



Customer Disclosures & Other Important Account Information

Celadon Financial Group maintains fully-disclosed clearing relationships with the following custodians

RBC Capital Markets, LLC

60 South Sixth Street, Minneapolis, MN 55402

Tel: 800-933-9946

Web Site: www.rbccm.com/en/

Wedbush Securities Inc.

1000 Wilshire Blvd., Los Angeles, CA 90017

Tel: 213-688-8000

Web Site: www.wedbush.com

Wedbush Futures Inc.

141 Jackson Blvd., Suite 1710A, Chicago, IL 60604

Tel. 312-786-1930

Web Site: www.wedbushfutures.com

Disclosures/Statements/Information

Form CRS - Customer Relationship Summary. Celadon Financial Group, LLC ("Celadon") provides fee-based execution services to self-directed investors who trade stocks, bonds, options, warrants, futures and exchange-traded funds. Our Customer Relationship Summary contains important information about: the types of services Celadon offers; the fees, costs, conflicts of interest, and required standard of conduct associated with those services; whether the firm and its financial professionals have reportable legal or disciplinary history; and, how to get more information about the firm. A copy of our Customer Relationship Summary may be found on the Celadon website at www.celadonfinancial.com/customer-relationship-summary.

Privacy Statement. Celadon collects nonpublic personal information about its customers from the following sources: information obtained from the customer application; information about the customer's transactions with Celadon or other third parties, including other broker-dealers; and information Celadon may receive from a consumer reporting agency. Celadon does not use the names of its customers for any marketing purposes. Celadon does not disclose any nonpublic personal information about its customers or former customers to anyone, except as permitted or required by law. Celadon restricts access to the personal and account information of its customers to those employees, affiliates and third party service providers who need that information in order to perform day-to-day business functions and provide financial products and services requested by the customer. Celadon maintains commercially reasonable physical, electronic, and procedural safeguards to protect the privacy of its customers' nonpublic personal information.

Customer Identification Notice. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person or legal entity that opens an account, as well as any persons authorized to place trades or issue instructions. Financial institutions are required to collect information on owners and/or authorized persons such as their name, date of birth, address and identification numbers. A Social Security number or Taxpayer ID number is required for all domestic accounts. In addition, a valid passport or other form of government-issued photo ID is required for each applicant or authorized person. Non-U.S. citizens must provide a copy of their passport. Please include a clear, legible copy of both the front and back of the photo ID being provided.

A corporation, partnership, trust or other legal entity will need to provide other information, such as its principal place of business, local office, Taxpayer ID, certified articles of incorporation, government-issued business license, partnership agreement, pension plan or trust agreement. Rules of the U.S. Department of the Treasury, the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA") already require customers to provide most of this information. These rules also require the customer to provide additional information, such as employment information, investment experience, investment objectives, and risk tolerance.

E-Communications. Celadon does not guarantee that customers order to purchase or sell securities transmitted by e-mail, instant message or SMS will be timely processed. Customers choosing to send account orders by any of these methods must

Celadon Financial Group

Corporate Office 10 North Park Place, Suite 420, Morristown, New Jersey 07960

Corporate (973) 701-8033 | **Fax** (973) 701-8353 | info@celadonfinancial.com

Member FINRA, SIPC, MSRB, NRA

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reconfirm by telephone any order that the trading desk does not acknowledge immediately.

Celadon reserves the right to intercept, monitor, review and retain all communications received by, or transmitted from, its systems. Any communication that is conducted within or through Celadon's systems will be subject to being archived, monitored and produced to parties other than the recipient in accordance with internal policy and applicable law.

Customer Payments. All checks for deposit to a customer account should be made payable to the clearing firm carrying the account. Checks made payable to Celadon cannot be accepted and shall be returned to the customer. As an introducing broker-dealer, Celadon does not maintain custody of customer assets. Such assets are maintained at a custodial broker dealer (in the case of a securities account) or at a futures commission merchant (in the case of a commodities/futures account), which act as Celadon's clearing agent pursuant to fully-disclosed clearing agreements.

Best Execution. Celadon seeks to execute orders from its customers and from other broker-dealers at the most favorable terms reasonably available under prevailing market conditions. We take a number of factors into consideration in determining how to execute and where to route orders. These include: the size and type of order, the terms and conditions of the order, the trading characteristics of the security, the character of the market for the security, the accessibility of quotations, transaction costs, favorable execution prices (including the opportunity for price improvement), the speed of execution, the availability of efficient and reliable order handling systems, and the level of service provided by the market center. Celadon regularly reviews transactions for quality of executions.

Customer Order Protection. FINRA Rule 5320 generally prohibits Celadon from competing with a customer limit or market order by trading on the same side of the market and at a price that would have satisfied the order. Exceptions to this rule include orders from institutional accounts and orders for 10,000 shares or more and greater than \$100,000 in value, provided that Celadon has disclosed to customers that they may "opt in" to the protections of Rule 5320 and disallow Celadon from trading ahead of such orders. If you choose to opt in, you must notify the Compliance Department in writing.

Market Access Risk Controls. All orders received by Celadon are subjected to pre-trade risk management and regulatory checks prior to routing for execution. If your order triggers one of these controls, we reserve the right to reject the order, or to execute the order on a delayed basis after additional review.

Not Held Orders. An order designated as "not held" order is an order in which a customer gives Celadon price and time discretion. This gives Celadon the flexibility and discretion to work the order to obtain the best possible price under the circumstances. We may execute the not held order manually or we may utilize an algorithmic program. Not held orders are not protected by FINRA Rule 5320, or FINRA Rule 6460 or SEC Rule 604 (limit order display rules). Absent extenuating market conditions, however, Celadon's policy is to refrain from intentionally competing with not held orders, even if such practice is permitted by industry rules.

Net Price Orders. Celadon may handle orders as principal on a net price basis. Such orders result in executions in which the reported price includes Celadon's total remuneration for completing the transaction and may be inferior to the National Best Bid and Offer price at the time of execution.

Order Routing Information/Payment for Order Flow. Without specific order routing instructions from a customer, Celadon may direct orders to various market centers that we believe will provide the best execution of the order. Pursuant to SEC Rule 606, upon written request Celadon will disclose the identity of the venue to which the customer's orders in an NMS stock (i.e., NYSE, Nasdaq, and other national securities exchanges) were routed for execution in the six months prior to the request, as well as whether those orders were a directed or non-directed order and the time of any transaction which resulted from such orders. Upon written request of a customer who places a not held order, Celadon will provide certain standardized disclosures concerning the firm's handling of that order. Celadon may receive compensation for directing orders to particular market centers. In the event Celadon receives such compensation, it may include cash payments as well as non-cash items such as reciprocal arrangements, discounts, rebates or reductions or credits against fees that would otherwise be payable in full. Upon written request, Celadon will disclose the source and nature of any compensation received in connection with a particular transaction. Information regarding Celadon's order routing practices and any material relationships with other market centers is publicly posted at www.fisglobal.com/ptc/rule-606.

Securities Not Qualified under SEC Rule 15c2-11. Celadon will handle on an agency basis orders in OTC equity securities that may only be quoted pursuant to the "unsolicited customer interest" exception under SEC Rule 15c2-11.

Long Sales. When you enter an order to sell a security “long,” you are representing to Celadon that you (or your customer) own the security and will deliver such security in good form by settlement date. Failure to deliver the securities by settlement date may result in our closing the transaction immediately or thereafter by purchasing like securities for your account and at your risk, without prior notice.

Short Sales. Celadon will accept short sale orders from FINRA-member broker-dealers on the condition that, prior to transmitting the order to Celadon, they have made an affirmative determination that they can deliver the stock on time. Celadon will not take responsibility for making an affirmative determination with regard to any such short sales. For non-FINRA members, Celadon will not accept short sale orders that are not accompanied by the location of the security. Orders sent without this information will be rejected.

Business Continuity Planning Summary Disclosure Statement. Celadon has developed a Business Continuity Plan that describes how the firm will respond to events that significantly disrupt its business. Since the timing and/or impact of disasters and disruptions cannot be predicted, the firm must be flexible in responding to actual events as they occur. With that in mind, we are providing this information so that our customers may be better informed about what actions to take in the occurrence of any such interruptive events.

- **Our Business Continuity Plan.** Our plan is designed to permit Celadon to resume operations as quickly as possible, given the scope and severity of the business disruption. Our plan addresses data backup and recovery; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; critical vendor, supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to information regarding the status of their account(s). The clearing broker-dealers and futures commission merchants where your securities and/or commodity futures brokerage accounts may be carried typically back up important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we believe that the custodians’ primary objective is to restore their own operations and be able to complete existing transactions and accept new transactions and payments as soon as possible. Your orders and requests for funds and securities could be delayed during this period.
- **Contacting Us.** If after a significant business disruption you are able to contact us as you usually do, you may engage with any of the firm’s authorized representatives to issue instructions or obtain information related to your account *to the extent that we are capable of doing so*. As an introducing broker, Celadon does not maintain custody of client funds, securities or commodity interests. Your assets are maintained at a custodial broker-dealer (in the case of a securities account) or at a futures commission merchant (in the case of a commodities account). Should the custodian carrying your account be affected by any adverse event, we may not be able to assist you to obtain information about your account or to process requests related to your account. In the event of a significant business disruption, telephone calls to Celadon will be forwarded to a remote location for handling. Should you require immediate assistance regarding the status of your account and be unable to contact us, you should directly contact the custodial broker-dealer or futures commission merchant where your account is maintained. Please refer to the list of clearing agent contacts in the first section of this disclosure document. If you retain the ability to access the internet, you should also check the Celadon website at www.celadonfinancial.com for information we may post there regarding the scope of the business disruption, estimated recovery times, and other important information.

Cash Management Sweep Programs. If you are enrolled in a sweep program, your money market shares or other sweep vehicle balances may be liquidated upon your request and the proceeds credited to your Account, or (subject to margin requirements) remitted to you. Celadon may make changes to available sweep program options upon 30 days advance notice.

Inaccuracies and/or Discrepancies – Questions about Your Account Statement. Your account statement contains important information about your securities account, including recent transactions. All account statements sent to you shall be deemed complete and accurate if not objected to in writing within ten days of receipt. We encourage you to review the details in your statement. If you do not understand any of the information in your statement or if you believe there are any inaccuracies or discrepancies in your statement, you should promptly report them to the Compliance Departments of both Celadon and the custodian carrying your account. Please refer to the list of clearing agent contacts in the first section of this disclosure document.

To further protect your rights, including any rights under the Securities Investor Protection Act, any verbal communications with both Celadon and your account custodian should be confirmed in writing.

Quality Assurance and Compliance. For quality control, dispute resolution or other business purposes, Celadon may monitor or record some or all telephone conversations.

No Legal or Tax Advice. Celadon does not provide legal or tax advice. Please consult your legal advisor or tax accountant when necessary.

Customer Complaints. Complaints may be directed to Celadon Financial Group, 19 Center Street, Chatham, New Jersey 07928-2599 Attn: Chief Compliance Officer. The main telephone number is (973) 701-8033.

Contact Information Changes. Please notify Celadon promptly in writing of any change of your address, telephone and fax number(s), and e-mail addresses. Failure to do so may result in you not receiving important information about your account, and trading or other restrictions may be placed on your account.

Securities Investor Protection Corporation. Celadon is a member of the Securities Investor Protection Corporation ("SIPC"). This non-profit corporation protects the customers of its member firms against the loss of their securities in the event of the member's insolvency and liquidation. Each securities customer is insured up to a maximum of \$500,000 (including \$250,000 for claims for cash). SIPC does not protect commodities accounts, nor does it protect securities accounts against losses from fluctuating market value. For more information on SIPC coverage, please see the explanatory brochure at www.sipc.org. You may also obtain information about SIPC by contacting them by phone or regular mail at Securities Investor Protection Corporation 805 15th Street, N.W. Suite 800 Washington, D.C. 20005-2215 Telephone: (202) 371-8300 Fax: (202) 371-6728 E-mail: asksipc@sipc.org.

Requests for Duplicate Confirms, Statements and Form 1099's. Due to rising costs, requests for duplicate confirms, account statements and Form 1099's may incur a \$35.00 fee. Forty-eight (48) hour advance notice is required for any such requests. Two weeks advance notice is required for any such requests made during the period from January 1 – April 15.

Account Maintenance Fees. Celadon reserves the right to charge an inactivity fee of \$150.00 should your account fail to generate three trades in any one-year period commencing upon the establishment of the account.

FINRA BrokerCheck. FINRA BrokerCheck allows investors to learn about the professional background, business practices, and conduct of FINRA member firms or their brokers. BrokerCheck may be accessed at www.FINRABrokerCheck.com, or at 800-289-9999. A FINRA investor brochure is also available upon request.

MSRB Investor and Municipal Advisory Client Education and Protection Information. Celadon is registered with the SEC and the Municipal Securities Rulemaking Board ("MSRB"). An investor brochure is posted on the MSRB website at www.msrb.org that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.

Margin Disclosure Statement. Celadon is furnishing the following information to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement. Consult your registered representative or Celadon management with respect to any questions or concerns you may have.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from the clearing firm at which your account is held (the Margin Lender). If you choose to borrow funds to pay for securities, you will be required to open a margin account. The securities purchased represent the Margin Lender's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the Margin Lender can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the Margin Lender, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the Margin Lender to avoid the forced sale of those securities or other securities or assets in your account(s).
- **The Margin Lender can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements, or the Margin Lender's higher "house" requirements, it can sell the securities or other assets in any of your account held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such a sale.
- **The Margin Lender can sell your securities or other assets without contacting you.** Some investors mistakenly believe that the Margin Lender must contact them for a margin call to be valid, and that it cannot liquidate securities or other assets in their accounts to meet the call unless it has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which securities or other assets in your account(s) may be liquidated or sold by the Margin Lender to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.
- **The Margin Lender can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.
- **Options.** Option trading is understood to be a higher-risk method of investment, and is not suitable for all investors. Certain options strategies have the potential for loss of the entire investment in a short period of time. You may access the options disclosure document titled "*Characteristics and Risks of Standardized Options*," at <https://www.theocc.com/about/publications/character-risks.jsp>.

Special Statement for Uncovered Option Writers

There are special risks associated with uncovered option writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for Options transactions.

- The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.
- As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying Instrument.
- Uncovered Option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an Investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement.
- For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.

- If a secondary market in options were to become unavailable, investors could not engage in closing transactions and an option writer would remain obligated until expiration or assignment.
- The writer of an American style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of an European style Option is subject to exercise assignment only during the exercise period.

NOTE: It is expected that you will read the booklet entitled Characteristics and Risks of Standardized Options available from your broker. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

Day-Trading Risk Disclosure Statement. You should consider the following points before engaging in a day-trading strategy. For purposes of this notice, a "day-trading strategy" means an overall trading strategy characterized by the regular transmission by a customer of intra-day orders to effect both purchase and sale transactions in the same security or securities.

- **Day trading can be extremely risky.** Day trading generally is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses. Further, certain evidence indicates that an investment of less than \$50,000 will significantly impair the ability of a day trader to make a profit. Of course, an investment of \$50,000 or more will in no way guarantee success.
- **Be cautious of claims of large profits from day trading.** You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.
- **Day trading requires knowledge of securities markets.** Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.
- **Day trading requires knowledge of a firm's operations.** You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.
- **Day trading will generate substantial commissions, even if the per trade cost is low.** Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs \$16 and an average of 29 transactions are conducted per day, an investor would need to generate an annual profit of \$111,360 just to cover commission expenses.
- **Day trading on margin or short selling may result in losses beyond your initial investment.** When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day-trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.
- **Potential Registration Requirements.** Persons providing investment advice for others or managing securities accounts for others may need to register as either an "Investment Adviser" under the Investment Advisers Act of

1940 or as a "Broker" or "Dealer" under the Securities Exchange Act of 1934. Such activities may also trigger state registration requirements.

Extended Hours Trading Risk Disclosure Statement. You should consider the following points before engaging in extended hours trading. "Extended hours trading" means trading outside of "regular trading hours." "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time.

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.