



## NASDAQ GEMX, LLC Membership Application Form

An applicant for membership on NASDAQ GEMX, LLC (“GEMX” or “Exchange”) must complete this Membership Application Form, including Exhibits A and B. Completed Membership Application Forms, including the supplemental materials requested herein, should be sent via certified mail to NASDAQ GEMX, LLC, c/o NASDAQ Membership Department, 2929 Walnut Street / 8th Floor, Philadelphia, PA 19104, to the attention of Membership Application Processing. Applications must be accompanied by a check for the amount of the applicable application fee (see Application Fee Worksheet). Application fees are non-refundable.

AN APPLICANT MUST UPDATE ANY MATERIAL INFORMATION THAT BECOMES INACCURATE OR INCOMPLETE AFTER THE DATE OF SUBMISSION.

[Please type or print clearly]

Date: \_\_\_\_\_

Name of Applicant:\* \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Contact:\*\* \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

\* If Applicant is a broker-dealer seeking trading privileges on the GEMX or a clearing broker seeking to clear transactions effected on GEMX, indicate the full name of the registered broker-dealer entity proposing to conduct such activities.

\*\* Indicate the name of the person that should be contacted regarding questions related to this application.

1. Type of GEMX membership for which Applicant is applying (indicate all that apply):

- Electronic Access Member – doing business with the public
- Electronic Access Member – agency trading
- Electronic Access Member – proprietary trading
- Electronic Access Member – clearing member
- Competitive Market Maker Member
- Primary Market Maker Member

2. Self-regulatory organizations (“SRO”) and clearing corporations of which Applicant is a member:

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3. Applicant’s designated examining authority (“DEA”): \_\_\_\_\_

4. Applicant’s Central Registration Depository (“CRD”) number: \_\_\_\_\_

5. The OCC member through which Applicant will clear transactions effected on the Exchange (if Applicant is self-clearing, so indicate): \_\_\_\_\_

6. Affiliates of Applicant that are, or are applying to become, GEMX members and the type of GEMX membership: \_\_\_\_\_

7. Supplemental Information for Broker-Dealer Applicants. Applicant is requested to provide the following information:

- (a) A copy of Applicant’s current Form BD.

- (b) A copy of Applicant's partnership agreement, LLC operating agreement, charter, by-laws or equivalent documents.
  - (c) An organizational chart, including the names of Applicant's chief executive officer, chief financial officer, chief operating officer, and chief compliance officer.
  - (d) A copy of any contract or agreement with another broker-dealer, a bank, a clearing entity, a service bureau or a similar entity to provide Applicant with services regarding the execution or clearance and settlement of transactions effected on the Exchange.
  - (e) A copy of Applicant's most recent "FOCUS Report" (Form X-17A-5) filed with the SEC pursuant to Rule 17a-5 under the Exchange Act (the most current Parts I, II, and IIA, as applicable).
  - (f) For applicants that propose to clear transactions effected on the Exchange, a copy of Applicant's written procedures for assessing and monitoring potential risks, as required by Exchange Rule 1405.
  - (g) A statement indicating whether Applicant is currently, or has been in the last 10 years, the subject of any investigation or disciplinary proceeding conducted by any SRO, or by any federal or state securities or futures regulatory agency or commission, regarding Applicant's activities that are not disclosed on Applicant's Form BD, as well as whether there have been any recent events or changes that are not disclosed on Applicant's Form BD. If so, the statement must include all relevant details, including any sanctions imposed.
  - (h) A statement indicating whether any person listed on Schedule A of Applicant's Form BD is currently, or has been in the last 10 years, the subject of any investigation or disciplinary proceeding conducted by any SRO, or by any federal or state securities or futures regulatory agency or commission, regarding Applicant's activities that is not disclosed on a Form U-4 for such individuals. If so, the statement must include all relevant details, including any sanctions imposed. If Applicant is not a FINRA member, provide a copy of Form U-4 for those individuals on Schedule A of Applicant's Form BD in those cases where such individuals are subject to Form U-4 reporting.
  - (i) State approximate dates of last inspection of Applicant's books and records by the SEC, FINRA (formerly NASD) or other regulator. If any material deficiencies were revealed, please explain.
  - (j) Has Applicant during the past three years been subject to the notification and reporting requirements under SEC Rule 17a-11 because of a net capital or record-keeping problem? If so, please explain.
8. *Supplemental Information For Electronic Access Member Applicants.* In addition to the information requested in item 7 above, Applicant is requested to provide the following information:
- (a) A description of Applicant's proposed trading activities on the Exchange, such as whether it will enter customer orders, proprietary orders or conduct block trading activities, etc. Include a statement of the extent to which Applicant currently is conducting such activities as a member of other SRO(s).
  - (b) A statement as to whether Applicant has written supervisory procedures in place with respect to the activities identified in 8(a) above and, if so, a description of such procedures. State the date of Applicant's last examination during which

such supervisory procedures were reviewed and by which SRO, and describe what revisions to Applicant's supervisory procedures, if any, have been made to accommodate GEMX membership. Where Applicant has not previously conducted the proposed trading activities identified in 8(a) above and must implement new supervisory procedures, Applicant should provide a copy of such procedures.

- (c) A list of the persons primarily responsible for supervising trading activities, including such persons CRD numbers, if applicable.
- (d) A description of the manner in which Applicant receives orders from customers, such as electronically via internet or proprietary communication devices, and the processes and/or systems used. Include basic diagrams to illustrate processes if necessary.
- (e) A description of the manner in which Applicant will send orders to the Exchange, such as manually, through an internal order processing system or through a third party order routing service. Include basic diagrams to illustrate if necessary.
- (f) If applicable, evidence that Applicant has the Brokers' Blanket Bond required under Exchange Rule 624.

9. *Supplemental Information for Market Maker Member Applicants.* In addition to the information requested in item 7 above, Applicant is requested to provide the following information:

- (a) A listing of (i) the office(s) from which Applicant will conduct its GEMX market making activity; (ii) all Designated Trading Representative(s) (as defined in Exchange Rule 801); and (iii) the individuals responsible for supervising such Designated Trading Representative(s).
- (b) Provide a copy of Form U-4 for each of the individuals identified in item 9(a) or, if such individuals are not currently subject to Form U-4 reporting, provide a brief description of their qualifications. (Note that each Designated Trading Representative must take an examination and be approved by the Exchange.)
- (c) A copy of Applicant's written supervisory procedures for market making activities on the Exchange.
- (d) The source and amount of Applicant's capital to support its market making activities on the Exchange, and the source of any additional capital that may become necessary.
- (e) If Applicant will be conducting "Other Business Activities," as that term is defined in Exchange Rule 810, a statement describing such activities and a copy of the "Chinese Wall" procedures required in paragraph (c) of that rule.

**Statutory Disqualification Notice**

Pursuant to the Securities Exchange Act of 1934, as amended (“the Act”), GEMX may deny (or may condition) membership or may bar a natural person from becoming associated (or may condition an association) with a member for the same reasons that the Securities and Exchange Commission may deny or revoke a broker-dealer registration under the Act. The Act provides for Statutory Disqualification if a person has:

- Been expelled, barred or suspended from membership in or being associated with a member of a self regulatory organization;
- had broker, dealer or similar privileges denied or suspended or caused such denial or suspension of another;
- Violated any provision of the Act; or
- Been convicted of a theft or securities related misdemeanor or any felony within ten (10) years of the date of applying for membership status or becoming an Associated Person.

Check here if you DO NOT have person(s) associated with the Applicant Broker-Dealer who is or may be subject to Statutory Disqualification.

Check here if you DO have person(s) associated with the Applicant Broker-Dealer who is or may be subject to Statutory Disqualification.\*

Please identify any such person(s) associated with the Applicant Broker-Dealer who is or may be subject to Statutory Disqualification. Additionally, identify any such person(s) who are associated with the Applicant Broker-Dealer and who have been approved for association or continued association by another SRO due to a Statutory Disqualification.

\* Attach a sheet identifying any such person(s), including the following information:

1. Name and social security number of the person(s).
2. Copies of documents relating to the Statutory Disqualification.
3. Description of each such person’s duties (for non-registered individuals, this should include a statement indicating if the position allows access to books, records, funds or securities).
4. Explanation of action taken or approval given by any other SRO regarding each person.

On behalf of (Applicant Broker-Dealer), I hereby attest and affirm that I have read and understand the above and the attached information, and that the answers and the information provided (including copies of any documents) are true and complete to the best of my knowledge. I acknowledge that the Exchange shall rely on the information provided pursuant to this Notice in order to approve or deny Applicant Broker-Dealer’s application for membership. I understand that Applicant Broker-Dealer will be subject to a disciplinary action if false or misleading answers are given pursuant to this Notice. I also acknowledge the obligation of Applicant Broker-Dealer to submit to the Exchange any amendment to any document submitted as part of its application, including but not limited to this Notice, within ten (10) business days of such amendment or change.

*Signature of Authorized Officer, Partner,  
Managing Member or Sole Proprietor*

*Date*

*Print Name*

*Title*

**Exhibit A to GEMX Membership Application Form**  
**Financial Information**

Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

**Balance Sheet**

**Assets**

Cash or Cash Equivalents	\$ _____
Securities (Market Value)	\$ _____
Spot Commodities (Equity)	\$ _____
Real Estate (Market Value)	\$ _____
Exchange Memberships	\$ _____
Other Assets (Itemize Assets over \$10,000 in Value)	\$ _____
Total Assets	\$ _____

**Liabilities**

Liabilities Secured by Real Estate	\$ _____
Bank Loans	\$ _____
Debt Financings	\$ _____
Amounts Owed to Exchanges/Members (See 1 Below)	\$ _____
Taxes	\$ _____
Other (Itemize Amounts Over \$10,000)	\$ _____
Total Liabilities	\$ _____
Net Worth (Assets minus Liabilities)	\$ _____

**Supplemental Financial Information**

1. Under "Liabilities," above, indicate the aggregate amount of any monies Applicant owes to the Exchange, another national securities exchange, a national securities association, a commodities futures exchange, or to any member of such an organization that are overdue. In addition, attach a schedule itemizing such amounts and describing any arrangements Applicant has made to repay such debts.

2. If Applicant intends to raise additional capital to finance its business on the Exchange, attach a statement indicating the source and amount of such capital.
3. If any other person will guarantee the transactions Applicant will effect on the Exchange, attach a statement indicating the name of the guarantor and the nature of the guarantee.
4. Name of Applicant's independent public accountant: \_\_\_\_\_  
\_\_\_\_\_

**Declaration**

I am the Chief Financial Officer of Applicant and I hereby state that this financial statement of Applicant is a true and accurate description of Applicant's financial condition as of the date first noted above.

By: \_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Title)

\_\_\_\_\_  
(Signature)

**Exhibit B To GEMX Membership Application Form**

**Pledge, Authorization and Declaration  
of Applicant for Membership**

Applicant: \_\_\_\_\_

Date: \_\_\_\_\_

Applicant hereby:

Pledges that it will abide by the Operating Agreement, Constitution and Rules of the NASDAQ GEMX, LLC (“Exchange”) as amended from time to time, and by all circulars, notices, directives or decisions the Exchange adopts pursuant to or made in accordance with the Operating Agreement, Constitution and Rules;

Authorizes any self-regulatory organization (SRO), commodities exchange, former employer and other persons to furnish to the Exchange, upon its request, any information that such person or entity may have concerning the character, ability, business activities, reputation and employment history of Applicant or its associated persons, and releases such person or entity from any and all liability in furnishing such information to the Exchange;

Authorizes the Exchange to make available to any governmental agency, SRO, commodities exchange or similar entity, any information the Exchange may have concerning Applicant or its associated persons, and releases the Exchange from any and all liability in furnishing such information; and

Declares that all the material information contained in the GEMX Membership Application Form and supplemental materials it has submitted to the Exchange is true, complete and accurate.

By: \_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Title)

\_\_\_\_\_  
(Signature)

## GEMX Exchange Application Fees Worksheet

The Exchange's fees are subject to the approval of the Securities and Exchange Commission ("SEC"). If the fees contained below are not approved by the SEC, any amount paid by applicants that exceeds those that receive SEC approval will be refunded. These fees cover only application processing for new applicants. Training, testing, regulatory and other service fees will be assessed separately.

1. Check the type(s) of membership for which you are applying as indicated in item 1 of the Membership Application Form:

Primary Market Maker ("PMM")  
 Competitive Market Maker ("CMM")  
 Electronic Access Member ("EAM")

2. Where an applicant is applying to be both a PMM and CMM, one fee of \$5,000 is due. Where an applicant is applying to be a market maker member (PMM and/or CMM) *and* an EAM, the applicant must also pay the \$1,500 fee for EAM applicants.

If you are applying to be a PMM enter \$3,000 ► \$ \_\_\_\_\_  
If you are applying to be a CMM but not an PMM enter \$2,000 ► \$ \_\_\_\_\_  
If you are applying to be an EAM enter \$1,500 ► \$ \_\_\_\_\_

Total Application Fees Due \$ \_\_\_\_\_