
Future Commission Merchant Disclosure Document

of

NinjaTrader Clearing, LLC

d/b/a NinjaTrader, Tradovate and TransAct Futures



The date of this disclosure document is:

June 30, 2022

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

21805 W Field Parkway, Suite 360
Deer Park, IL 60010
Phone: 312-341-9090
Fax: 312-341-9560

Compliance@NinjaTrader.com
www.ninjatrader.com

Compliance@Tradovate.com
www.tradovate.com

Compliance@TransActFutures.com
www.transactfutures.com



Disclosure Document

Contents

Introduction	4
Basic Overview	4
Futures Commission Merchants	4
Customer Fund Segregation	5
Collateral Management and Investment	5
Significant Business Activities and Product Lines	6
Markets Traded.....	7
Virtual Currency	7
Carrying Brokers.....	7
Bank Depositories, Custodians and Other Counterparties to Permitted Transactions under Commission Regulation 1.25	8
Investments Made by the Firm; No Proprietary Trading.....	8
The Company’s Principals	9
Risk Practices, Controls and Procedures.....	10
Material Risks.....	10
<i>Potential Operational Risks</i>	10
<i>Potential Risks Associated with the Financial Condition of NinjaTrader or Its Affiliates</i>	11
<i>Investment Risk</i>	11
<i>Credit and Creditworthiness</i>	11
<i>Market Risk</i>	12
<i>Capital and Liquidity Risk</i>	12
<i>Legal and Regulatory Risk</i>	12
<i>Affiliate Risk</i>	12
<i>Other Material Risks</i>	13
Financial Data.....	14

<i>Capital and Audited Financials</i>	14
<i>Proprietary Margin Requirements</i>	14
<i>Customer Concentration</i>	14
<i>Notional Value</i>	14
<i>Unsecured Lines of Credit</i>	15
<i>Illiquid Financial Products</i>	15
<i>Uncollectable Accounts</i>	15
Litigation	15
Information Regarding Complaints.....	16

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://www.ninjatrader/risk>, <https://www.tradovate.com/disclosures> and <https://www.transactfutures.com/documents/Risk%20Disclosure%20Statements.pdf>.

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 money, securities, or property, or extends credit in lieu thereof, 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 a 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 a relationship with, and clears through, clearing FCMs.

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)(20) 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.

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 changes in the market value of one’s position. 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/Downloads/CFTC/NT-SegFundHoldings.pdf?v=1630444880> or www.transactfutures.com/documents/TAF-SegFundHoldings.pdf).

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 subsequently changed its name to NinjaTrader Clearing, LLC after being acquired by NinjaTrader Group, LLC on December 31, 2020. Effective May 29, 2002, the Company registered as an FCM with the CFTC and is a member of the NFA (NFA Member ID #0309379). 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> or www.transactfutures.com/pages/reporting.html.

The Company is a non-clearing FCM that focuses its resources on the execution of futures contracts for customers located primarily in the United States. The Company does not allow employees to have discretionary trading authority over customer accounts and are prohibited from having their own personal futures trading accounts. A majority of the Company’s customer base is introduced from a number of independent introducing broker relationships. 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 NinjaTrader Group, LLC, the holding company. The Company is affiliated with two introducing brokers, NinjaTrader Brokerage, LLC (NFA Member ID #0339976) and Tradovate, LLC (NFA Member ID #0484683), and software development companies NinjaTrader, LLC and Tradovate Technologies, LLC. NinjaTrader does not currently manage any customers’ accounts nor have any funds under its management.

NinjaTrader’s customers can currently trade on CME Group exchanges (including CME, CBOT, NYMEX, and COMEX), ICE Futures U.S., Coinbase Derivatives and EUREX. NinjaTrader has established carrying broker relationships to facilitate client access to products on those exchanges. NinjaTrader currently has carrying broker relationships with Dorman Trading, LLC and Advantage Futures, LLC.

Client commissions derived from execution and clearing trades for futures is the Company’s primary source of revenue. NinjaTrader clears trades for retail clients and professional traders. NinjaTrader offers client execution services via its proprietary trading software. NinjaTrader employs team members who provide global customer support services to our clients. The vast majority of the volume cleared 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 (CME), Chicago Board of Trade, New York Mercantile Exchange (NYMEX), Commodity Exchange, Inc. (COMEX), ICE Futures U.S., Eurex and FairX/Coinbase Derivatives. On these futures exchanges, the Company specializes in the execution of broad-based equity index futures 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 cryptocurrency futures.

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.

Carrying Brokers

The Company utilizes Dorman Trading LLC and Advantage Futures LLC as its intermediary to the exchanges. This carrying broker aids in the settlement of trades on exchange, the clearing of trades at derivatives clearing organizations and helps manage all 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, 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 counterparty 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 provide 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 on-going due diligence that are designed to mitigate risks associated with the protection of customer assets. The review entails ongoing due diligence of the institutions 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' management will analyze the Depositories' ability to support our business daily. Once a Depository relationship is implemented it is subject to on-going monitoring by the Company's operations management monthly and senior management as needed.

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; No Proprietary Trading

To ensure compliance with regulatory capital requirements and sufficient liquidity to meet ongoing business obligations, NinjaTrader holds a significant portion of its assets in cash and short dated US Treasuries. Although minimal, NinjaTrader may incur some risk from short dated US Treasury investments whose market value may fluctuate based on a variety of factors.

The Company does not allow proprietary trading in its business; however, the Company may from time-to-time hedge the Company's foreign currency exposure and minimize risk in foreign currency price fluctuation.

NinjaTrader' investments of customer funds comply with CFTC Regulation 1.25. As permitted under CFTC rules, client funds are invested in cash, US Treasury and 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 20 years of experience in trading technologies and services, he provides input on strategic direction for NinjaTrader Group. Mr. Deux's office is located at 1422 Delgany Street, Suite 400, Denver, CO.

Rick Tomsic, Principal – Mr. Tomsic is the founder and Chief Executive Officer of Tradovate, LLC (2014), and has recently joined NinjaTrader Group LLC as a board member and its Chief Strategy Officer. As Chief Strategy Officer, Mr. Tomsic will be communicating, developing, and sustaining business corporate strategic initiatives and the company's overall strategic direction. Prior to founding Tradovate, Rick founded Open E Cry, LLC in 2001 and served in various senior executive roles at optionsXpress, Charles Schwab, and GAIN Capital. Mr. Tomsic's office is located at Tradovate's main office in Delaware, OH.

Eliot Wickersheimer, Managing Member – Mr. Wickersheimer is responsible for developing strategy related to growth opportunities and integration of affiliated companies. Mr. Wickersheimer had previously been President of NinjaTrader Brokerage, LLC, an affiliated Introducing Broker. He co-founding that firm in 2004 (originally Mirus Futures LLC, NFA# 0339976). Mr. Wickersheimer is also 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 Brokerage.

Michael Cavanaugh, President – Clearing Operations – Mr. Cavanaugh is responsible for all clearing operations and associated operational functions at NinjaTrader. 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 Deer Park, Illinois office at 21805 W Field Parkway, Deer Park, IL.

Patrick Shaughnessy, Managing Member – Mr. Shaughnessy is responsible for trading operations at NinjaTrader. Mr. Shaughnessy has more than 20 years' experience in the futures and options trading/brokerage industry. Mr. Shaughnessy has been Chief Operating Officer of NinjaTrader Brokerage, LLC, an affiliated Introducing Broker, since co-founding the firm in 2004 (originally Mirus Futures LLC, NFA# 0339976). Prior to starting NinjaTrader Brokerage, LLC, Mr. Shaughnessy worked for Timer Hill Group and Interactive Brokers. He holds a Bachelor of Science Degree from Ohio State University. Mr. Shaughnessy's office is located at 222 N. LaSalle Street, Suite 1450, Chicago, IL, the main office for NinjaTrader Brokerage.

Brian Sass, Vice President, Chief Financial Officer and Chief Compliance Officer - Mr. Sass is responsible for all finance, accounting, compliance and administration at NinjaTrader. 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 29 years and holds a Bachelor of Business Administration in Accounting from Loyola University of Chicago. Brian's office is located at 21805 W Field Parkway, Deer Park, IL.

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 exposure reports to the CFTC and the NFA on a quarterly basis.

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, customer funds held by NinjaTrader are subject to certain risks, including and not limited to market, credit and creditworthiness, customer activities, risk from affiliates, regulatory, capital, liquidity 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 perform 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, an affiliate's, 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.

To address all of the foregoing risks, as noted above, NinjaTrader in place the RMP and other policies and procedures in order to 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 event of NinjaTrader's insolvency, customers may be subject to fellow 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's customers under U.S. bankruptcy law. 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 short dated 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 into 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' 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 money 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 adherence with regulatory and legal requirements on an ongoing basis.

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. NinjaTrader has two IB affiliates – NinjaTrader Brokerage, LLC and Tradovate, LLC – for which it provides clearing services. NinjaTrader Brokerage, LLC provides significant revenues to NinjaTrader that, if this affiliate was to become insolvent and no longer use NinjaTrader' services, would adversely impact the Company's revenues. While the Company does not invest any 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 borrower's regarding the Company's creditworthiness.
- The Company's balance sheet leverage is calculated and report monthly to the NFA. As of June 30, 2022, TAF's balance sheet leverage was 1.33.
- 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. At June 30, 2022, the Company had net capital requirement of \$1,000,000 and adjusted net capital of \$12,578,713, which is \$11,578,713 in excess of its regulatory capital requirement. At June 30, 2022, 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 of futures contracts for customers.
- Material Commitments and Contingent Liabilities:
 - The Company leases office space under a non-cancelable operating lease expiring on September 30, 2024. The lease requires the Company to pay its proportionate share of real estate taxes and direct cost of operations, repair and maintenance and management of the building over a base amount. The total minimum rental commitments at June 30, 2022, under these leases are as follows:

Year	Amount
2022	50,638
2023	101,275
2024	75,956
Total minimum lease payments	\$ 227,869

- Except as disclosed below, the Company is involved in various litigation, arbitration, and regulatory matters arising in the normal course of its business activities. In the opinion of management, and after consultation with legal counsel, the ultimate resolution of such pending matters 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.

As of June 30, 2022, the Company had adjusted net capital of \$12,578,713 with excess net capital of \$11,578,713. As of June 30, 2022, the Company was in compliance with regulatory capital requirements. Further information regarding the Company's compliance with its net capital requirement can be found at <https://ninjatrader.com/Customer-Funds> or www.transactfutures.com/pages/reporting.html.

As of June 30, 2022, the Company's total Members' Equity was \$14,141,276 in accordance with U.S. Generally Accepted Accounting Principles (Unaudited). The Company's audited financial statements can be found at <https://ninjatrader.com/Customer-Funds> or www.transactfutures.com/pages/reporting.html.

Proprietary Margin Requirements

In the normal course of business, the Company may utilize derivative contracts in connection with its trading activities. Investments in derivative contracts are subject to additional risk that can result in a loss of all or part of an investment. The Company's derivative activities are primarily used to manage foreign currency and interest rate fluctuations. The volume of the Company's derivatives activates, which are based on their notional amounts and number of contracts and, categorized by primary underlying risk and the fair value of the derivative instruments, do not generally have a material impact on the Company. As of June 30, 2022, the Company's proprietary margin requirements are \$60,775 or 0.5% of the aggregated margin requirements for futures customers and 30.7 Secured Customers.

Customer Concentration

The Company services a diverse group of domestic and foreign corporations and individuals. As of June 30, 2022, the smallest number of futures customers and 30.7 customers that comprise 50 percent of the futures commission merchant's total funds held for futures customers and 30.7 customers, are 1,488 futures customer and 4 30.7 customers.

Notional Value

The aggregate notional value, by asset class, of all non-hedged, principal over-the-counter transactions into which the Company is entered as of June 30, 2022, is as follows:

Notional Value

Futures contracts

\$ 3,294,010

Unsecured Lines of Credit

As of June 30, 2022, the Company does not have any unsecured lines of credit.

Illiquid Financial Products

As of June 30, 2022, 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 a number of accounts that were transferred to collections totaling 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 as described below.

NFA 2020 Settlement. On June 1, 2020, the Company, its affiliate Infinity Futures LLC and four of their employees were named in a NFA complaint alleging that, among other things, NinjaTrader violated NFA Compliance Rule 2-4 (requiring NFA members to observe high standards of commercial honor and just and equitable principles of trade) and NFA Compliance Rule 2-9 (requiring diligent supervision of a member's employees and agents in all aspects of their commodity interest activities, including sales practices) by ignoring or failing to detect warning signs concerning a customer account and its owner. The NFA also alleged that NinjaTrader and its affiliate violated NFA Bylaw 1101 for doing business with an entity that should have been registered as a CPO but was not. NFA and NinjaTrader settled the case on November 5, 2020, with NFA finding that NinjaTrader violated NFA Compliance Rule 2-4, NFA Compliance Rule 2-9 and NFA Bylaw 1101. The decision can be reviewed on the NFA's website at: <https://www.nfa.futures.org/BasicNet/regulatory-actions-detail-doc.aspx?docid=4877>.

CFTC Reparations Case. Subsequent to the date of this disclosure document, but prior to disclosure document issuance, a CFTC Reparation Case was brought against the Company, its prior affiliate Infinity Futures LLC and two of their employees. The Reparation Case alleges damages in the amount of

\$2,745.96 and \$199,053.75 in lost profits, in addition to punitive damages. The outcome of this case is currently unknown. The firm is aggressively denying accusations made in this case.

Information Regarding Complaints

In the event that a customer can't resolve a dispute with the Company, 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/fp/complaintform.aspx>). Customers may also choose to file a complaint through the NFA's web site- (<https://www.nfa.futures.org/basicnet/Complaint.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.