SogoTrade Option Expiration Day Policies

Clients that wish to exercise any long option contracts (In-The-Money or Out-of-The-Money) will pay the full aggregate strike price provided by the option contract. We will accept exercise instructions Monday through **Thursday** until 5:00 PM ET for equity option contracts.

To exercise an option, please contact us at (646) 885-6486 with your instructions.

There is a $15.00 charge for exercises and assignments.

Automatic Exercises:

All expiring equity and index options that are at least **$0.01** In-The-Money (ITM) will be eligible for automatic exercise at expiration (after market close on expiration day).

For short option positions, you have no control over assignment. The only way to avoid assignment is to trade out of the position before the expiration of that contract.

Non Standard Options must be closed via the Trade desk at the online rate. It is the customer's responsibility to determine the value of the Non – Standard option's underlying value.
There may be events that have occurred which have prompted OCC to remove options on such securities from automatic exercise in expiration processing. These options will not be subject to OCC's automatic exercise thresholds in expiration processing. Please note the removal of automatic thresholds will affect ALL options on the affected security and ALL expiration dates: "standard" equity option expiration (the third Friday of the month), weekly expiration (Fridays), daily FLEX option expirations, and quarterly expirations.

Holders of long positions in these affected options will need to make independent determinations of the value of the option deliverables in deciding to exercise, or not exercise, any expiring long position.

Our associates may need to contact you for further instructions. If we are unable to reach you and/or the account does not have enough equity to cover the exercise the option may NOT be automatically exercised. If an option is auto exercised without enough equity in the account an immediate sellout may occur and a $25.00 fee may be charged.

Please see the OCC's expiration calendar at:
http://www.optionsclearing.com/publications/xcal/xcal.jsp

Expiration day Choices:

It is very important if you have positions that are ITM that you carefully monitor these positions and understand what your choices are for these options on Expiration Day:

Choices:

- You can proactively close the option position. ***In order to avoid a possible margin call for an exercised or assigned position(s) that would exceed your buying power after expiration, you should take action by 3PM ET Expiration Day to close out that position.***

- You can decide to keep the position open if you have adequate buying power available to take possession of the resultant long or short underlying position.
- You also can submit **Do Not Exercise (DNE) instructions** on any of your in-the-money options.

Do Not Exercise Instructions:

In order to prevent the automatic exercise of an option that is In-the-Money, please contact customer support at (646) 885- 6486 and provide your instructions. Please note that Do Not Exercise instruction can only be accepted on expiration date. Normal market days allow Exercise by Exception and Do Not Exercise files to be uploaded until the cut-off of **5:00 PM ET** after determining if the option is in or out-of-the-money.

SogoTrade may close position on your behalf

During expiration days, SogoTrade closely monitors all expiring option positions. ***If you do not manage the expiration risk in your account prior to 3:00 PM ET, SogoTrade reserves the right to buy, sell, or otherwise close positions to manage the risk in your account.*** *Failure to close out these positions could result in SogoTrade taking market action on your behalf to reduce margin risk*.

Actions Include:

- SogoTrade may close out the position on your behalf
- SogoTrade may enter Do Not Exercise (DNE) instructions.
- SogoTrade may initiate closing stock trades in the after-hours market to cover any resultant position.
- SogoTrade may enter an Exercise By Exception to cover any resultant positions

Usually we will allow a client to take action in their own account by **3:00 PM ET** if we are alerted in a timely fashion.

If SogoTrade has to take action above the normal course of action, we may charge a maximum $25.00 options management mitigation fee.

Options Assignment Policy:

We allocate the assignment of exercise notices among short positions according to an automated procedure. This procedure randomly selects from among all short option positions (including positions established on the date of assignment) those contracts are subject to exercise. All American-style short option positions are liable for assignment at any time. The assignment process may result in multiple partial assignments and/or multiple transactions to fulfill a single assignment, and a separate commission charge will apply to each partial assignment or transaction needed to complete an assignment.

Exercise and Assignment Fee:

There is a $15.00 charge for exercises and assignments.