-	102,712	309,103	-
3/28/2016	162,539	450,000	36,535	118,951	-	-
3/29/2016	162,803	450,000	44,092	112,385	-	-
3/30/2016	227,135	450,000	24,382	196,508	-	-
3/31/2016	235,055	450,000	12,828	215,892	-	-
4/1/2016	294,400	450,000	-	287,831	-	-
4/4/2016	202,154	450,000	-	195,746	-	-
4/5/2016	212,592	450,000	-	205,790	-	-
4/6/2016	130,064	400,000	-	123,439	-	-
4/7/2016	132,742	400,000	-	126,101	-	-
4/8/2016	348,638	400,000	60,390	281,593	-	-
4/11/2016	278,574	400,000	-	272,492	-	-
4/12/2016	261,800	400,000	-	255,444	-	-
4/13/2016	108,962	400,000	-	103,437	-	-
4/14/2016	129,478	400,000	14,104	109,017	-	-
4/15/2016	133,856	400,000	-	128,485	-	-
4/18/2016	141,598	400,000	-	136,226	-	-
4/19/2016	164,687	400,000	-	159,325	-	-
4/20/2016	179,100	400,000	2,127	170,827	-	-
4/21/2016	168,355	400,000	-	162,416	-	-
4/22/2016	186,539	400,000	-	180,622	-	-
4/25/2016	194,949	400,000	24,516	164,493	-	-
4/26/2016	185,289	400,000	-	179,778	-	-
4/27/2016	176,412	400,000	-	170,782	-	-
4/28/2016	165,324	400,000	-	159,888	-	-
4/29/2016	167,481	400,000	-	162,025	-	-
5/2/2016	179,633	400,000	9,588	164,670	-	-
5/3/2016	215,690	400,000	-	210,213	-	-
5/4/2016	294,835	400,000	46,651	242,723	-	-
5/5/2016	237,398	400,000	-	232,019	-	-
5/6/2016	216,697	400,000	9,316	201,889	-	-
5/9/2016	259,403	400,000	40,578	213,189	-	-
5/10/2016	198,767	400,000	1,922	191,517	-	-



Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
5/11/2016	182,578	400,000	6,820	170,239	-	-
5/12/2016	114,826	400,000	-	109,472	-	-
5/13/2016	90,209	400,000	-	84,811	-	-
5/16/2016	84,499	400,000	-	79,161	-	-
5/17/2016	138,855	400,000	32,009	101,509	-	-
5/18/2016	318,897	400,000	3,319	310,271	-	-
5/19/2016	155,164	400,000	-	149,783	-	-
5/20/2016	160,457	400,000	-	154,960	-	-
5/23/2016	165,218	400,000	-	159,613	-	-
5/24/2016	137,106	400,000	-	130,376	-	-
5/25/2016	112,735	400,000	-	107,040	-	-
5/26/2016	137,264	400,000	7,958	123,669	-	-
5/27/2016	156,292	400,000	11,992	138,839	-	-
5/31/2016	156,277	400,000	3,558	147,217	-	-
6/1/2016	391,838	650,000	-	136,104	250,121	-
6/2/2016	443,235	650,000	-	138,694	295,645	-
6/3/2016	145,249	400,000	-	139,511	-	-
6/6/2016	129,788	400,000	-	124,042	-	-
6/7/2016	136,094	400,000	-	130,328	-	-
6/8/2016	200,298	400,000	5,450	138,776	50,000	-
6/9/2016	252,511	400,000	-	166,273	80,160	-
6/10/2016	168,247	400,000	-	162,404	-	-
6/13/2016	281,571	400,000	-	157,927	116,620	-
6/14/2016	141,534	400,000	-	135,860	-	-
6/15/2016	126,707	400,000	-	121,093	-	-
6/16/2016	94,872	400,000	-	89,258	-	-
6/17/2016	77,773	400,000	3,001	69,179	-	-
6/20/2016	71,939	400,000	6,048	60,366	-	-
6/21/2016	99,240	400,000	-	93,718	-	-
6/22/2016	134,301	400,000	-	128,783	-	-
6/23/2016	147,734	400,000	-	141,915	-	-
6/24/2016	255,836	400,000	9,487	141,578	99,069	-
6/27/2016	284,810	400,000	4,970	154,072	119,835	-
6/28/2016	144,993	400,000	-	139,185	-	-
6/29/2016	127,614	400,000	21	122,147	-	-
6/30/2016	121,187	400,000	6,978	108,765	-	-
7/1/2016	145,169	400,000	12,820	127,010	-	-
7/5/2016	138,187	400,000	-	132,850	-	-
7/6/2016	114,319	400,000	-	108,982	-	-
7/7/2016	103,040	400,000	-	97,701	-	-
7/8/2016	98,846	400,000	1,938	91,514	-	-
7/11/2016	118,995	400,000	4,072	109,495	-	-
7/12/2016	140,843	400,000	1,543	133,905	-	-
7/13/2016	150,598	400,000	3,815	141,322	-	-
7/14/2016	146,067	400,000	8,607	132,083	-	-
7/15/2016	122,634	400,000	4,206	113,049	-	-
7/18/2016	116,886	400,000	-	111,023	-	-
7/19/2016	104,863	400,000	-	98,774	-	-
7/20/2016	114,985	400,000	175	108,835	-	-
7/21/2016	140,023	400,000	-	134,457	-	-
7/22/2016	226,848	400,000	-	199,818	-	-
7/25/2016	175,215	400,000	-	166,039	-	-
7/26/2016	150,458	400,000	-	144,496	-	-
7/27/2016	163,372	400,000	-	157,056	-	-
7/28/2016	141,975	400,000	-	135,976	-	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
7/29/2016	145,966	400,000	-	139,199	-	-
8/1/2016	123,663	400,000	-	117,326	-	-
8/2/2016	129,509	400,000	-	123,337	-	-
8/3/2016	140,552	400,000	-	129,823	-	-
8/4/2016	134,340	400,000	1,673	126,754	-	-
8/5/2016	133,352	400,000	-	127,626	-	-
8/8/2016	155,291	400,000	-	149,529	-	-
8/9/2016	165,374	400,000	11,144	147,941	-	-
8/10/2016	180,304	400,000	11,931	162,142	-	-
8/11/2016	175,292	400,000	-	164,456	-	-
8/12/2016	206,644	400,000	-	200,941	-	-
8/15/2016	218,174	400,000	16,510	195,727	-	-
8/16/2016	198,230	400,000	-	192,024	-	-
8/17/2016	174,181	400,000	5,304	162,678	-	-
8/18/2016	173,283	400,000	-	167,583	-	-
8/19/2016	197,387	400,000	-	188,516	-	-
8/22/2016	182,311	400,000	-	174,122	-	-
8/23/2016	166,201	400,000	-	161,031	-	-
8/24/2016	147,997	400,000	-	142,808	-	-
8/25/2016	188,560	400,000	-	183,236	-	-
8/26/2016	199,972	400,000	-	194,651	-	-
8/29/2016	209,112	400,000	-	203,766	-	-
8/30/2016	162,786	400,000	-	147,298	-	-
8/31/2016	151,702	400,000	12,331	123,294	-	-
9/1/2016	136,562	400,000	6,481	114,759	-	-
9/2/2016	118,230	400,000	616	102,696	-	-
9/6/2016	155,016	400,000	19,842	119,110	-	-
9/7/2016	153,716	400,000	15,061	121,079	-	-
9/8/2016	160,502	400,000	-	144,373	-	-
9/9/2016	155,396	400,000	-	139,561	-	-
9/12/2016	168,572	400,000	-	153,049	-	-
9/13/2016	156,169	400,000	4,202	135,712	-	-
9/14/2016	207,854	400,000	6,326	196,177	-	-
9/15/2016	208,646	400,000	-	202,896	-	-
9/16/2016	238,595	400,000	-	233,030	-	-
9/19/2016	184,384	400,000	-	178,917	-	-
9/20/2016	141,541	400,000	-	136,067	-	-
9/21/2016	143,690	400,000	1,201	136,991	-	-
9/22/2016	159,416	400,000	22,790	131,143	-	-
9/23/2016	195,695	400,000	24,329	165,700	-	-
9/26/2016	293,874	400,000	20,191	180,132	87,750	-
9/27/2016	287,553	400,000	-	203,379	78,300	-
9/28/2016	332,218	550,000	4,019	243,250	78,975	-
9/29/2016	294,731	550,000	4,529	227,393	56,700	-
9/30/2016	311,397	550,000	-	251,338	54,000	-
10/3/2016	312,734	550,000	-	251,373	54,600	-
10/4/2016	408,984	550,000	50,749	306,605	45,920	-
10/5/2016	577,275	600,000	97,576	414,346	59,542	-
10/6/2016	688,179	700,000	-	443,980	237,920	-
10/7/2016	729,120	750,000	-	416,777	243,266	-
10/10/2016	576,629	750,000	-	334,792	235,420	-
10/11/2016	689,481	750,000	-	446,187	236,920	-
10/12/2016	528,090	750,000	-	446,620	74,854	-
10/13/2016	690,692	750,000	-	620,779	63,604	-
10/14/2016	521,545	750,000	-	450,623	63,604	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
10/17/2016	399,080	750,000	-	328,750	63,823	-
10/18/2016	319,610	500,000	8,942	240,364	63,823	-
10/19/2016	471,090	500,000	179,496	221,296	63,823	-
10/20/2016	404,710	500,000	95,050	254,500	48,446	-
10/21/2016	321,151	500,000	-	266,589	48,446	-
10/24/2016	322,317	500,000	-	267,740	48,446	-
10/25/2016	288,173	500,000	2,382	230,887	48,446	-
10/26/2016	292,974	500,000	-	233,641	48,446	-
10/27/2016	289,609	500,000	-	229,269	48,446	-
10/28/2016	271,113	500,000	-	212,769	48,446	-
10/31/2016	329,778	500,000	32,100	245,629	45,920	-
11/1/2016	536,588	550,000	175,117	307,984	45,920	-
11/2/2016	437,636	550,000	27,523	356,535	45,920	-
11/3/2016	408,457	550,000	-	355,302	45,920	-
11/4/2016	354,233	550,000	-	301,355	45,920	-
11/7/2016	260,895	550,000	-	208,344	45,920	-
11/8/2016	315,700	450,000	-	264,082	45,920	-
11/9/2016	351,625	450,000	9,360	278,982	57,400	-
11/10/2016	367,134	450,000	-	274,273	45,920	-
11/11/2016	262,706	450,000	-	210,780	46,150	-
11/14/2016	374,364	450,000	-	321,915	45,920	-
11/15/2016	372,403	450,000	-	320,804	45,920	-
11/16/2016	399,147	450,000	-	345,010	45,920	-
11/17/2016	406,487	450,000	35,278	312,131	45,920	-
11/18/2016	338,681	450,000	7,836	275,102	41,787	-
11/21/2016	196,896	450,000	-	160,590	22,960	-
11/22/2016	177,424	450,000	6,727	132,407	22,960	-
11/23/2016	219,078	450,000	-	181,111	22,960	-
11/25/2016	271,753	450,000	-	233,684	22,960	-
11/28/2016	222,330	450,000	-	193,520	22,960	-
11/29/2016	203,176	450,000	14,772	158,892	22,960	-
11/30/2016	167,791	450,000	-	138,812	22,960	-
12/1/2016	245,699	450,000	-	216,642	22,960	-
12/2/2016	430,305	450,000	-	236,180	184,678	-
12/5/2016	281,494	450,000	-	251,066	22,960	-
12/6/2016	304,949	450,000	-	274,493	24,338	-
12/7/2016	289,990	450,000	-	256,746	24,338	-
12/8/2016	306,930	450,000	-	274,849	24,338	-
12/9/2016	308,638	450,000	-	276,374	24,338	-
12/12/2016	329,477	450,000	16,246	279,986	24,338	-
12/13/2016	251,656	450,000	11,460	207,979	24,338	-
12/14/2016	279,000	450,000	54,166	189,736	24,338	-
12/15/2016	251,121	450,000	24,596	194,419	24,338	-
12/16/2016	246,648	450,000	-	216,733	24,338	-
12/19/2016	276,718	450,000	-	245,036	24,338	-
12/20/2016	266,643	450,000	-	232,006	24,338	-
12/21/2016	251,889	450,000	-	214,111	25,823	-
12/22/2016	206,527	450,000	-	167,684	31,633	-
12/23/2016	196,118	450,000	-	157,327	31,228	-
12/27/2016	179,101	450,000	-	145,196	24,338	-
12/28/2016	258,503	450,000	22,715	181,623	45,920	-
12/29/2016	243,949	450,000	920	211,316	24,338	-
12/30/2016	238,924	450,000	-	205,715	24,338	-
1/3/2017	257,868	450,000	18,243	209,282	24,338	-
1/4/2017	268,710	450,000	2,201	224,586	29,302	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
1/5/2017	345,940	450,000	55,684	253,564	24,338	-
1/6/2017	297,330	450,000	-	260,965	24,338	-
1/9/2017	292,432	450,000	-	255,299	24,338	-
1/10/2017	255,135	450,000	-	219,506	29,848	-
1/11/2017	215,863	450,000	-	180,226	29,848	-
1/12/2017	255,539	450,000	-	219,879	29,848	-
1/13/2017	293,803	450,000	-	263,478	24,338	-
1/17/2017	294,343	450,000	11,350	251,657	24,338	-
1/18/2017	253,632	450,000	11,654	210,679	24,338	-
1/19/2017	195,340	450,000	-	165,516	24,338	-
1/20/2017	238,662	450,000	27,247	181,611	24,338	-
1/23/2017	212,672	450,000	4,275	178,095	24,338	-
1/24/2017	228,249	450,000	20,515	178,011	24,338	-
1/25/2017	389,169	450,000	-	359,453	24,338	-
1/26/2017	464,577	500,000	11,595	417,969	29,302	-
1/27/2017	461,951	500,000	-	410,464	45,920	-
1/30/2017	234,242	500,000	-	204,553	24,338	-
1/31/2017	162,202	500,000	150	131,946	24,338	-
2/1/2017	193,139	500,000	-	162,753	24,338	-
2/2/2017	219,020	500,000	-	190,017	22,960	-
2/3/2017	280,018	500,000	-	248,273	24,338	-
2/6/2017	243,539	500,000	-	213,184	24,338	-
2/7/2017	258,188	500,000	-	227,796	24,338	-
2/8/2017	237,373	500,000	2,145	204,826	24,338	-
2/9/2017	274,695	500,000	7,522	236,791	24,338	-
2/10/2017	258,184	500,000	-	226,990	24,338	-
2/13/2017	313,251	500,000	23,434	255,816	26,174	-
2/14/2017	434,059	500,000	30,144	373,558	24,338	-
2/15/2017	558,783	600,000	139,826	387,829	24,338	-
2/16/2017	403,275	600,000	38,698	334,213	24,338	-
2/17/2017	192,073	600,000	-	161,308	24,338	-
2/21/2017	193,954	600,000	-	163,432	24,338	-
2/22/2017	325,737	600,000	34,845	260,363	24,338	-
2/23/2017	480,059	600,000	70,254	379,275	24,338	-
2/24/2017	404,275	600,000	-	373,688	24,338	-
2/27/2017	337,068	500,000	-	306,483	24,338	-
2/28/2017	270,542	500,000	-	240,095	24,338	-
3/1/2017	252,194	500,000	-	222,165	24,338	-
3/2/2017	246,802	500,000	-	216,775	24,338	-
3/3/2017	304,892	500,000	-	274,880	24,338	-
3/6/2017	293,320	500,000	7,728	254,970	24,338	-
3/7/2017	297,002	500,000	42,265	224,175	24,338	-
3/8/2017	213,026	500,000	-	181,118	24,338	-
3/9/2017	246,113	500,000	-	213,437	24,338	-
3/10/2017	268,740	500,000	7,444	225,889	24,338	-
3/13/2017	281,608	500,000	32,817	213,318	24,338	-
3/14/2017	308,044	500,000	4,114	268,675	24,338	-
3/15/2017	293,228	500,000	-	255,658	24,338	-
3/16/2017	571,407	600,000	-	272,276	280,989	-
3/17/2017	210,183	500,000	-	174,083	24,338	-
3/20/2017	184,131	500,000	-	145,993	24,338	-
3/21/2017	176,312	500,000	-	139,141	24,338	-
3/22/2017	196,221	500,000	-	159,649	24,338	-
3/23/2017	212,539	500,000	717	175,249	24,338	-
3/24/2017	233,499	500,000	8,382	187,724	24,338	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
3/27/2017	226,114	500,000	-	195,372	24,338	-
3/28/2017	217,342	500,000	-	186,640	24,338	-
3/29/2017	242,020	500,000	-	210,712	24,338	-
3/30/2017	329,313	500,000	61,355	236,241	24,338	-
3/31/2017	323,182	500,000	46,389	246,864	24,338	-
4/3/2017	274,937	500,000	-	245,039	24,338	-
4/4/2017	257,421	500,000	-	226,374	24,338	-
4/5/2017	269,310	500,000	-	238,226	24,338	-
4/6/2017	235,820	500,000	-	203,806	24,338	-
4/7/2017	221,664	500,000	-	189,705	24,338	-
4/10/2017	282,311	500,000	6,038	243,193	24,338	-
4/11/2017	354,268	500,000	19,966	299,659	24,338	-
4/12/2017	336,432	500,000	10,944	285,573	24,338	-
4/13/2017	318,176	500,000	-	257,338	24,338	-
4/17/2017	212,838	500,000	-	167,210	24,338	-
4/18/2017	228,363	500,000	20,382	160,224	24,338	-
4/19/2017	286,488	500,000	33,861	185,892	39,857	-
4/20/2017	191,962	500,000	-	159,330	24,338	-
4/21/2017	179,898	500,000	-	144,707	24,338	-
4/24/2017	192,138	500,000	-	123,160	24,338	-
4/25/2017	203,838	500,000	993	115,751	43,394	-
4/26/2017	229,058	500,000	-	129,393	56,778	-
4/27/2017	228,722	500,000	5,935	146,115	31,226	-
4/28/2017	268,011	500,000	6,856	148,163	66,125	-
5/1/2017	279,192	500,000	20,261	144,821	66,125	-
5/2/2017	241,682	500,000	-	128,156	66,125	-
5/3/2017	282,961	500,000	22,346	143,612	66,125	-
5/4/2017	251,234	500,000	2,153	140,978	71,406	-
5/5/2017	253,518	500,000	-	148,884	66,125	-
5/8/2017	313,515	500,000	-	144,889	129,755	-
5/9/2017	290,640	500,000	-	122,430	129,755	-
5/10/2017	338,661	500,000	7,575	140,935	149,988	-
5/11/2017	251,199	500,000	-	148,406	66,125	-
5/12/2017	273,940	500,000	10,605	160,276	66,125	-
5/15/2017	270,727	500,000	12,788	155,676	66,125	-
5/16/2017	252,663	500,000	-	150,974	66,125	-
5/17/2017	270,866	500,000	-	168,964	66,125	-
5/18/2017	252,332	500,000	-	150,312	66,125	-
5/19/2017	291,885	500,000	-	188,000	66,125	-
5/22/2017	289,528	500,000	6,469	181,001	66,125	-
5/23/2017	313,141	500,000	-	210,471	66,125	-
5/24/2017	242,096	500,000	-	145,258	66,125	-
5/25/2017	241,468	500,000	-	145,701	66,125	-
5/26/2017	250,311	500,000	-	147,495	66,125	-
5/30/2017	402,598	500,000	-	161,576	203,292	-
5/31/2017	360,580	500,000	-	129,922	194,631	-
6/1/2017	191,596	500,000	2,861	92,687	68,880	-
6/2/2017	202,655	500,000	-	109,247	66,125	-
6/5/2017	202,387	500,000	-	109,425	66,125	-
6/6/2017	208,468	500,000	-	115,823	66,125	-
6/7/2017	192,811	500,000	-	101,061	66,125	-
6/8/2017	212,478	500,000	23,918	96,499	66,125	-
6/9/2017	978,399	1,000,000	23,576	106,902	819,605	-
6/12/2017	728,123	1,000,000	25,878	124,162	449,417	-
6/13/2017	542,257	1,000,000	-	112,566	301,562	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
6/14/2017	389,933	1,000,000	4,533	104,248	154,880	-
6/15/2017	335,815	1,000,000	7,297	99,913	102,825	-
6/16/2017	263,722	1,000,000	11,157	103,463	23,572	-
6/19/2017	352,777	1,000,000	7,684	88,307	132,250	-
6/20/2017	381,512	1,000,000	9,596	101,202	146,114	-
6/21/2017	400,271	1,000,000	10,234	109,391	156,295	-
6/22/2017	436,174	1,000,000	17,254	126,816	166,915	-
6/23/2017	466,615	1,000,000	22,835	124,444	194,415	-
6/26/2017	631,505	1,000,000	12,586	126,359	366,003	-
6/27/2017	604,910	1,000,000	6,411	107,391	362,826	-
6/28/2017	447,150	1,000,000	5,942	110,041	205,174	-
6/29/2017	286,551	1,000,000	916	96,144	63,129	-
6/30/2017	363,358	1,000,000	8,613	111,194	118,334	-
7/3/2017	336,479	1,000,000	-	73,777	139,318	-
7/5/2017	256,020	1,000,000	6,367	68,785	57,299	-
7/6/2017	203,730	1,000,000	5,555	73,344	-	-
7/7/2017	220,005	1,000,000	6,973	88,886	-	-
7/10/2017	497,357	1,000,000	14,346	107,453	249,988	-
7/11/2017	680,891	1,000,000	16,033	125,339	413,900	-
7/12/2017	631,196	1,000,000	11,814	155,539	337,450	-
7/13/2017	757,900	1,000,000	8,056	185,314	439,906	-
7/14/2017	784,556	1,000,000	-	174,068	487,076	-
7/17/2017	380,383	1,000,000	-	156,782	101,010	-
7/18/2017	236,108	1,000,000	-	114,361	-	-
7/19/2017	267,557	1,000,000	-	118,244	27,860	-
7/20/2017	241,698	1,000,000	-	115,461	5,250	-
7/21/2017	229,467	1,000,000	3,047	105,743	-	-
7/24/2017	208,661	1,000,000	746	87,558	-	-
7/25/2017	216,562	1,000,000	13,116	83,886	-	-
7/26/2017	453,707	1,000,000	6,223	128,176	198,227	-
7/27/2017	216,137	1,000,000	5,207	74,727	15,466	-
7/28/2017	177,173	1,000,000	9,326	47,608	-	-
7/31/2017	378,010	1,000,000	7,040	45,683	205,500	-
8/1/2017	520,862	1,000,000	11,460	59,224	329,971	-
8/2/2017	411,009	1,000,000	-	72,699	217,871	-
8/3/2017	321,699	1,000,000	-	80,993	120,005	-
8/4/2017	250,623	1,000,000	-	79,611	50,400	-
8/7/2017	191,217	1,000,000	-	71,982	-	-
8/8/2017	293,378	1,000,000	11,832	80,918	80,119	-
8/9/2017	226,442	1,000,000	15,366	91,190	-	-
8/10/2017	282,024	1,000,000	15,042	95,279	51,720	-
8/11/2017	241,345	1,000,000	2,478	68,163	51,522	-
8/14/2017	213,440	1,000,000	11,515	52,785	30,000	-
8/15/2017	311,571	1,000,000	22,666	70,161	98,322	-
8/16/2017	326,123	1,000,000	17,966	92,011	95,432	-
8/17/2017	271,813	1,000,000	24,792	102,622	23,488	-
8/18/2017	245,765	1,000,000	3,869	97,604	23,488	-
8/21/2017	270,606	1,000,000	-	76,017	74,669	-
8/22/2017	264,898	1,000,000	-	53,664	90,405	-
8/23/2017	238,266	1,000,000	-	38,825	78,454	-
8/24/2017	258,171	1,000,000	3,807	39,034	93,140	-
8/25/2017	287,681	1,000,000	3,335	83,677	75,060	-
8/28/2017	201,057	1,000,000	313	75,546	-	-
8/29/2017	199,251	1,000,000	-	69,933	8,169	-
8/30/2017	172,315	1,000,000	358	40,773	11,400	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
8/31/2017	170,897	1,000,000	7,498	43,681	-	-
9/1/2017	169,622	1,000,000	3,340	41,703	5,331	-
9/5/2017	79,867	1,000,000	1,005	53,392	5,331	-
9/6/2017	214,863	1,000,000	6,525	63,561	24,831	-
9/7/2017	240,919	1,000,000	10,836	87,227	22,000	-
9/8/2017	202,529	1,000,000	10,806	71,128	-	-
9/11/2017	254,989	1,000,000	7,041	56,079	71,298	-
9/12/2017	207,913	1,000,000	3,094	52,495	31,510	-
9/13/2017	182,621	1,000,000	984	60,589	-	-
9/14/2017	159,535	1,000,000	-	38,644	-	-
9/15/2017	154,776	1,000,000	-	34,539	-	-
9/18/2017	191,336	1,000,000	-	62,315	8,250	-
9/19/2017	196,035	1,000,000	-	75,634	-	-
9/20/2017	187,255	1,000,000	6,406	60,565	-	-
9/21/2017	186,950	1,000,000	-	65,742	-	-
9/22/2017	176,557	1,000,000	-	56,890	-	-
9/25/2017	168,827	1,000,000	3,647	46,425	-	-
9/26/2017	236,600	1,000,000	-	61,484	55,562	-
9/27/2017	193,117	1,000,000	3,065	55,195	16,212	-
9/28/2017	186,624	1,000,000	2,644	48,649	17,071	-
9/29/2017	203,565	1,000,000	26,987	57,059	-	-
10/2/2017	165,984	1,000,000	-	46,741	-	-
10/3/2017	168,233	1,000,000	-	49,955	-	-
10/4/2017	264,172	1,000,000	-	79,928	65,100	-
10/5/2017	197,347	1,000,000	-	78,616	-	-
10/6/2017	178,763	1,000,000	4,385	48,560	-	-
10/9/2017	175,764	1,000,000	-	57,253	-	-
10/10/2017	216,270	1,000,000	-	95,606	-	-
10/11/2017	389,064	1,000,000	-	105,422	164,098	-
10/12/2017	393,146	1,000,000	4,716	77,537	191,554	-
10/13/2017	215,916	1,000,000	8,763	69,404	16,563	-
10/16/2017	174,907	1,000,000	151	55,964	-	-
10/17/2017	183,732	1,000,000	2,171	47,957	15,161	-
10/18/2017	175,616	1,000,000	-	57,134	-	-
10/19/2017	180,548	1,000,000	-	62,240	-	-
10/20/2017	186,480	1,000,000	-	65,630	-	-
10/23/2017	190,367	1,000,000	-	71,986	-	-
10/24/2017	166,744	1,000,000	-	48,241	-	-
10/25/2017	170,624	1,000,000	333	50,727	-	-
10/26/2017	187,039	1,000,000	3,774	64,757	-	-
10/27/2017	354,519	1,000,000	18,576	52,255	165,374	-
10/30/2017	304,215	1,000,000	4,563	46,908	135,299	-
10/31/2017	176,040	1,000,000	-	57,753	-	-
11/1/2017	189,351	1,000,000	6,757	63,377	-	-
11/2/2017	197,747	1,000,000	-	77,570	-	-
11/3/2017	187,119	1,000,000	-	69,141	-	-
11/6/2017	270,100	1,000,000	5,404	52,609	93,425	-
11/7/2017	229,230	1,000,000	-	57,288	53,748	-
11/8/2017	257,601	1,000,000	3,027	52,822	83,463	-
11/9/2017	163,936	1,000,000	-	37,102	8,119	-
11/10/2017	165,074	1,000,000	3,817	41,158	-	-
11/13/2017	322,330	1,000,000	-	57,942	143,665	-
11/14/2017	327,177	1,000,000	8,700	52,620	144,840	-
11/15/2017	283,763	1,000,000	-	43,864	116,735	-
11/16/2017	229,140	1,000,000	8,722	70,912	27,308	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
11/17/2017	185,253	1,000,000	2,340	64,720	-	-
11/20/2017	174,195	1,000,000	-	56,482	-	-
11/21/2017	192,065	1,000,000	-	74,009	-	-
11/22/2017	209,492	1,000,000	8,776	82,110	-	-
11/24/2017	272,384	1,000,000	462	64,178	90,000	-
11/27/2017	160,561	1,000,000	1,533	41,623	-	-
11/28/2017	181,773	1,000,000	-	63,730	-	-
11/29/2017	988,782	1,000,000	226,133	146,533	483,922	-
11/30/2017	939,489	1,000,000	197,985	131,947	478,222	-
12/1/2017	293,543	1,000,000	-	103,748	56,580	-
12/4/2017	411,754	1,000,000	1,827	124,545	148,000	-
12/5/2017	216,441	1,000,000	-	85,349	-	-
12/6/2017	195,245	1,000,000	-	64,898	-	-
12/7/2017	261,748	1,000,000	-	99,013	31,500	-
12/8/2017	289,580	1,000,000	-	134,503	22,500	-
12/11/2017	303,582	1,000,000	3,117	124,154	44,741	-
12/12/2017	303,865	1,000,000	20,922	149,224	-	-
12/13/2017	383,387	1,000,000	-	163,450	87,300	-
12/14/2017	471,107	1,000,000	2,952	132,996	202,841	-
12/15/2017	515,652	1,000,000	15,401	126,392	242,188	-
12/18/2017	407,312	1,000,000	-	148,494	126,866	-
12/19/2017	746,016	1,000,000	-	226,324	384,593	-
12/20/2017	617,194	1,000,000	-	190,507	292,012	-
12/21/2017	413,410	1,000,000	-	116,485	163,252	-
12/22/2017	457,758	1,000,000	-	150,074	171,499	-
12/26/2017	455,327	1,000,000	-	138,786	181,058	-
12/27/2017	637,245	1,000,000	-	121,289	383,427	-
12/28/2017	374,888	1,000,000	9,073	132,561	97,579	-
12/29/2017	421,961	1,000,000	19,947	125,362	143,128	-
1/2/2018	621,550	1,000,000	12,866	145,726	328,886	-
1/3/2018	781,367	1,000,000	77,781	340,714	218,800	-
1/4/2018	520,741	1,000,000	-	377,241	-	-
1/5/2018	403,973	1,000,000	35,838	159,671	58,000	-
1/8/2018	644,082	1,000,000	60,134	178,100	256,000	-
1/9/2018	429,840	1,000,000	-	207,569	77,125	-
1/10/2018	485,182	1,000,000	-	251,492	87,700	-
1/11/2018	511,498	1,000,000	175	234,041	132,504	-
1/12/2018	758,250	1,000,000	29,920	423,865	149,887	-
1/16/2018	627,436	1,000,000	-	420,715	53,592	-
1/17/2018	424,008	1,000,000	-	217,053	55,233	-
1/18/2018	553,844	1,000,000	-	303,826	91,233	-
1/19/2018	442,352	1,000,000	-	207,409	82,101	-
1/22/2018	378,072	1,000,000	13,013	104,116	108,795	-
1/23/2018	626,376	1,000,000	-	196,478	274,783	-
1/24/2018	590,484	1,000,000	-	230,314	205,024	-
1/25/2018	402,944	1,000,000	48,682	160,254	37,975	-
1/26/2018	486,075	1,000,000	56,327	122,339	152,520	-
1/29/2018	490,315	1,000,000	56,773	138,321	140,454	-
1/30/2018	606,391	1,000,000	33,737	196,353	220,840	-
1/31/2018	545,125	1,000,000	20,577	208,089	161,978	-
2/1/2018	676,210	1,000,000	106,497	153,822	258,835	-
2/2/2018	636,344	1,000,000	96,857	188,084	194,360	-
2/5/2018	925,224	1,000,000	138,346	208,990	418,776	-
2/6/2018	368,425	1,000,000	-	111,913	98,602	-
2/7/2018	293,272	1,000,000	52,896	81,499	-	-



Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
2/8/2018	763,754	1,000,000	-	100,199	505,288	-
2/9/2018	250,546	1,000,000	-	83,366	6,525	-
2/12/2018	320,880	1,000,000	4,117	78,664	80,339	-
2/13/2018	446,644	1,000,000	36	102,540	190,717	-
2/14/2018	352,683	1,000,000	9,759	105,052	85,020	-
2/15/2018	430,339	1,000,000	16,763	85,615	176,534	-
2/16/2018	601,179	1,000,000	3,400	127,655	318,106	-
2/20/2018	300,336	1,000,000	7,408	131,361	10,000	-
2/21/2018	425,927	1,000,000	30,374	93,405	151,419	-
2/22/2018	589,705	1,000,000	64,620	193,576	175,631	-
2/23/2018	512,911	1,000,000	6,499	182,733	168,849	-
2/26/2018	409,998	1,000,000	2,627	85,826	168,124	-
2/27/2018	406,049	1,000,000	-	111,582	141,275	-
2/28/2018	912,757	1,000,000	-	129,240	631,044	-
3/1/2018	326,111	1,000,000	11,229	144,175	17,144	-
3/2/2018	343,452	1,000,000	9,722	129,442	53,548	-
3/5/2018	277,846	1,000,000	29,443	92,935	5,000	-
3/6/2018	467,556	1,000,000	34,569	129,486	150,230	-
3/7/2018	1,903,624	2,000,000	478,637	234,155	1,014,570	-
3/8/2018	1,499,905	2,000,000	379,400	241,757	704,204	-
3/9/2018	1,451,084	2,000,000	610,270	241,793	375,515	-
3/12/2018	580,501	2,000,000	135,234	182,477	80,884	-
3/13/2018	784,269	2,000,000	127,823	160,059	316,823	-
3/14/2018	806,166	2,000,000	98,823	198,028	330,106	-
3/15/2018	604,806	2,000,000	6,991	164,263	254,565	-
3/16/2018	460,616	2,000,000	34,960	142,486	106,877	-
3/19/2018	443,700	2,000,000	10,729	155,108	83,837	-
3/20/2018	651,962	2,000,000	69,497	168,881	217,727	-
3/21/2018	846,847	2,000,000	136,118	187,073	325,929	-
3/22/2018	474,072	2,000,000	521	165,804	131,770	-
3/23/2018	711,444	2,000,000	318,736	193,941	8,657	-
3/26/2018	361,971	2,000,000	-	174,945	-	-
3/27/2018	838,668	2,000,000	217,325	165,123	261,376	-
3/28/2018	1,082,345	2,000,000	169,492	261,138	454,750	-
3/29/2018	923,781	2,000,000	124,192	239,280	366,349	-
4/2/2018	929,895	2,000,000	135,708	203,954	398,355	-
4/3/2018	650,906	2,000,000	108,869	183,223	169,502	-
4/4/2018	661,938	2,000,000	100,320	150,243	225,150	-
4/5/2018	974,927	2,000,000	313,542	167,675	298,056	-
4/6/2018	795,349	2,000,000	163,973	180,254	246,206	-
4/9/2018	724,261	2,000,000	162,514	127,822	222,386	-
4/10/2018	931,425	2,000,000	280,053	161,595	265,935	-
4/11/2018	840,761	2,000,000	178,446	218,100	217,588	-
4/12/2018	868,432	2,000,000	193,380	150,863	300,244	-
4/13/2018	743,159	2,000,000	167,049	95,653	256,703	-
4/16/2018	731,942	2,000,000	165,317	160,919	181,389	-
4/17/2018	846,896	2,000,000	169,809	179,892	274,303	-
4/18/2018	949,895	2,000,000	175,484	187,792	365,611	-
4/19/2018	1,070,343	2,000,000	266,421	211,686	368,264	-
4/20/2018	830,305	2,000,000	182,204	155,670	270,944	-
4/23/2018	988,246	4,500,000	300,688	153,250	309,540	-
4/24/2018	1,205,075	4,500,000	289,397	317,689	367,950	-
4/25/2018	1,563,578	4,500,000	181,609	465,179	683,349	-
4/26/2018	1,429,804	4,500,000	288,922	469,911	435,031	-
4/27/2018	1,586,083	4,500,000	426,939	514,769	402,665	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
4/30/2018	1,996,433	2,500,000	255,434	558,992	940,876	-
5/1/2018	1,997,488	2,500,000	348,727	573,448	832,104	-
5/2/2018	2,213,977	3,500,000	241,576	491,483	1,239,229	-
5/3/2018	1,810,013	3,500,000	205,457	489,491	876,831	-
5/4/2018	1,876,334	3,500,000	418,289	541,399	668,888	-
5/7/2018	2,641,445	3,500,000	407,062	594,492	1,392,061	-
5/8/2018	2,155,665	3,500,000	313,000	532,719	1,065,518	-
5/9/2018	2,314,331	3,500,000	515,751	534,163	1,013,106	-
5/10/2018	2,922,245	3,500,000	303,737	524,470	1,846,316	-
5/11/2018	2,442,989	3,500,000	531,978	529,008	1,119,827	-
5/14/2018	2,738,343	3,500,000	329,639	600,229	1,553,707	-
5/15/2018	3,173,594	3,500,000	527,392	612,891	1,772,194	-
5/16/2018	2,303,129	3,500,000	358,418	557,562	1,129,241	-
5/17/2018	2,961,350	4,000,000	470,993	515,981	1,706,694	-
5/18/2018	3,195,644	4,000,000	360,034	568,038	1,992,088	-
5/21/2018	3,257,433	4,500,000	772,047	596,769	1,612,304	-
5/22/2018	3,498,398	4,500,000	641,592	663,321	1,917,819	-
5/23/2018	4,133,198	4,500,000	606,273	879,905	2,343,320	-
5/24/2018	3,629,741	4,500,000	529,553	846,316	1,976,018	-
5/25/2018	3,392,310	4,500,000	647,191	571,816	1,894,409	-
5/29/2018	3,373,754	4,500,000	527,645	559,533	2,012,911	-
5/30/2018	3,337,113	4,500,000	550,189	573,736	1,941,636	-
5/31/2018	3,599,075	4,500,000	668,565	652,259	2,001,416	-
6/1/2018	3,557,508	4,500,000	528,988	618,799	2,137,091	-
6/4/2018	3,253,029	4,500,000	615,103	588,643	1,776,511	-
6/5/2018	3,995,524	4,500,000	577,095	633,023	2,513,686	-
6/6/2018	3,115,205	4,500,000	597,644	582,263	1,666,601	-
6/7/2018	3,221,497	4,500,000	619,970	578,843	1,756,691	-
6/8/2018	3,844,964	4,500,000	664,469	635,000	2,278,610	-
6/11/2018	3,317,425	4,500,000	568,432	601,362	1,884,485	-
6/12/2018	3,223,104	4,500,000	632,303	611,782	1,716,120	-
6/13/2018	3,131,220	4,500,000	500,153	621,428	1,749,958	-
6/14/2018	3,547,556	4,500,000	762,472	617,725	1,899,335	-
6/15/2018	3,837,481	5,100,000	733,845	655,808	2,156,789	-
6/18/2018	3,016,528	4,500,000	422,793	599,564	1,732,723	-
6/19/2018	2,616,198	4,500,000	529,409	590,728	1,268,009	-
6/20/2018	2,395,704	4,500,000	387,644	558,183	1,222,466	-
6/21/2018	3,104,171	4,500,000	450,781	550,061	1,879,426	-
6/22/2018	2,619,303	4,500,000	411,883	539,434	1,446,700	-
6/25/2018	1,761,756	4,500,000	363,672	477,841	702,698	-
6/26/2018	2,619,930	4,500,000	418,476	492,821	1,491,302	-
6/27/2018	2,478,198	3,500,000	361,054	491,437	1,411,511	-
6/28/2018	1,055,459	3,500,000	372,018	472,470	-	-
6/29/2018	3,360,447	3,500,000	-	930,823	2,000,000	-
7/2/2018	1,012,698	2,500,000	262,228	512,216	-	-
7/3/2018	1,306,270	2,500,000	508,291	511,648	40,000	-
7/5/2018	1,182,789	2,500,000	392,792	546,560	-	-
7/6/2018	1,131,384	2,500,000	336,195	555,478	-	-
7/9/2018	1,118,462	2,500,000	279,641	601,057	-	-
7/10/2018	1,025,759	2,500,000	260,372	531,936	-	-
7/11/2018	1,267,671	2,500,000	501,404	515,295	-	-
7/12/2018	1,404,770	2,500,000	534,245	597,443	-	18,823
7/13/2018	1,482,278	4,000,000	552,203	626,912	-	62,802
7/16/2018	1,615,844	4,000,000	618,220	623,009	-	135,261
7/17/2018	1,774,882	3,000,000	646,205	665,444	-	224,889

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
7/18/2018	1,304,630	3,000,000	420,232	650,008	-	-
7/19/2018	1,224,401	3,000,000	395,099	598,685	-	-
7/20/2018	1,233,085	3,000,000	402,966	602,804	-	-
7/23/2018	964,718	3,000,000	211,927	529,303	-	-
7/24/2018	926,258	3,000,000	268,020	435,534	-	-
7/25/2018	1,110,936	3,000,000	449,431	433,242	-	-
7/26/2018	1,636,403	3,000,000	766,760	549,461	-	75,576
7/27/2018	1,276,997	3,000,000	360,865	561,573	113,130	-
7/30/2018	937,300	3,000,000	223,580	364,387	113,208	-
7/31/2018	3,095,025	3,100,000	622,950	405,595	1,810,987	-
8/1/2018	3,155,430	3,200,000	316,153	448,023	2,138,019	-
8/2/2018	2,038,411	3,200,000	416,594	399,708	971,524	-
8/3/2018	1,739,240	3,200,000	327,281	458,554	703,824	-
8/6/2018	1,976,266	3,200,000	443,455	481,933	798,406	-
8/7/2018	1,759,986	3,200,000	280,991	432,370	799,920	-
8/8/2018	1,681,625	3,200,000	423,246	439,619	569,832	-
8/9/2018	1,480,063	2,700,000	330,166	509,742	393,067	-
8/10/2018	1,918,064	2,700,000	398,995	536,315	735,658	-
8/13/2018	2,281,436	2,700,000	447,456	492,803	1,096,279	-
8/14/2018	2,574,587	2,700,000	584,300	523,242	1,210,400	-
8/15/2018	2,054,238	2,700,000	400,472	558,141	841,093	-
8/16/2018	1,858,297	2,700,000	386,860	516,281	703,297	-
8/17/2018	1,878,237	2,700,000	394,922	520,368	715,074	-
8/20/2018	1,921,841	2,700,000	327,920	483,399	877,237	-
8/21/2018	1,888,101	2,700,000	378,324	520,339	755,078	-
8/22/2018	1,979,746	2,700,000	342,493	523,377	883,866	-
8/23/2018	2,070,913	2,450,000	416,559	461,880	962,577	-
8/24/2018	1,864,870	2,450,000	292,172	432,708	913,729	-
8/27/2018	1,935,882	2,450,000	387,571	403,844	917,725	-
8/28/2018	2,058,875	2,450,000	500,504	520,267	792,313	-
8/29/2018	3,482,340	3,550,000	653,704	604,544	1,980,093	-
8/30/2018	3,895,443	4,050,000	743,385	612,572	2,279,706	-
8/31/2018	2,045,885	2,550,000	527,700	492,230	758,925	-
9/4/2018	2,748,137	2,800,000	745,830	505,927	1,224,882	-
9/5/2018	3,402,881	3,500,000	625,865	564,195	1,939,597	-
9/6/2018	2,580,770	3,500,000	749,399	627,793	954,379	-
9/7/2018	2,205,993	2,500,000	391,141	563,060	1,007,582	-
9/10/2018	1,754,960	2,500,000	261,851	470,574	774,960	-
9/11/2018	2,161,046	2,500,000	364,190	460,404	1,095,506	-
9/12/2018	2,013,553	2,500,000	398,731	449,806	923,276	-
9/13/2018	1,852,995	2,500,000	493,161	492,302	625,822	-
9/14/2018	2,292,389	2,500,000	431,955	503,022	1,118,785	-
9/17/2018	2,676,793	2,700,000	505,001	516,526	1,415,154	-
9/18/2018	2,473,494	2,700,000	349,921	442,555	1,445,959	-
9/19/2018	1,915,443	2,700,000	248,018	343,889	1,088,017	-
9/20/2018	1,506,681	2,700,000	161,379	376,940	731,959	-
9/21/2018	1,436,838	2,700,000	250,622	426,877	524,574	-
9/24/2018	1,578,551	2,700,000	308,014	470,535	558,382	-
9/25/2018	1,695,777	2,700,000	248,538	477,525	730,675	-
9/26/2018	2,261,831	2,700,000	527,354	516,910	969,164	-
9/27/2018	2,139,117	2,700,000	486,830	563,126	844,368	-
9/28/2018	2,068,486	2,700,000	343,607	527,201	945,884	-
10/1/2018	2,646,626	2,700,000	267,187	498,128	1,628,219	-
10/2/2018	2,495,877	2,700,000	184,336	485,818	1,579,594	-
10/3/2018	2,167,385	2,700,000	219,923	479,328	1,214,907	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
10/4/2018	2,480,816	2,700,000	452,753	554,274	1,211,917	-
10/5/2018	2,601,307	2,700,000	472,260	536,091	1,255,316	-
10/8/2018	2,522,307	2,700,000	295,348	474,094	1,417,700	-
10/9/2018	3,033,035	3,100,000	349,136	636,202	1,770,419	-
10/10/2018	2,343,819	3,100,000	286,783	607,660	1,168,517	-
10/11/2018	1,774,018	2,700,000	187,598	469,230	856,592	-
10/12/2018	2,671,967	2,700,000	419,295	501,559	1,480,468	-
10/15/2018	2,784,710	2,900,000	497,320	484,990	1,536,443	-
10/16/2018	2,383,493	2,900,000	419,987	502,652	1,198,536	-
10/17/2018	2,134,396	2,900,000	451,130	478,243	944,761	-
10/18/2018	2,593,438	2,900,000	403,442	434,926	1,507,609	-
10/19/2018	2,219,978	2,900,000	360,052	389,845	1,216,643	-
10/22/2018	2,096,061	2,900,000	377,776	375,908	1,095,290	-
10/23/2018	2,046,520	2,900,000	377,187	348,857	1,091,242	-
10/24/2018	1,855,847	2,900,000	303,367	312,434	1,025,210	-
10/25/2018	1,768,061	2,900,000	321,187	340,486	891,092	-
10/26/2018	1,930,868	2,900,000	304,386	319,101	1,087,750	-
10/29/2018	1,482,302	2,900,000	271,902	260,118	735,892	-
10/30/2018	1,925,167	2,900,000	325,294	288,858	1,096,372	-
10/31/2018	1,762,482	2,900,000	429,361	298,282	816,300	-
11/1/2018	1,629,217	2,900,000	422,092	281,306	708,627	-
11/2/2018	1,609,542	2,900,000	428,554	295,392	677,386	-
11/5/2018	1,376,413	2,900,000	457,247	302,472	408,613	-
11/6/2018	1,570,627	2,900,000	392,115	332,516	637,301	-
11/7/2018	2,039,722	2,900,000	412,023	324,402	1,090,208	-
11/8/2018	1,910,576	2,900,000	395,046	355,715	953,517	-
11/9/2018	1,925,475	2,900,000	268,093	340,448	1,060,331	-
11/12/2018	1,824,974	2,900,000	346,482	253,929	967,221	-
11/13/2018	2,762,020	2,900,000	605,310	375,399	1,564,056	-
11/14/2018	2,247,168	2,900,000	540,061	328,694	1,169,022	-
11/15/2018	1,146,655	2,900,000	276,704	209,245	447,514	-
11/16/2018	1,355,200	2,900,000	247,886	207,557	694,375	-
11/19/2018	1,475,073	2,900,000	189,360	175,614	907,466	-
11/20/2018	1,899,562	2,900,000	470,007	213,113	1,002,449	-
11/21/2018	2,069,293	2,900,000	512,718	238,934	1,097,146	-
11/23/2018	1,502,348	2,900,000	323,581	226,540	744,122	-
11/26/2018	1,174,246	2,900,000	206,366	192,414	568,315	-
11/27/2018	1,952,975	2,900,000	143,679	187,083	1,419,610	-
11/28/2018	2,163,050	2,900,000	299,039	261,811	1,389,196	-
11/29/2018	1,975,867	2,900,000	325,284	271,076	1,174,156	-
11/30/2018	1,942,127	2,900,000	290,251	249,937	1,199,714	-
12/3/2018	2,832,100	2,900,000	454,479	294,006	1,874,814	-
12/4/2018	3,002,010	3,100,000	457,681	342,864	1,992,711	-
12/5/2018	2,317,549	3,100,000	300,935	329,855	1,482,953	-
12/6/2018	895,424	3,100,000	112,029	161,171	421,631	-
12/7/2018	1,137,529	3,100,000	232,072	163,651	537,923	-
12/10/2018	2,120,323	3,100,000	453,649	279,351	1,170,454	-
12/11/2018	1,637,712	3,100,000	437,364	278,044	708,336	-
12/12/2018	2,453,607	3,100,000	555,265	322,782	1,355,720	-
12/13/2018	2,541,452	3,100,000	650,265	396,614	1,271,323	-
12/14/2018	2,551,457	3,100,000	473,586	423,674	1,430,067	-
12/17/2018	1,922,747	3,100,000	531,293	353,266	815,364	-
12/18/2018	1,508,211	3,100,000	316,462	271,659	700,635	-
12/19/2018	1,708,169	3,100,000	368,524	301,979	798,979	-
12/20/2018	1,998,581	3,100,000	273,305	293,337	1,218,035	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
12/21/2018	1,586,824	3,100,000	84,638	341,258	949,900	-
12/24/2018	1,595,656	3,100,000	282,138	381,758	711,699	-
12/26/2018	956,585	3,100,000	141,413	293,459	304,309	-
12/27/2018	812,435	3,100,000	157,625	226,280	214,681	-
12/28/2018	1,447,033	3,100,000	293,232	288,907	644,878	-
12/31/2018	2,165,178	3,100,000	441,131	317,482	1,181,939	-
1/2/2019	2,079,429	3,100,000	547,619	301,614	1,001,465	-
1/3/2019	2,490,453	3,100,000	624,748	316,996	1,294,371	-
1/4/2019	2,567,502	3,100,000	787,116	334,050	1,192,091	-
1/7/2019	2,630,179	3,100,000	925,801	378,160	1,056,686	-
1/8/2019	1,942,560	3,100,000	768,066	338,134	560,673	-
1/9/2019	1,625,351	3,100,000	548,771	312,534	481,537	-
1/10/2019	1,916,831	3,100,000	630,436	319,130	674,789	-
1/11/2019	1,762,377	3,100,000	530,123	290,260	644,161	-
1/14/2019	1,630,570	3,100,000	403,221	276,195	647,939	-
1/15/2019	2,621,050	3,100,000	808,844	372,074	1,072,644	-
1/16/2019	3,042,436	3,100,000	1,085,311	417,224	1,186,732	-
1/17/2019	3,419,363	3,500,000	1,210,919	461,364	1,393,133	-
1/18/2019	3,401,049	3,500,000	962,963	398,127	1,692,606	-
1/22/2019	4,150,120	4,200,000	1,305,806	416,004	2,066,625	-
1/23/2019	2,493,971	4,200,000	841,772	332,305	972,414	-
1/24/2019	3,200,124	4,200,000	992,632	284,606	560,302	-
1/25/2019	2,927,902	4,200,000	994,566	328,906	1,263,519	-
1/28/2019	2,375,662	4,000,000	559,012	277,090	1,205,685	-
1/29/2019	2,390,214	4,000,000	473,844	315,612	1,271,737	-
1/30/2019	3,415,773	4,000,000	884,238	362,619	1,825,326	-
1/31/2019	2,817,724	4,000,000	812,423	320,226	1,348,914	-
2/1/2019	2,108,673	3,500,000	492,817	256,348	1,030,151	-
2/4/2019	2,036,447	3,500,000	147,568	241,719	1,324,764	-
2/5/2019	4,179,196	4,200,000	710,124	380,575	1,684,909	-
2/6/2019	5,132,774	5,200,000	1,540,461	527,305	2,677,498	-
2/7/2019	3,423,735	5,200,000	1,005,486	430,269	1,608,954	-
2/8/2019	5,061,405	5,200,000	1,193,853	395,808	1,249,719	-
2/11/2019	4,023,723	5,200,000	988,276	463,808	2,197,227	-
2/12/2019	4,491,193	5,200,000	1,037,654	534,393	2,547,185	-
2/13/2019	6,119,922	6,200,000	1,400,137	587,732	3,748,566	-
2/14/2019	4,938,580	6,200,000	1,681,245	523,896	2,345,321	-
2/15/2019	3,945,513	6,200,000	1,414,110	495,701	1,656,244	-
2/19/2019	3,634,215	5,200,000	796,581	441,078	2,025,334	-
2/20/2019	4,820,887	5,200,000	1,722,631	538,827	2,149,157	-
2/21/2019	3,356,367	5,200,000	1,420,650	521,167	1,013,739	-
2/22/2019	3,740,571	5,200,000	1,046,707	412,476	1,889,398	-
2/25/2019	4,143,545	5,200,000	1,083,524	439,580	2,234,027	-
2/26/2019	3,667,041	5,200,000	1,013,363	411,943	1,864,219	-
2/27/2019	3,693,471	5,200,000	733,646	405,566	2,185,216	-
2/28/2019	4,013,393	4,200,000	1,033,049	527,705	2,072,276	-
3/1/2019	3,710,035	4,200,000	1,107,250	580,173	1,644,580	-
3/4/2019	2,911,794	4,200,000	458,724	435,204	1,648,232	-
3/5/2019	5,710,664	5,800,000	1,042,664	477,769	2,587,695	-
3/6/2019	4,357,919	5,800,000	1,201,487	537,064	2,226,885	-
3/7/2019	4,658,590	5,800,000	1,475,727	607,061	2,174,894	-
3/8/2019	4,227,127	4,800,000	1,548,405	634,552	1,648,766	-
3/11/2019	4,231,996	4,800,000	1,266,503	563,406	2,015,569	-
3/12/2019	3,944,323	4,800,000	1,027,167	587,305	1,950,647	-
3/13/2019	4,348,997	4,800,000	1,325,306	634,585	2,001,922	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
3/14/2019	4,241,283	4,800,000	1,154,298	573,900	2,133,996	-
3/15/2019	3,962,455	4,800,000	1,079,278	487,080	2,025,312	-
3/18/2019	3,801,126	4,800,000	1,198,442	514,181	1,718,870	-
3/19/2019	2,910,339	4,800,000	931,613	468,238	1,148,454	-
3/20/2019	2,042,194	4,800,000	343,968	306,915	1,020,836	-
3/21/2019	2,655,113	4,800,000	673,656	366,129	1,250,512	-
3/22/2019	2,863,604	3,800,000	712,549	499,406	1,286,404	-
3/25/2019	4,144,584	4,200,000	814,717	1,071,584	1,868,826	-
3/26/2019	4,542,677	4,600,000	1,137,171	732,755	2,276,750	-
3/27/2019	3,976,952	4,600,000	845,111	659,442	2,085,363	-
3/28/2019	3,874,159	4,600,000	756,161	400,789	2,338,243	-
3/29/2019	3,296,839	4,600,000	543,325	411,491	1,967,982	-
4/1/2019	3,352,617	4,600,000	403,253	406,519	2,179,317	-
4/2/2019	2,513,745	4,600,000	273,864	299,037	1,584,996	-
4/3/2019	2,822,325	4,600,000	287,034	278,855	1,907,269	-
4/4/2019	3,714,775	4,600,000	343,623	355,661	2,667,373	-
4/5/2019	3,008,669	3,100,000	276,020	323,069	2,068,655	-
4/8/2019	2,630,759	3,100,000	212,237	304,258	1,780,591	-
4/9/2019	3,137,993	3,150,000	424,309	385,447	1,987,469	-
4/10/2019	3,115,635	3,150,000	595,181	398,234	1,779,404	-
4/11/2019	2,665,774	3,150,000	599,778	301,759	1,428,272	-
4/12/2019	2,678,971	3,150,000	564,755	306,288	1,478,608	-
4/15/2019	3,465,077	3,470,000	900,610	375,454	1,846,992	-
4/16/2019	3,552,819	3,570,000	558,327	323,471	2,335,364	-
4/17/2019	2,552,963	3,570,000	400,898	241,788	1,579,764	-
4/18/2019	3,211,019	3,220,000	823,843	340,279	1,699,775	-
4/22/2019	4,968,326	5,020,000	953,363	462,645	3,200,515	-
4/23/2019	4,686,965	5,020,000	1,175,566	459,234	2,697,184	-
4/24/2019	4,854,560	5,020,000	1,072,386	556,373	2,727,589	-
4/25/2019	4,752,751	5,020,000	804,204	550,413	2,906,746	-
4/26/2019	2,774,865	2,920,000	785,003	381,629	1,270,808	-
4/29/2019	1,702,934	2,020,000	550,120	279,588	543,744	-
4/30/2019	2,265,403	2,270,000	510,469	292,216	1,139,496	-
5/1/2019	5,170,256	5,171,000	570,964	327,011	1,528,001	-
5/2/2019	1,839,447	2,671,000	383,172	243,187	898,256	-
5/3/2019	3,788,068	3,789,000	256,846	226,510	805,498	-
5/6/2019	1,754,961	3,789,000	281,455	249,244	920,396	-
5/7/2019	1,659,334	3,789,000	206,334	259,885	894,551	-
5/8/2019	2,260,137	3,789,000	302,301	296,846	1,359,182	-
5/9/2019	3,621,397	3,789,000	251,078	299,782	1,700,683	-
5/10/2019	1,548,120	1,789,000	197,752	274,098	787,899	-
5/13/2019	1,346,612	1,789,000	115,323	243,014	705,307	-
5/14/2019	1,462,681	1,789,000	172,802	235,078	775,345	-
5/15/2019	3,739,868	3,814,000	317,855	279,829	924,922	-
5/16/2019	1,703,778	1,814,000	149,888	275,697	1,003,577	-
5/17/2019	1,085,559	1,814,000	32,491	167,153	616,477	-
5/20/2019	960,717	1,814,000	59,795	95,086	540,527	-
5/21/2019	1,079,532	1,814,000	180,167	129,254	502,398	-
5/22/2019	1,100,418	1,814,000	124,325	164,005	547,635	-
5/23/2019	1,230,980	1,814,000	133,262	165,530	672,440	-
5/24/2019	2,743,472	2,744,000	61,682	178,905	771,740	-
5/28/2019	1,090,657	1,744,000	89,687	164,371	584,671	-
5/29/2019	2,284,026	2,300,000	91,817	169,066	502,157	-
5/30/2019	4,919,457	4,925,000	10,792	151,376	406,656	-
5/31/2019	639,357	925,000	66,140	136,660	197,285	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
6/3/2019	1,036,004	1,100,000	153,632	158,567	483,928	-
6/4/2019	1,102,068	1,500,000	57,760	141,517	667,488	-
6/5/2019	986,358	1,500,000	70,252	134,624	550,237	-
6/6/2019	912,006	1,500,000	59,973	138,607	482,162	-
6/7/2019	1,012,365	1,500,000	92,374	151,602	535,154	-
6/10/2019	1,144,405	1,500,000	128,729	186,504	593,910	-
6/11/2019	1,062,152	1,500,000	103,000	163,674	561,228	-
6/12/2019	988,720	1,500,000	110,054	146,813	489,214	-
6/13/2019	1,190,701	1,500,000	68,175	176,088	710,245	-
6/14/2019	1,368,550	1,500,000	62,130	163,956	906,856	-
6/17/2019	1,373,125	1,500,000	179,069	170,736	781,565	-
6/18/2019	1,282,470	1,500,000	148,000	163,166	729,826	-
6/19/2019	1,387,384	1,500,000	111,415	140,167	894,282	-
6/20/2019	1,436,682	1,500,000	217,051	157,032	819,366	-
6/21/2019	1,240,024	1,500,000	113,093	167,335	720,058	-
6/24/2019	2,122,391	2,150,000	501,552	231,024	1,133,917	-
6/25/2019	1,618,727	2,150,000	403,900	203,179	760,270	-
6/26/2019	1,250,441	2,150,000	61,963	113,995	826,016	-
6/27/2019	1,237,192	2,150,000	91,964	130,766	768,013	-
6/28/2019	1,442,680	1,450,000	39,298	165,528	995,307	-
7/1/2019	1,173,614	1,450,000	176,405	137,365	615,841	-
7/2/2019	1,784,450	1,800,000	453,778	200,176	868,791	-
7/3/2019	1,228,181	1,800,000	208,817	187,483	580,703	-
7/5/2019	943,155	1,000,000	196,684	148,190	351,522	-
7/8/2019	1,117,800	1,200,000	344,433	170,891	352,153	-
7/9/2019	905,325	1,200,000	186,688	172,714	300,706	-
7/10/2019	1,961,859	2,000,000	227,626	190,890	1,300,110	-
7/11/2019	1,334,244	2,000,000	127,291	158,438	809,388	-
7/12/2019	3,432,369	3,500,000	942,113	329,883	1,878,476	-
7/15/2019	3,015,771	3,500,000	960,621	368,264	1,409,795	-
7/16/2019	2,300,000	3,500,000	135,156	154,406	493,358	-
7/17/2019	2,300,000	3,500,000	119,456	152,028	819,047	-
7/18/2019	2,300,000	3,500,000	257,453	171,384	327,704	-
7/19/2019	2,300,000	2,300,000	180,653	193,100	478,612	-
7/22/2019	2,300,000	2,300,000	132,158	180,590	676,127	-
7/23/2019	2,300,000	2,300,000	218,641	207,032	465,215	-
7/24/2019	2,300,000	2,300,000	283,468	246,344	1,103,338	-
7/25/2019	2,300,000	2,300,000	342,279	221,636	1,148,547	-
7/26/2019	2,300,000	2,300,000	274,412	194,713	1,104,268	-
7/29/2019	2,534,379	2,550,000	554,926	234,647	1,481,953	-
7/30/2019	2,476,622	2,550,000	388,714	220,058	1,611,751	-
7/31/2019	2,300,000	2,300,000	382,960	232,063	879,418	-
8/1/2019	2,300,000	2,300,000	210,319	222,718	886,438	-
8/2/2019	2,300,000	2,300,000	200,222	172,440	975,724	-
8/5/2019	2,300,000	2,300,000	264,310	175,218	1,058,428	-
8/6/2019	2,300,000	2,300,000	197,651	187,134	1,116,279	-
8/7/2019	2,300,000	2,300,000	190,806	238,995	972,275	-
8/8/2019	2,300,000	2,300,000	195,547	242,419	1,182,056	-
8/9/2019	2,300,000	2,300,000	310,974	208,665	1,185,537	-
8/12/2019	2,300,000	2,300,000	383,855	194,512	1,066,061	-
8/13/2019	2,300,000	2,300,000	246,364	207,115	1,245,596	-
8/14/2019	2,300,000	2,300,000	257,282	195,878	1,036,865	-
8/15/2019	2,300,000	2,300,000	270,053	204,664	899,195	-
8/16/2019	2,300,000	2,300,000	238,538	191,920	1,320,705	-
8/19/2019	2,300,000	2,300,000	110,240	71,482	528,025	-

Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
8/20/2019	2,300,000	2,300,000	-	-	-	-
8/21/2019	2,300,000	2,300,000	531,448	156,230	711,123	-
8/22/2019	2,300,000	2,300,000	321,071	203,646	1,081,907	-
8/23/2019	2,300,000	2,300,000	296,972	146,045	566,563	-
8/26/2019	2,300,000	2,300,000	479,392	223,355	1,204,863	-
8/27/2019	2,304,323	2,300,000	560,705	267,358	1,208,292	-
8/28/2019	2,353,683	2,400,000	522,712	248,009	1,307,813	-
8/29/2019	2,300,000	2,400,000	375,851	217,331	1,259,299	-
8/30/2019	2,300,000	2,300,000	528,853	216,433	648,994	-
9/3/2019	2,300,000	2,300,000	380,232	190,142	1,014,125	-
9/4/2019	2,300,000	2,300,000	339,274	181,106	674,435	-
9/5/2019	2,513,029	2,550,000	672,960	265,592	1,240,785	-
9/6/2019	2,594,861	2,600,000	599,584	304,799	1,350,554	-
9/9/2019	2,889,984	2,900,000	904,686	296,711	1,329,036	-
9/10/2019	2,539,565	2,900,000	784,191	296,535	1,103,358	-
9/11/2019	3,079,405	3,100,000	1,006,554	323,441	1,274,175	115,200
9/12/2019	2,811,347	2,900,000	658,584	309,276	1,489,156	-
9/13/2019	2,600,000	2,900,000	403,690	245,333	1,125,740	-
9/16/2019	2,600,000	2,900,000	501,968	194,514	1,357,786	-
9/17/2019	2,600,000	2,900,000	489,278	195,772	1,387,335	-
9/18/2019	2,728,719	2,900,000	392,700	231,312	1,773,289	-
9/19/2019	2,859,606	2,900,000	848,219	316,429	1,342,064	-
9/20/2019	4,713,833	4,725,000	1,331,477	395,108	1,905,754	709,410
9/23/2019	2,600,000	2,725,000	707,909	195,178	710,080	-
9/24/2019	2,600,000	2,725,000	199,083	72,320	338,696	-
9/25/2019	2,600,000	2,725,000	278,573	130,393	1,164,968	-
9/26/2019	2,600,000	2,600,000	233,781	112,723	1,409,595	-
9/27/2019	2,600,000	2,600,000	193,246	89,705	830,429	-
9/30/2019	2,600,000	2,600,000	145,176	79,854	622,400	-
10/1/2019	2,600,000	2,600,000	53,141	38,357	154,157	-
10/2/2019	2,600,000	2,600,000	33,069	39,614	131,764	-
10/3/2019	2,600,000	2,600,000	50,827	58,427	392,004	-
10/4/2019	2,600,000	2,600,000	126,406	68,375	516,137	-
10/7/2019	2,600,000	2,600,000	159,682	79,521	647,388	-
10/8/2019	2,600,000	2,600,000	120,887	82,581	586,622	-
10/9/2019	2,600,000	2,600,000	215,865	106,390	811,449	-
10/10/2019	2,600,000	2,600,000	162,351	85,840	670,604	-
10/11/2019	2,600,000	2,600,000	181,678	100,240	490,191	-
10/14/2019	2,600,000	2,600,000	242,142	223,272	1,253,474	-
10/15/2019	2,934,528	2,950,000	329,727	277,404	2,032,172	-
10/16/2019	3,000,000	3,000,000	137,576	219,767	1,462,477	-
10/17/2019	3,000,000	3,000,000	53,542	53,400	253,208	-
10/18/2019	3,000,000	3,000,000	77,033	81,113	576,763	-
10/21/2019	3,000,000	3,000,000	71,277	73,985	534,643	-
10/22/2019	3,000,000	3,000,000	175,215	95,809	628,919	-
10/23/2019	3,000,000	3,000,000	178,139	98,974	861,839	-
10/24/2019	3,000,000	3,000,000	107,485	70,903	526,232	-
10/25/2019	3,000,000	3,000,000	148,541	105,627	600,260	-
10/28/2019	3,000,000	3,000,000	176,840	136,089	1,069,371	-
10/29/2019	3,000,000	3,000,000	63,179	95,924	885,186	-
10/30/2019	3,000,000	3,000,000	84,881	100,308	876,321	-
10/31/2019	3,000,000	3,000,000	83,303	108,049	880,276	-
11/1/2019	3,000,000	3,000,000	109,976	137,286	1,050,849	-
11/4/2019	3,000,000	3,000,000	141,041	159,754	1,198,539	-
11/5/2019	3,000,000	3,000,000	43,683	146,757	1,210,011	-



Business Date	Total Requirement	Deposit	MTM	Volatility	Illiquid	ENCP
11/6/2019	3,000,000	3,000,000	91,388	130,954	1,015,406	-
11/7/2019	3,000,000	3,000,000	97,495	123,073	1,221,201	-
11/8/2019	3,000,000	3,000,000	111,319	127,929	762,774	-
11/11/2019	3,000,000	3,000,000	161,205	118,984	818,184	-
11/12/2019	3,000,000	3,000,000	156,775	138,425	1,139,629	-
11/13/2019	3,000,000	3,000,000	131,349	136,151	1,030,236	-
11/14/2019	3,000,000	3,000,000	124,415	117,107	773,811	-
11/15/2019	3,000,000	3,000,000	135,060	145,179	1,061,248	-
11/18/2019	3,000,000	3,000,000	167,420	157,273	925,195	-
11/19/2019	3,000,000	3,000,000	242,743	135,407	503,252	-
11/20/2019	3,000,000	3,000,000	246,597	111,202	590,669	-
11/21/2019	3,000,000	3,000,000	244,580	131,188	1,153,900	-
11/22/2019	3,000,000	3,000,000	248,200	152,805	1,336,529	-
11/25/2019	3,000,000	3,000,000	167,730	136,893	1,061,994	-
11/26/2019	3,000,000	3,000,000	119,240	125,145	1,195,494	-
11/27/2019	3,000,000	3,000,000	76,516	114,701	1,195,887	-
11/29/2019	3,000,000	3,000,000	176,514	100,590	848,561	-
12/2/2019	3,000,000	3,000,000	209,397	91,557	803,832	-
12/3/2019	3,000,000	3,000,000	87,447	71,299	725,522	-
12/4/2019	3,000,000	3,000,000	111,672	93,774	789,438	-
12/5/2019	3,000,000	3,000,000	124,114	96,402	653,468	-
12/6/2019	3,000,000	3,000,000	141,885	86,324	853,606	-
12/9/2019	3,000,000	3,000,000	154,102	93,896	1,097,678	-
12/10/2019	3,000,000	3,000,000	160,853	109,867	1,040,856	-
12/11/2019	3,000,000	3,000,000	105,171	87,006	507,680	-
12/12/2019	3,000,000	3,000,000	95,679	68,822	902,787	-
12/13/2019	3,000,000	3,000,000	110,247	66,166	651,583	-
12/16/2019	3,000,000	3,000,000	110,766	76,581	975,436	-
12/17/2019	3,000,000	3,000,000	87,596	93,010	1,049,633	-
12/18/2019	3,000,000	3,000,000	126,426	149,009	1,161,492	-
12/19/2019	3,000,000	3,000,000	184,550	171,329	1,137,655	-
12/20/2019	3,000,000	3,000,000	313,173	172,331	1,284,080	-
12/23/2019	3,000,000	3,000,000	171,049	162,320	1,053,072	-
12/24/2019	3,000,000	3,000,000	264,878	172,744	1,042,146	-
12/26/2019	3,000,000	3,000,000	401,303	185,715	1,062,035	-
12/27/2019	3,000,000	3,000,000	382,382	161,551	857,118	-
12/30/2019	3,000,000	3,000,000	357,529	169,664	1,156,715	-
12/31/2019	3,000,000	3,000,000	303,067	160,879	907,617	-
1/2/2020	3,000,000	3,000,000	246,188	151,785	1,365,460	-
1/3/2020	3,000,000	3,000,000	224,088	143,898	959,190	-
1/6/2020	3,000,000	3,000,000	270,716	150,767	832,586	-
1/7/2020	3,000,000	3,000,000	207,640	203,345	1,029,969	-
1/8/2020	3,000,000	3,000,000	150,759	263,521	927,448	-
1/9/2020	3,000,000	3,000,000	229,014	280,327	1,221,883	-
1/10/2020	3,000,000	3,000,000	238,974	221,549	1,162,711	-
1/13/2020	3,000,000	3,000,000	191,446	166,477	1,538,341	-
1/14/2020	3,000,000	3,000,000	243,941	334,215	1,130,522	-
1/15/2020	3,000,000	3,000,000	293,767	331,095	687,528	-

**UNITED STATES OF AMERICA**  
**Before The**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 17, 2020**

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<b>In the Matter of</b>	:	
<b>ALPINE SECURITIES CORPORATION, a</b>	:	
<b>Utah limited liability Company</b>	:	<b>STATEMENT OF</b>
	:	<b>FACSIMILE FILING</b>
<b>For Review of Adverse Action Taken By</b>	:	
<b>NATIONAL SECURITIES CLEARING</b>	:	
<b>CORPORATION</b>	:	
<hr/>	:	

PLEASE TAKE NOTICE that, pursuant to Rule 151 of the Commission's Rules of Practice, the undersigned hereby gives notice that Respondent National Securities Clearing Corporation's ("NSCC") Brief Addressing Whether Alpine's Application for Review Is Timely and If So Whether the SEC Has Jurisdiction and Incorporated Memorandum of Points and Authorities in Support; the Declaration of Timothy J. Cuddihy, sworn to January 17, 2020; Exhibit A thereto (including its Exhibit 1); and Exhibit B thereto, were filed by means of facsimile transmission to the Office of the Secretary of the Commission at (202) 772-9324, on January 17, 2020.

New York, NY  
January 17, 2020

PROSKAUER ROSE LLP

By: 

Gregg M. Mashberg  
Benjamin J. Catalano  
Brian A. Hooven  
11 Times Square  
New York, NY 10036

*Attorneys for Respondent  
National Securities Clearing  
Corporation*

**UNITED STATES OF AMERICA**  
**Before The**  
**SECURITIES AND EXCHANGE COMMISSION**  
**January 17, 2020**

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<b>In the Matter of</b>	:	
	:	
<b>ALPINE SECURITIES CORPORATION, a</b>	:	<b>CERTIFICATE OF</b>
<b>Utah limited liability Company</b>	:	<b><u>SERVICE</u></b>
	:	
<b>For Review of Adverse Action Taken By</b>	:	
	:	
<b>NATIONAL SECURITIES CLEARING</b>	:	
<b>CORPORATION</b>	:	
	:	

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VICTORIA L. KLEVAN, HEREBY CERTIFIES PURSUANT TO Rule 151(d) of the Commission's Rules of Practice that, on January 17, 2020, she caused the National Securities Clearing Corporation's Brief Addressing Whether Alpine's Application for Review is Timely and If So Whether the SEC Has Jurisdiction and Incorporated Memorandum of Points and Authorities in Support, Dated January 17, 2020, to be served by the following means:

1. By the U.S. Postal Service, by means of certified mail, directed to Vanessa Countryman at the Office of the Secretary for the U.S. Securities and Exchange Commission, 100 F Street NE Washington, DC 20549.
2. By facsimile directed to Vanessa Countryman at the Office of the Secretary for the U.S. Securities and Exchange Commission, at 202-772-9324.
3. By the U.S. Postal Service, by means of certified mail, directed to Brent R. Baker and

Aaron D. Lebenta of Clyde Snow & Sessions at 201 South Main Street, Suite 1300,  
Salt Lake City, Utah 84111.

4. By facsimile directed to Brent R. Baker and Aaron D. Lebenta of Clyde Snow & Sessions at 801-521-6280.
5. By the U.S. Postal Service, by means of certified mail, directed to Maranda E. Fritz of Thompson Hine at 335 Madison Avenue, 12th Floor, New York, New York 10017.
6. By facsimile directed to Maranda E. Fritz of Thompson Hine at 212-344-6101.

New York, New York  
January 17, 2020



Victoria L. Klevan