

In 2023, Earn2Trade LLC. engaged an outside law firm to conduct an audit on the company's activities. This audit was designed to evaluate the company against standards established by the business.

The audit questionnaire is divided into three sections: (1) Company Information; (2) Website Audit; and (3) Customer Journey. These sections assess the information provided to customers via the company's website, as well as the experience of customers as they navigate examinations, withdrawals, and other key aspects of trading.

Contained herein are the results of that audit as it pertains to the company Earn2Trade LLC. These results are confidential and for discussion purposes only.

## Audit Questionnaire

**Date:** June 7, 2023

**Instructions:** All information requested below must be submitted within two weeks of the date of the questionnaire.

**Notes:** Documents are “recent” when dated 90 or fewer days prior to the questionnaire date. Screenshots must include the original, unaltered timestamp in the filename.

### I. Company Information

- A. Provide at least one company website URL that contains the following information and does not require any login or password to access:
1. The company’s registered name;
  2. The company’s operating office address;
  3. A company telephone number; and
  4. A company email address.

**Pass:** The information was provided. The website contains all but the phone number.

**Update:** The number is not intended to be used for customer communication. There is no phone support.

### II. Website Audit

- A. Provide a demo account login and password that the Audit team may use to verify information accessible only using a login and password.

**Pass:** Signing up using the discount code provided did not work.

**Update:** The email and password provided worked; log in was possible.

- B. Provide documentation demonstrating that a customer support policy is accessible without any login or password.
1. Such documentation may include a URL containing the customer support policy, together with recent screenshots of the relevant portions of the company’s website.

**Pass:** A customer support policy is accessible on Earn2Trade's website.

- C. Provide documentation that all examination rules are accessible without any login or password.
1. Such documentation may include URLs containing the relevant rules, together with recent screenshots of the relevant portions of the company's website.

**Pass:** The URLs provided lead to accessible examination rules.

- D. Provide documentation demonstrating that an objective customer withdrawal or payout policy is accessible without any login or password.
1. Such documentation may include URLs containing specific policies, together with recent screenshots of the relevant portions of the company's website.

**Pass:** The URLs provided lead to accessible withdrawal rules.

- E. Provide documentation that all withdrawal/payout conditions, procedures, and timelines are accessible without any login or password.
1. Such documentation may include URLs containing the relevant policies, procedures, and timelines, together with recent screenshots of the relevant portions of the company's website.

**Pass:** The withdrawal rules include a timeline, procedure, and conditions.

- F. Provide data sufficient to verify the company's published examination pass rates, including the methodology used to calculate such rates.

**Pass:** Public pass rates are found at the bottom of the home page. The methodology is explained in the questionnaire response. However, no data is provided with which to verify the rate.

**Update:** Earn2Trade provided a screenshot of the data used through 2022. The number in the photo is lower than the number on the website, but the difference was attributed to changing time zones and Earn2Trade provided a reasoned explanation for the discrepancy.

- G. Provide documentation that the company makes one or more public disclosures designed to comply with 17 C.F.R. § 4.41(b).

1. Such documentation may include URLs containing the relevant disclosure(s), together with recent screenshots of the relevant portions of the company's website.

**Pass: Earn2Trade provided a screenshot of disclaimers contained in the footer of the website, including a hypothetical performance disclosure.**

- H. Provide documentation that all rules regarding account closure are accessible without any login or password.

1. Such documentation may include URLs containing the relevant rules, together with recent screenshots of the relevant portions of the company's website.

**Pass: Terms of service are listed in the website's footer. The terms do not discuss account closure specifically, but do discuss restrictions on the user's license and termination of service.**

- I. Provide documentation that all bases for closing an account, including, but not limited to rules, terms of use, or contract violations, are accessible without any login or password to access.

1. Such documentation may include URLs containing all relevant bases, together with recent screenshots of the relevant portions of the company's website.

**Pass: Terms of service are listed in the website's footer, which discuss restrictions on the user's license and termination of service.**

- J. Provide documentation that all subscription, reset, or funded level fees and costs associated with a customer account are accessible without any login or password to access.

1. Such documentation may include URLs containing all relevant fees and costs associated with a customer account, together with recent screenshots of the relevant portions of the company's website.

**Pass: There is an overview of the fee structure on the website. It does not explicitly mention reset fees; it is possible that Earn2Trade does not impose those fees or that those fees are referred to in a different way.**

- K. Provide documentation of the public disclosure of the company's funding company.

1. Such documentation may include URLs containing the disclosure, together with recent screenshots of the relevant portions of the company's website.

**Pass: The proprietary trading firms with which Earn2Trade is partnered are named on the website.**

- L. Provide documentation demonstrating that live funded accounts are held with a brokerage account.

1. Such documentation may include the company's two (2) most recent account statements from the brokerage account provider.

**Pass: Three daily activity statements from June 19-23 with the broker Phillip Capital were provided. The named client is Appius Trading Limited.**

- M. Provide documentation that an FAQ regarding the existence of a brokerage account for live funded accounts is accessible without any login or password.

1. Such documentation may include a URL containing the FAQs, together with recent screenshots of the relevant portions of the company's website.

**Pass: This can be found on the website [here](#).**

- N. Provide documentation demonstrating that all pages of the company's website contain the disclaimer set forth at 17 C.F.R. § 4.41(b)(1)(i).

1. Such documentation may include recent screenshots of the company's landing website and two (2) other company webpages that are accessible without any login or password, together with recent screenshots of at least three (3) company webpages that only paying customers may access using a login and password.

**Comment: A version of the cited language is on the footer of the website, but it is not verbatim. It was provided by securities law counsel. Whether it is sufficient depends on whether the precise language is required. This question is beyond the scope of the audit.**

**Prior to logging in, the footer appears to be on all pages other than the blog. The footer is no longer present after logging in.**

- O. Provide documentation demonstrating that the company's website and advertising on third-party platforms complies with the testimonial disclosure obligations set forth at 17 C.F.R. § 4.41(a)(3).

1. Such documentation may include:

- a. The URL of each company webpage that includes any testimonial, together with recent screenshots of the relevant portions of the company's website;
- b. A list of each third-party platform that has contained a testimonial regarding the company in the past year; and
- c. For each third-party platform that has contained a testimonial regarding the company in the past year, recent screenshots showing three (3) testimonials and disclosures designed to meet the obligations set forth at 17 C.F.R. § 4.41(a)(3).

**Comment:** Earn2Trade did not show testimonials on the website. The only third-party website with testimonials was YouTube, although those videos may be shared on other social media platforms). There are “trader reviews” on Earn2Trade’s Twitter, which do not have a disclaimer.

**Update:** The website has a carousel of the YouTube videos. Most have the disclaimer in the video description but one video does not.

**Update:** The disclaimer has been added to the YouTube video that previously lacked the disclaimer.

- P. Provide documentation to demonstrate that the examination data feed is provided by at least one third-party data provider (*e.g.*, Rithmic, CQC, CTS, *etc.*)
  1. Such documentation may include an active written agreement between the company and the data provider, together with recent screenshots of the relevant portions of the company's website showing the data source during an examination.

**Pass:** There is a May 31, 2023 invoice from Rithmic, LLC for “Software License & Market Data Subscriber Fees.”

**There is a screenshot of Rithmic’s trading platform. The IB is “Earn2Trade” and it displays trades from mid-June.**

**Update:** Earn2Trade confirmed that the provided invoice is for data used.

- Q. Provide documentation to demonstrate that the company's examination can be executed on at least one third-party platform provider (*e.g.*, NinjaTrader, Sierra Charts, Tradestation, *etc.*)

1. Such documentation may include an active written agreement between the company and the third-party platform provider, together with recent screenshots of three (3) different examinations being conducted on a third-party platform.

**Pass:** Earn2Trade provided a screenshot of users' creation times and last used applications that list the third-party platform providers described. The relationship to the examination was not immediately clear. The screenshot showed dates from mid-June, 2023.

**Update:** Earn2Trade explained the relationship between the screenshot and the exam. The screenshot is of Rithmic's user interface: "Users" refers to the actual trader who purchased the subscription for the data through Earn2Trade. "Accounts" references the actual trading account, either live or simulated.

### III. Customer Journey Audit

- A. Provide three samples each of email, social media, and Internet-based advertisements from the 90-day period prior to initiation of this audit.

1. Such documentation may include recent screenshots.

**Pass:** Three images of advertisements were provided, without a date. One screenshot provided of the Facebook Page is dated 06/07/2023 and includes an advertisement from the day before.

**Three screenshots of email advertisements are included, from 06/07/2023, according to the dates. The emails appear to have been sent in May, 2023.**

- B. Provide documentation showing that customers can review the status of their examination during the course of an examination.

1. Such documentation may include recent screenshots of three (3) customer dashboards showing each customer's examination status.

**Comment:** Earn2Trade recommended removing this question, as it would require agents to log into customer accounts.

- C. Provide documentation demonstrating how the company communicates and resolves rule violations during the course of an examination.

1. Such documentation may include recent screenshots of three (3) instances of email communications, chat messages, or updates on a customer dashboard that resolve a rule violation during the course of an examination.

**Pass:** Email notifications of failure due to rule breaking were provided with dates, all in mid-June, in the images. One is in Spanish.

- D. Provide documentation demonstrating that exam status is available only to the customer.
1. Such documentation may include recent screenshots showing the process of a customer logging in and accessing the customer's exam status on the company website.

**Pass:** No screenshots were provided: "Exam status is emailed to the user when a rule breach occurs or can be tracked in the dashboard that we provided access to through 2.a."

**Update:** After logging in, there is a tab for Evaluation that shows the balance, profit, gain and the status "in progress" for a number of goals and parameters.

- E. Provide copies of all agreements customers must sign in order to receive funding.

**Pass:** PDFs were provided of a "Restricted Interest Agreement," "Offer" and a "LiveSim Disclaimer." The agreements are not dated.

- F. Provide documentation showing that three (3) customers who successfully complete their examinations are provided with access to trading accounts within 10 business days following submission of any required customer information.

1. Such documentation may include screenshots showing each customer's pass date, the date the customer submitted all required information, and the date the trading account was opened for three (3) successful customers for whom trading accounts were opened in the week prior to the date of this questionnaire.

**Pass:** Three sets of screenshots with dates were provided. The screenshots show an email with a Welcome to Helios message, and a follow up with credentials for Rithmic or "Your Account is Ready." The follow ups are well within 10 business days. However, it is not clear that the welcome message coincides with the completion of the exam.

**The examples are from the same week that the questionnaire is dated.**

- G. Provide documentation that the company responds to customer inquiries in no more than 48 hours, on average.



1. Such documentation may include recent screenshots showing the relevant information on support system software.

**Pass:** A June responsiveness report from Intercom was provided and response times are within 48 hours. However, the report is not explicitly labeled as being for Earn2Trade.

- H. Provide documentation demonstrating withdrawals in accordance with the company's withdrawal policies for three (3) individual customers in the week prior to the date of this questionnaire.

1. Such documentation may include screenshots (with any date of birth, tax identification number, or bank account number redacted) showing the date of each customer's withdrawal request, and the date of disbursement of funds.

**Pass:** The rules state, "The prop firms process withdrawals once a week, on Tuesdays. Your withdrawal request needs to be emailed to the proprietary trading firm by 2pm on the prior Friday to ensure the withdrawal goes out the next Tuesday."

Three pairs of withdrawal requests and receipts were provided. The receipts are dated June 13, 2023. The first request is a follow up withdrawal request and it is not clear when the original request was made. The invoice is dated one to two weeks later. The last request includes no date.

The amount of money received by the customer is less than the amount requested, presumably due to fees.

Update: Earn2Trade provided a screenshot showing the date of the first withdrawal request and provided additional context during a call.

- I. Provide documentation demonstrating the collection of fees from three (3) individual customers in the week prior to the initiation of this audit.

1. Such documentation may include screenshots (with any date of birth, tax identification number, or bank account number redacted) showing the company's receipt of the fees.

**Pass:** Three receipts for monthly data were provided from mid-June. The receipts line up with the dates of the other material provided.