
Future Commission Merchant Disclosure Document

of

NinjaTrader Clearing, LLC

d/b/a NinjaTrader, Tradovate and TransAct Futures

NINJATRADER



The date of this disclosure document is:

November 30, 2024

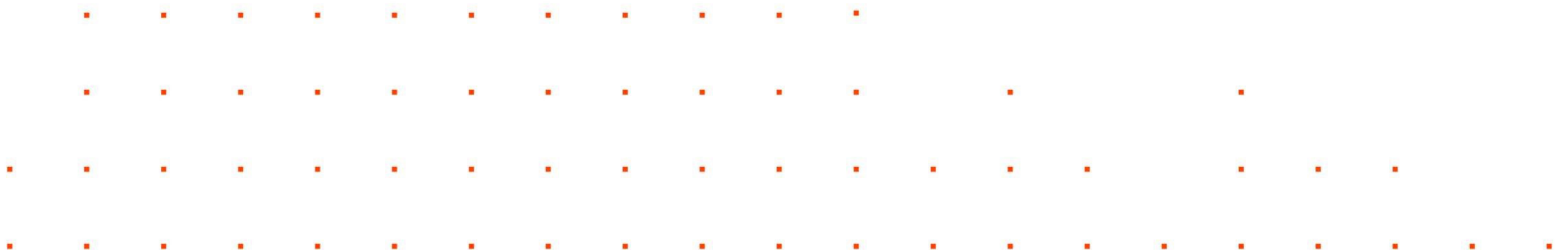
Registered with the Commodity Futures Trading Commission as a
Futures Commission Merchant NFA ID# 0309379

222 North LaSalle Street, Suite 1450
Chicago, IL 60010
Phone: 312-341-9090

Compliance@NinjaTrader.com
www.ninjatrader.com

Compliance@Tradovate.com
www.tradovate.com

Compliance@TransActFutures.com
www.transactfutures.com



Disclosure Document

Contents

Introduction	3
Basic Overview	3
Futures Commission Merchants	3
Customer Fund Segregation	4
Collateral Management and Investment	5
Significant Business Activities and Product Lines	6
Markets Traded	8
Virtual Currency	8
Carrying Brokers	8
Bank Depositories, Custodians and Other Counterparties to Permitted Transactions under	9
Commission Regulation 1.25	9
Investments Made by the Firm; No Proprietary Trading	10
The Company's Principals	10
Risk Practices, Controls and Procedures	12
Material Risks	13
Potential Risks Associated with the Financial Condition of NinjaTrader or Its Affiliates	14
Investment Risk	15
Credit and Creditworthiness	15
Market Risk	15
Capital and Liquidity Risk	15
Legal and Regulatory Risk	16
Affiliate Risk	16
Other Material Risks	16
Financial Data	17
Capital and Audited Financials	17
Proprietary Margin Requirements	18
Customer Concentration	18
Notional Value	18
Unsecured Lines of Credit	19
Illiquid Financial Products	19
Uncollectable Accounts	19
Litigation	19
Information Regarding Complaints	20

Introduction

The Commodity Futures Trading Commission (“CFTC” or the “Commission”) requires each Futures Commission Merchant (“FCM”), including NinjaTrader Clearing, LLC d/b/a NinjaTrader, Tradovate and TransAct Futures (“NinjaTrader”), to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. This disclosure document provides firm-specific disclosures, including additional information regarding the FCM, its business, operations, risk profile and affiliates. This document is aimed at providing customers with access to sufficient material information regarding the FCM to allow customers to independently assess the risk of entrusting funds to the firm or using the firm for the execution of orders. This document is intended to be read in conjunction with the Standard Risk Disclosure Statement. The Standard Risk Disclosure Statement can be found on the Risk Disclosure Information page at <https://ninjatrader.com/risk-disclosure-clearing>.

Basic Overview

Futures Commission Merchants

An FCM is any individual or entity that is engaged in soliciting or accepting orders for the purchase or sale of any commodity for future delivery, security futures product, swap, commodity option, leveraged transaction, or any agreement, contract, or transaction specified in the Commodity Exchange Act (“CEA”); and in connection with such activities, accepts funds, securities, or property, to margin, guarantee, or secure any trades or contracts that result from such activities. Essentially, FCMs solicit or accept orders and receive customer funds to support such orders. Some FCMs may obtain clearing privileges that allow the FCM to process, clear, and settle trades through a Derivative Clearing Organization on behalf of itself or others. Clearing FCMs have a direct relationship with exchanges, and such clearing firms are subject to additional regulatory requirements, particularly those pertaining to clearing arrangement restrictions and risk management.

FCMs differ from other regulated entities such as introducing brokers (“IBs”) and commodity pool operators (“CPOs”) in that FCMs, unlike IBs, may hold customer funds, and FCMs do not pool customer assets in the form of an investment trust, syndicate, or related enterprise to trade on behalf of the pool participants. Additionally, FCMs generally do not make trading decisions on behalf of customers, unlike a commodity pool operator.

NinjaTrader is registered as an FCM with the CFTC and is a member of the National Futures Association (“NFA”), which is its Designated Self-Regulatory Organization. NinjaTrader does not have direct clearing privileges on a Derivative Clearing Organization, but instead has relationships with, and clears through two clearing FCMs, Dorman Trading, LLC (“Dorman”) and Advantage Futures, LLC.

Customer Fund Segregation

NinjaTrader is committed to the protection of customer funds. The Company maintains two different types of accounts for customers, depending on the products traded by the customer. A customer may maintain a segregated funds account for futures contracts listed on U.S. futures exchanges and/or a foreign futures secured funds account for futures contracts listed on foreign boards of trade.

Segregated Funds are funds that customers deposit with an FCM or that are otherwise required to be held for the benefit of customers to margin futures positions located in the U.S. These funds are held in a customer account in accordance with section 4d(a)(2) of the CEA and Commission Regulation 1.20. Segregated funds are maintained at banks or carrying brokers in clearly identified “segregated funds” accounts separate and apart from any other funds of the Company. Segregated funds from multiple customers may be commingled into one or more accounts for purposes of convenience. However, FCMs must treat each customer’s funds as belonging to the customer providing such funds. Customer funds held in the segregated funds account may not be used to meet the obligations of the firm or to guarantee or secure a commodity interest (or extend credit) of any customer other than the customer providing the funds.

30.7 Secured Funds are funds that customers deposit with the firm, or that are otherwise required to be held for the benefit of customers, to margin futures traded on foreign boards of trade. Such funds are held in a foreign futures secured fund account in accordance with CFTC Rule 30.7. The funds held in the foreign secured fund account must be at least sufficient to cover or satisfy all of the firm’s obligations to its foreign futures customers. 30.7 Secured Funds are maintained at banks or carrying brokers in clearly identified “30.7 Secured Funds” accounts separate and apart from any other funds of the Company. Funds received from multiple 30.7 customers may be commingled for convenience, but such funds may not be commingled with an FCM’s proprietary account or with segregated funds. Additionally, 30.7 secured funds cannot be used to secure or guarantee the obligations of the FCM or to purchase, margin, or settle commodity interests of any person other than the 30.7 customer that provides the funds.

An FCM deposits a portion of its own funds in Customer Accounts (Segregated and Secured Funds) as a buffer to assure that the FCM is always in compliance with the relevant provisions of the Act and Commission rules governing the segregation of Customer Funds. Such excess funds represent the FCM’s Residual Interest in the Customer Account. All FCM excess funds are held for the exclusive benefit of the FCM’s customers while held in a Customer Account.

Collateral Management and Investment

Entities subject to CFTC oversight and regulation under the CEA must adhere to certain restrictions regarding customer property used as collateral to secure the customer’s positions. Many of these regulations are found in Part 1 of the Commission’s Regulations. Futures customers may be required to post initial margin, which is a payment that serves as a performance bond to cover exposure arising from potential changes in the market value of one’s position. The initial margin amount is generally equivalent to an estimate for the potential loss on a position over a short time horizon, based on current level of price volatility and historical data on extreme price movements. Variation margin may be required to be posted to cover changes in the market value since the trade was executed. According to CFTC Regulation 1.22(c), the under margined amount of a customer’s account is the amount by which

the total amount of collateral required for a customer’s positions in the account exceeds the value of the customer’s funds. Customers in the industry may satisfy margin requirements in the form of money, securities, or other property to cover exposure, and entities accepting customer property must adhere to certain regulatory requirements relating to the treatment of customer property.

FCMs must regularly report to the Commission a segregated account computation and details regarding the holding of futures customer funds, including the total amount of customer-owned funds that are held as margin collateral and a list of the names and locations of the depositories holding such collateral.

FCMs are subject to strict regulations regarding measures to safeguard and protect all customer funds. Generally, FCMs may only place customer funds in specific types of investments and must adhere to specific certain concentration limits regulations. The Company generally places most customer funds in U.S. government securities held at carrying brokers and banks, while a small portion of customer funds are held as deposits at banks and carrying brokers. The Company publishes a breakdown of its customer segregated funds on its website daily (<https://ninjatrader.com/customer-funds/>).

Significant Business Activities and Product Lines

NinjaTrader Clearing, LLC, which is doing business as “NinjaTrader”, “Tradovate” and “TransAct Futures”, (referenced herein as “NinjaTrader” or the “Company”) was formed as a limited liability company under the laws of the State of Delaware in January 1998 under the firm’s original name of York Business Associates, L.L.C. The Company is currently phasing out the brand name of TransAct Futures but will maintain the doing business as name until the brand is fully phased out. After being acquired by NinjaTrader Group, LLC (“NTG”) on December 31, 2020, the Company subsequently changed its name to NinjaTrader Clearing, LLC. Effective May 29, 2002, the Company registered as an FCM with the CFTC and is a member of the NFA (NFA Member ID #0309379). On November 30, 2024, NinjaTrader Clearing, LLC, merged with two affiliated entities, NinjaTrader Brokerage, LLC and Tradovate, LLC. These two affiliated entities were registered Introducing Brokers with the CFTC. The NFA serves as the Company’s designated self-regulatory organization. You can refer to the NFA’s web site at www.nfa.futures.org to get further information on the futures industry. Further information

regarding the Company, including its audited financial statements, and other Risk Disclosure information can be found at <https://ninjatrader.com/Customer-Funds>.

The Company is a non-clearing FCM that focuses all its resources on processing trades made by its clients using the NinjaTrader or Tradovate trading platforms. The Company carries accounts for both domestic and foreign clients. The Company does not allow employees to have discretionary trading authority over customer accounts. The majority of the Company’s customer base is self-directed day traders, although the Company also services a number of proprietary trading groups and institutional accounts.

NinjaTrader is a subsidiary of NTG, the holding company. The Company is also affiliated with a software development company, NinjaTrader, LLC. NinjaTrader does not currently manage any accounts nor have any funds under its management.

As noted above, NinjaTrader is a non-clearing FCM. Its customers trade futures contracts on Chicago Mercantile Exchange, Inc. (CME), Chicago Board of New York Mercantile Exchange (NYMEX), Commodity Exchange, Inc. (COMEX), ICE Futures U.S., Minneapolis Grain Exchange, LLC (MGEX), Eurex and Coinbase Derivatives, LLC “CDE”). To facilitate those transactions, NinjaTrader has customer omnibus accounts at two clearing FCMs, Dorman Trading, LLC and Advantage Futures, LLC.

Client commissions derived from execution and clearing trades for futures are the Company’s primary source of revenue. NinjaTrader facilitates the execution and clearing of trades for retail clients and professional traders. NinjaTrader offers client execution services via its own and proprietary trading software of its affiliated technology firm, NinjaTrader, LLC. NinjaTrader employs team members who provide global customer support services to our clients. Much of the trading volume processed through NinjaTrader is from self-directed customers.

Activity and Product Lines	Percentage of Assets	Percentage of Capital
Execution and clearing of futures contracts	100%	100%

Markets Traded

Customers have the option of trading on the Chicago Mercantile Exchange, Inc. (CME), Chicago Board of Trade, New York Mercantile Exchange (NYMEX), Commodity Exchange, Inc. (COMEX), ICE Futures U.S., Minneapolis Grain Exchange, LLC (MGEX), Eurex and Coinbase Derivatives, LLC (“CDE”). On these futures exchanges, the Company specializes in the execution of broad-based equity index products in which a majority of the Company’s customer base trades. The Company’s customer base also trades energies, metals, foreign exchange, agriculture and financial products.

Virtual Currency

The growth of the virtual currency market has attracted a significant amount of investor attention. Virtual currencies and virtual currency derivatives (i.e., futures, options and cleared swaps) have a variety of unique and potentially significant risks. NinjaTrader has clients who trade and/or hold Virtual Currency futures positions, specifically bitcoin and nano bitcoin futures trading on the CME and Coinbase Derivatives, respectively. All customers that trade bitcoin futures receive CFTC provided risk disclosures prior to trading those products. The firm does not hold any virtual spot cryptocurrency.

Carrying Brokers

The Company utilizes Dorman Trading, LLC and Advantage Futures, LLC as its intermediary to the exchanges. The carrying brokers aid in the settlement of trades on exchanges, the clearing of trades at derivatives clearing organizations and help manage associated risks.

In determining whether to utilize a particular carrying broker, the Company considers many aspects of the relationship. The primary factors considered in evaluating the carrying broker include, among

others, are its credit standing, capital and financial condition, registration history, the exchanges/clearinghouses of which it is a member, and the type of Company (for example, a bank, securities broker, insurance company or an affiliated thereof). Other factors that might also be considered include the carrying broker's management experience and capabilities, its margin policies and customer credit procedures, its operational capacity, risk management systems and disaster recovery procedures, AML programs and whether or not it engages in proprietary trading. Based on the results of these considerations, the Company may consider implementing procedures, to be applied in appropriate instances, to protect against the risks of clearing through the selected carrying brokers.

Bank Depositories, Custodians and Other Counterparties to Permitted Transactions under Commission Regulation 1.25

NinjaTrader considers and monitors the Company's bank depositories, custodians and other counterparties utilized for custody of customer property ("Depositories"). Besides being a depository for the Company, these Depositories may serve as a custodian and counterparty to permitted transactions under Commission Regulation 1.25. In selecting the Company's Depositories, the firm considers what cash management services could be provided to the firm in addition to the Depository's financial condition and the nature of their operations.

NinjaTrader maintains policies and procedures with respect to the selection of Depositories and ongoing due diligence that are designed to mitigate risks associated with the protection of customer assets. The review entails ongoing due diligence of the institution's ability to support our business, and periodically reviewing their financial strength. The key criteria used to evaluate our Depositories includes, but is not limited to, a prospective Depository 's experience, creditworthiness, market share, service capabilities/capacity, operational sophistication and reliability, support of our carry brokers, and pricing. NinjaTrader's management will analyze the Depositories' ability to support our business. The Company's operations management will monitor a Depository on a monthly basis. Senior management will monitor the firm's Depositories as necessary.

In the Company’s on-going monitoring of the Depository’s business, the Company will perform annual reviews of the Depository’s business.

Investments Made by the Firm

To ensure compliance with regulatory capital requirements and sufficient liquidity, NinjaTrader holds a significant portion of its assets in cash and US Treasuries. Although minimal, NinjaTrader may incur some risk from US Treasury investments whose market value may fluctuate based on a variety of factors. The firm may also experience some cash foreign currency risk but mitigates that risk by hedging those positions in the futures market.

The Company may maintain some internal proprietary trading and non-customer accounts in its business. The Company hedges the Company’s foreign currency exposure and minimize risk in foreign currency price fluctuation by holding positions in currency futures.

NinjaTrader’s investments of customer funds comply with CFTC Regulation 1.25. As permitted under CFTC rules, client funds are invested in cash, US Treasury and/or Agency securities.

The Company’s Principals

Raymond Deux, Principal – Mr. Deux is the founder of NinjaTrader, LLC (2003) and Executive Chairman of the Board for NinjaTrader Group, LLC. Mr. Deux is not involved in day-to-day operations, but with over 20 years of experience in trading technologies and services, he provides input on strategic direction for NinjaTrader Group. Mr. Deux’s primary business location is in Colorado, and he may commute to the main office of NinjaTrader Clearing, LLC located at 222 N. LaSalle Street, Suite 1450, Chicago, IL.

Eliot Wickersheimer, Managing Member – Mr. Wickersheimer is responsible for developing strategy related to global growth opportunities. Mr. Wickersheimer is co-founder of NinjaTrader Brokerage, LLC

(founded in 2004, was originally Mirus Futures LLC, NFA# 0339976) and was President of that firm. Mr. Wickersheimer was and currently is a board member of NinjaTrader Group, LLC and has been since its formation in 2014. Mr. Wickersheimer's office is located at 222 N. LaSalle Street, Suite 1450, Chicago, IL, the main office for NinjaTrader Clearing, LLC.

Michael Cavanaugh, President – Clearing Operations – Mr. Cavanaugh is responsible for all clearing operations and associated operational functions at NinjaTrader Clearing, LLC. Mr. Cavanaugh has over 25 years of operational experience, supporting FCMs, banks, hedge funds and other large institutions. Mr. Cavanaugh started his career at EF Hutton as a Junior Futures Margins Analyst in 1985 and climbed the ranks to Executive Vice President. Mr. Cavanaugh's primary business location is in Florida, and he commutes to the Chicago, Illinois office at 222 N. LaSalle Street, Suite 1450, Chicago, IL.

Walter Sledz, President – Revenue & Client Services – Mr. Sledz is responsible for overseeing all sales and customer support processes. With over 20 years of experience in sales and customer support, Mr. Sledz brings a proven track record of driving client satisfaction and revenue growth. He holds a Bachelor's Degree in Business Administration and Marketing from University of Illinois. Mr. Sledz's office is located at 222 N. LaSalle Street, Suite 1450, Chicago, IL, the main office for NinjaTrader Clearing, LLC.

Patrick Shaughnessy, Managing Member – Mr. Shaughnessy serves as a Product Manager at NinjaTrader. Mr. Shaughnessy has more than 20 years of experience in the futures and options trading/brokerage industry. Mr. Shaughnessy along with Mr. Wickersheimer founded the firm in 2004. He was also formerly Chief Operating Officer of NinjaTrader Brokerage and was responsible for managing its trading operations and cybersecurity. Prior to starting NinjaTrader Brokerage, LLC, he worked for Timber Hill Group and Interactive Brokers. He holds a Bachelor of Science Degree from Ohio State University. Mr. Shaughnessy's office is also located at 222 N. LaSalle Street, Suite 1450, Chicago, IL.

Eric McNulty, Executive Vice President, Chief Financial Officer – Mr. McNulty is responsible for all finance, accounting and administration at NinjaTrader. Mr. McNulty also serves as NinjaTrader Group, LLC, CFO. Mr. McNulty started his career at Interactive Data Corp (now part of ICE), where he held

multiple Finance roles. Mr. McNulty has over 15 years of experience and is a CPA. He holds a Bachelor of Business Administration in Accounting from University of Dayton and a Masters of Accounting: Tax Concentration from Cleveland State University. Eric’s office is located at 222 N. LaSalle Street, Suite 1450, Chicago, IL.

Brian Sass, Vice President, Chief Compliance Officer - Mr. Sass is responsible for regulatory compliance at NinjaTrader. Mr. Sass also served as the firm’s Chief Financial Officer prior to assuming full time focus of regulatory compliance. Mr. Sass helped transition the Company from a proprietary trading firm to the technology focused Future Commission Merchant of today. Mr. Sass started his career in public accounting with a big four accounting firm. His clients included a craft beer manufacturer, where he was subsequently hired as the Company’s Controller. Mr. Sass has been a CPA for over 30 years and holds a Bachelor of Business Administration in Accounting from Loyola University of Chicago. Brian’s office is located at 222 N. LaSalle Street, Suite 1450, Chicago, IL.

NinjaTrader Group, LLC – NTG is NinjaTrader’s parent company. NTG owns 100% of the outstanding shares of NinjaTrader.

Risk Practices, Controls and Procedures

The Company has implemented a comprehensive Risk Management Program (“RMP”). As with any RMP, the Company’s RMP cannot eliminate risk associated with the activities of the firm; however, NinjaTrader’s RMP seeks to manage and mitigate risk to an acceptable level. The program identifies key risks of the firm and assigns risk tolerance limits. The RMP includes policies and procedures for detecting breaches of risk tolerance limits set by the Company, and alerting supervisors and senior management, as appropriate. Exceptions to risk tolerance limits are subject to written policies and procedures. Senior management reviews and approves risk tolerance limits on a periodic basis. The Company provides written risk exposure reports to the CFTC and the NFA quarterly.

As discussed within the disclosure, customer funds entrusted to NinjaTrader are protected by significant regulatory protections and NinjaTrader internal risk management and investment policies. Nonetheless, principal risks inherent in NinjaTrader’s business include market, credit and creditworthiness, customer activities, affiliate risk, regulatory, capital, liquidity, technological and funding risk. As described in the section immediately below, these include the risk of loss of all or part of the customer’s funds due to investments made by NinjaTrader, risks associated with the operations of NinjaTrader or its affiliates, and risks related to the financial condition of NinjaTrader or its affiliates.

Material Risks

Potential Operational Risks

Operational risk is the potential that deficiencies in information systems or internal controls will result in unexpected loss. Some specific sources of operating risk at FCMs may include inadequate procedures, human error, system failure, or fraud. Back-office or transaction-processing operations are potential areas of operations risk. Operational risk also includes potential losses from computer and communication systems that are unable to handle the volume of firm transactions, particularly in periods of market stress.

Customers may be exposed to risks associated with the operations of NinjaTrader or its affiliates. These risks include the risk of financial or other loss arising from inadequate or failed internal processes, employees, resources and systems or from fraudulent or other improper conduct.

The Company’s business is highly dependent on its ability to process, on a daily basis, a large number of transactions across numerous and diverse markets and in multiple currencies. NinjaTrader performs the functions required to operate its business either by itself or through third-party service providers.

NinjaTrader relies on the ability of its employees, its internal systems and systems at technology centers operated by unaffiliated third parties to process a high volume of transactions. These third parties may fail to fulfil their obligations, which could, in turn, disrupt the Company’s operations.

NinjaTrader also faces the risk of default, operational failure or cessation of operations of any of the clearing firms, exchanges, clearinghouses, custodians, depositories or other financial intermediaries it uses to facilitate customer transactions. In the event of such a default, breakdown or improper operation of NinjaTrader's, an affiliate, or a third party's systems, or improper or unauthorized action by third parties or the Company's employees, the Company could suffer financial loss, an impairment of liquidity, a disruption of business, regulatory sanctions or damage to its reputation, any of which could adversely affect its customers.

NinjaTrader's RMP and other policies and procedures address operational risks of inadequate or failed internal processes, employees, resources and systems. The RMP is reviewed for effectiveness as required by industry regulation. These policies and procedures include contingency plans to handle process, employee, resource and system failures and back-up facilities for critical parts of risk management, communication and accounting systems.

Potential Risks Associated with the Financial Condition of NinjaTrader or Its Affiliates

The financial condition of NinjaTrader is critical to its continuing operations. As an FCM, NinjaTrader is subject to capital, liquidity, leverage and other requirements designed to ensure that it is creditworthy and has sufficient financial resources to conduct its business activities. Customers may be negatively affected in their ability to do business with NinjaTrader or may elect to transfer positions or collateral to another FCM in the unlikely event of a significant deterioration in the financial condition of NinjaTrader. Similarly, the deterioration of the financial condition of one of NinjaTrader's affiliates could negatively affect NinjaTrader and its customers. In the unlikely event of NinjaTrader's insolvency, customers may be subject to aggregate customer risk, which is the risk that losses in customer accounts will not be able to be covered by NinjaTrader, and the shortfall in customer funds will be apportioned pro rata among NinjaTrader customers under U.S. bankruptcy law in accordance with CFTC Part 190 rules. An insolvency could also necessitate liquidation of customer positions and could delay reimbursement or reduce the amount of customer account equity.

Investment Risk

As noted above, NinjaTrader holds a portion of its assets in US Treasuries. Although minimal, NinjaTrader may incur some risk from these investments due to fluctuations in market value.

Credit and Creditworthiness

NinjaTrader is not rated by S&P. NinjaTrader incurs minimal credit risk exposure to institutions. This risk may arise from a variety of business activities, including, but not limited to, entering contracts under which counterparties have obligations to make payments to NinjaTrader; and posting margin and/or collateral to counterparties. Managing credit risk requires credit analysis of specific counterparties, both initially and on an ongoing basis. Although minimal, NinjaTrader may incur credit risk from investments whose value may fluctuate based on realized or expected defaults on the underlying obligations or loans.

Market Risk

NinjaTrader's operations may be materially affected by market fluctuations and by global and economic conditions and other factors. This risk may impact the demand for the Company's services, costs of doing business and the value of its investments of its own funds.

Capital and Liquidity Risk

NinjaTrader is subject to the minimum net capital requirements of the CFTC as an FCM. These requirements are designed to ensure that NinjaTrader has sufficient capital to fund its operations and to meet its obligations to customers, counterparties and creditors, independent of segregated customer property. Under CFTC rules, NinjaTrader must maintain adjusted net capital in compliance with Commission Regulation 1.17. Adjusted net capital under Commission Regulation 1.17 means, in general terms, the amount by which current assets exceed liabilities, with adjustments for a wide array of exposures.

NinjaTrader has consistently operated with capital in excess of these regulatory capital requirements. CFTC regulations require an FCM to file a notice with the CFTC and the NFA whenever the Company fails to maintain compliance with CFTC's capital requirements. If NinjaTrader were unable to meet its

capital requirements, it could be subject to regulatory action that could cause it to modify, suspend or cease some or all of its business activities.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of violations of, or non-conformance with, laws, rules, regulations, prescribed practices, or ethical standards. Compliance risk also arises in situations in which the laws or rules governing certain products or activities of the Company’s clients may be ambiguous or untested. This risk exposes the institution to fines, civil penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to a diminished reputation, reduced franchise value, limited business opportunities, lessened expansion potential and lack of contract enforceability. The Company seeks to implement a robust compliance regime to ensure ongoing adherence with regulatory and legal requirements.

Affiliate Risk

The Company has limited direct exposure to risks associated with its affiliates since it has not entered into a guarantee agreement on behalf of any affiliates and NinjaTrader does not invest any customer funds in an affiliated entity. The Company relies on its affiliate NinjaTrader, LLC for technical support of the primary platform that its customers use to execute trades. NinjaTrader, LLC also provide technical support for client facing account management tools (Dashboard) as well as mobile platforms. A significant issue for NinjaTrader, LLC that effects its ability to continue to provide such support could negatively impact the Company’s ability to operate. While the Company does not invest customer funds with these affiliated entities, these affiliates and their common parent, NinjaTrader, Group LLC, do share resources, such as human capital personnel.

Other Material Risks

The Company’s principal liabilities, creditworthiness, leverage, balance sheet leverage, capital, other lines of business and material commitments:

- The Company’s principal liabilities consist of customer funds on deposit.

- The Company has not applied for any extended credit. Therefore, the Company has not been formally evaluated by any banks or prospective borrowers regarding the Company’s creditworthiness.
- The Company’s balance sheet leverage is calculated and reported monthly to the NFA. As of November 30, 2024, NTC’s balance sheet leverage was 1.25.
- As an FCM, the Company is subject to the net capital requirements under Commission Regulation 1.17. Under these provisions, the Company is required to maintain minimum net capital, as defined, of the higher of \$1,000,000, or the sum of 8 percent of customer and 8 percent on non-customer risk maintenance margin requirements on all positions. Adjusted net capital and risk maintenance margin requirements change from day to day. On November 30, 2024, the Company had net capital requirement of \$1,000,000 and adjusted net capital of \$30,186,200, which is \$29,186,200 in excess of its regulatory capital requirement. On November 30, 2024, the Company was in compliance with these capital requirements. The net capital requirements could effectively restrict the payment of cash distributions, the making of unsecured loans to its owners or affiliates and the purchase by the firm of its own membership interests.
- The Company is an FCM that focuses substantially all its resources on the execution and processing of futures contracts for customers.
- Material Commitments and Contingent Liabilities:
 - o The Company may be involved in various litigation, arbitration, and regulatory matters arising in the normal course of its business activities. In the opinion of management, the ultimate resolution of such pending matters filed against the Company is not likely to have a materially adverse effect on the Company.

Financial Data

Capital and Audited Financials

As noted above, NinjaTrader is subject to the net capital requirements under Commission Regulation 1.17. Under these provisions, the Company is required to maintain minimum net capital, as defined, of the higher of \$1,000,000 or the sum of 8 percent of customer and 8 percent of non-customer risk maintenance margin requirements, on all positions. Adjusted net capital and risk maintenance margin requirements change from day to day.

Notional Value

Futures contracts \$ 1,858,000

Unsecured Lines of Credit

As of November 30, 2024, the Company does not have any unsecured lines of credit.

Illiquid Financial Products

As of November 30, 2024, the Company did not provide for any customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices.

Uncollectable Accounts

In the past 12-month period the Company has had several accounts that were deemed uncollectable. These uncollectable balances totaled less than \$100,000.

Litigation

During the normal course of business, the Company may be subject to various litigation, regulatory, and arbitration matters. Commission Regulations require the Company to disclose any material administrative, civil, enforcement, or criminal complaints or actions filed against the Company during the last three years. As of the date of this Disclosure Document, there are no material administrative, civil, enforcement, or criminal complaints or actions filed against the Company during the last three years, except for the following:

On November 18, 2024, the National Futures Association (NFA) filed a complaint against NinjaTrader Clearing, LLC and its President, Michael Cavanaugh, alleging violations of NFA Rule 2-9(c) related to Anti-Money Laundering (AML) compliance, as well as a related allegation that Mr. Cavanaugh failed to supervise the firm's AML program, in violation of NFA Rule 2-9(a) regarding supervision. NinjaTrader

intends to contest these allegations and will file a formal response in December 2024. This matter is currently unresolved.

On September 23, 2024, without admitting or denying the findings, NinjaTrader Clearing, LLC (“NinjaTrader”) settled a Commodity Futures Trading Commission (“CFTC”) action in the Matter of NinjaTrader Clearing LLC Docket No. 24-27 in which the CFTC Division of Enforcement found that NinjaTrader violated CFCT Regulation 1.66.3 of the Commission Regulations. The CFTC found that NinjaTrader failed to diligently supervise its employee’s handling of accounts that needed to be frozen due to a January 21, 2023, court order initiated by the CFTC and the U.S. District Court for the Southern District of Florida. Specifically, NinjaTrader failed to have adequate policies and procedures in place and did not adequately monitor its employees to ensure that NinjaTrader implemented the freeze order as required. As a result, the account that was to be frozen lost \$233,425.70 in value. In settlement of the matter, NinjaTrader paid a fine of \$750,000 and made restitution of the \$233,425.70 losses.

Information Regarding Complaints

Customers can send complaints to the Compliance Department and will receive a written response in most cases. In the event that a customer cannot resolve a dispute with the Company directly, the customer has the option of filing a complaint with either the CFTC or NFA. The CFTC’s website provides information regarding the Division of Enforcement and other programs available for complainants (<https://forms.cftc.gov/Forms/Complaint/Screen1>). Customers may also choose to file a complaint through the NFA’s web site- (<https://www.nfa.futures.org/complaintnet/FileAComplaint.aspx>).

Customers should refer to their Customer Agreement’s Arbitration Agreement and Consent to Jurisdiction provisions which are provided during the account formation process for dispute resolution and jurisdictional provisions that may apply.