



CaptiveX Securities LLC
Margin Trading Risk Disclosure (FINRA Rule 2254)
March 18, 2025

CaptiveX Securities LLC ("CaptiveX" or "the Firm") provides this document to inform you about the key aspects of purchasing securities on margin and to outline the inherent risks associated with maintaining a margin account. It is essential to review the margin agreement provided by CaptiveX before engaging in margin trading. For questions or concerns about your margin account, please contact the Firm at:

CaptiveX Securities, LLC
67 Holly Hill Lane, Suite 308D
Greenwich, CT 06830
Phone Number: (203) 302-9000

When purchasing securities, you may choose to pay the full purchase price or borrow a portion of the cost from CaptiveX by opening a margin account. The securities purchased in your margin account act as collateral for the loan extended to you. If the value of these securities declines, the value of the collateral also decreases. In response, the Firm may take necessary actions, such as issuing a margin call or selling securities in your account, to maintain the required equity levels.

Key Risks of Trading on Margin

- **Potential to Lose More Than Deposited Funds:** A decline in the value of securities purchased on margin can result in a margin call, requiring you to provide additional funds to avoid the forced sale of securities in your account. In extreme cases, your losses may exceed the funds you originally deposited.
- **Forced Sale of Securities:** If the equity in your account falls below the maintenance margin requirements established by law or the Firm's higher internal requirements (referred to as "house" requirements), the Firm has the right to sell securities in your account to address the margin deficiency. You remain responsible for any shortfall in the account after such a sale.
- **Liquidation Without Prior Notice:** CaptiveX may sell your securities without notifying you. While the Firm typically attempts to inform customers of margin calls, this is not required. Even if a specific deadline is provided, the Firm retains the right to immediately liquidate securities without further notice to protect its financial interests.
- **No Control Over Which Securities Are Liquidated:** The securities in your margin account serve as collateral for your margin loan. If liquidation becomes necessary, CaptiveX reserves the right to decide which securities to sell to protect its interests.
- **Immediate Changes to Maintenance Margin Requirements:** CaptiveX may raise its "house" maintenance margin requirements at any time without providing prior written notice. Such changes take effect immediately and may result in a maintenance margin call. Failure to meet this call may result in the liquidation of securities in your account.
- **No Guaranteed Extensions for Margin Calls:** Under certain conditions, extensions of time to meet margin calls may be granted. However, you do not have a right to such an extension, and CaptiveX is under no obligation to provide one.

Conclusion

Margin trading involves substantial risks, including the potential loss of more than your initial investment. It is imperative to understand these risks fully and to monitor your margin account closely. CaptiveX encourages you to make informed decisions and to maintain adequate financial resources to support margin trading activities.