

EARLYBIRDCAPITAL, INC.

SEC Rule 11Ac1-3 - Payment For Order Flow

Pursuant to SEC Rule 11Ac1-3, we are required to notify you of payment for order flow arrangements. EarlyBirdCapital, Inc. does not receive remuneration in the form of payments for directing orders to designated broker/dealers or market centers for execution.

Rule 606 - Routing of Customer Orders

Pursuant to Rule 606 of the Exchange Act Rules, we are required to provide upon request quarterly statistical information regarding EarlyBirdCapital, Inc.'s routing of customer orders. EBC is currently exempt from public posting requirements under the de minimus exemption set out in Question 20 of SEC Staff Legal Bulletin No. 13A dated October 16, 2001. A written copy of the report will be furnished upon request.

Title V of the Gramm-Leach-Bliley Act - Privacy Policy

OUR COMMITMENT TO YOUR PRIVACY: EarlyBirdCapital, Inc. (EBC) has a long-standing policy of protecting the confidentiality and security of information we collect about our customers. We will not share non-public information about you ("Information") with third parties without your consent, except for the specific purposes described below. This notice describes the Information we may gather and the circumstances under which we may share it.

WHY WE COLLECT AND HOW WE USE INFORMATION: We limit the collection and use of Information to the minimum we require to deliver superior service to you. Such service includes maintaining your accounts with us, processing transactions requested by you and administering our business.

HOW WE GATHER INFORMATION: We get most Information directly from you when you apply for, access and use financial products and services offered by EBC – whether in person, by telephone or electronically. We may verify this information or get additional information from consumer reporting agencies or public sources. This Information may relate to your finances, employment, avocations or other personal characteristics, as well as interactions with or through EBC or others.

HOW WE PROTECT INFORMATION: We may disclose any Information as directed by you or when we believe it necessary for the conduct of our business, or where law requires disclosure. For example, Information may be disclosed for audit or research purposes, to attorneys or other professionals, or to law enforcement and regulatory agencies, for example, to help us prevent fraud. In addition, we may disclose Information to third party service providers (i) to enable them to provide business services for us, such as performing computer related or data maintenance or processing services for us (ii) to facilitate the processing of transactions effected for you, (iii) to assist us in offering products and services to you, (iv) for credit review and reporting purposes. Except in those specific, limited situations, without your consent, we do not make disclosures of Information to other companies who may want to sell their products or services to you. For example, we do not sell customer lists and we will not sell your name to a catalogue company. It is EBC's policy to require all third parties other than your broker, to receive any Information to sign strict confidentiality agreements.

To Whom This Policy Applies: This Privacy Policy applies to financial products or services provided by EarlyBirdCapital, Inc., used primarily for personal, family or household purposes (not business purposes) by our customers.

Access to and Correction of Information: If you desire to review any file we may maintain for your personal Information, please contact your broker. If your broker or you notify us that any Information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which we will include in future disclosures of the disputed Information. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available.

Further Information: We reserve the right to change this Privacy Policy. The examples contained within this Privacy Policy are illustrations and they are not intended to be exclusive. This notice complies with a recently enacted Federal law and new SEC regulations regarding privacy. You may have additional rights under other foreign or domestic laws that may apply to you.

IDENTITY THEFT

EBC takes several measures to protect customer information and prevent identity theft. All account documents and customer information is kept in locked file cabinets. All computer available account information is password protected and protected by firewalls. Any document which is no longer needed or no longer must be kept under SEC Rules 17a-3 and 17a-4 containing any personal information is destroyed prior to leaving EBC offices.

FINRA BrokerCheck

Information is available on more than 5,000 registered firms and more than 662,000 brokers. www.finra.org or <http://www.finra.org/InvestorInformation/InvestorProtection/ChecktheBackgroundofYourInvestmentProfessional/index.htm>

SIPC Membership

EBC is a member of Securities Investor Protection Corporation ("SIPC"). You may obtain information about SIPC including the SIPC brochure by contacting SIPC. You can reach SIPC by phone, email, or regular mail:

Securities Investor Protection Corporation
805 15th Street, N.W. Suite 800
Washington, D.C. 20005-2215
Tel: (202)371-8300
Fax: (202)371-6728
Email: asksipc@sipc.org

You may also visit SIPC's website at www.sipc.org.

Monitoring: Telephone Conversations, E-mails, and Instant Messages

EBC reserves the right to monitor any or all telephone conversations with our customers. Emails and instant messages are recorded, monitored, and archived in compliance with SEC Regulations and FINRA Rules.

The USA Patriot ACT - Anti-Money Laundering Requirements

The USA PATRIOT Act, signed by President Bush, is designated to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. By April 24, 2002, all brokerage firms were required to have new, comprehensive anti-money laundering programs.

To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

What is money laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at \$1 trillion a year.

What are we required to do to eliminate money laundering?

Under new rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transactions and ensure compliance with the new laws.

As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to open an account or effect any transactions for you.

We thank you for your patience and hope that you will support us in our efforts to deny terrorist groups access to America's financial system.

Guidance On Margin

What does it mean when I purchase securities on margin?

When you use a margin account, you are borrowing money from a brokerage firm. As a client of EarlyBirdCapital, Inc. (EBC) you are borrowing money from Wedbush Securities as the Clearing Agent, and EBC as the Introducing Broker. The amount of money borrowed from the firm is charged interest at competitive rates. These rates can and do change. For current rate information contact your broker. When purchasing securities on margin you use a combination of your own funds and the funds you borrowed from the brokerage firm. These securities are the firm's collateral for the loan. When the securities in your account decline in value, so does the value of the collateral supporting your loan. If the value of the securities declines substantially, the brokerage firm will take action to shore up the value of the account by issuing a margin or house call. Whether or not Wedbush Securities or EBC chooses to issue a margin or house call, the firm has the right to liquidate securities in your account, with or without notice, in order to meet its equity requirements for customer margin accounts. Should Wedbush Securities or EBC actually issue a margin or house call, you may be afforded very limited time to satisfy the call. This time may be less than the amount of time the firm may normally allow in the event the markets are experiencing unusually volatile conditions. This information pertains to the most common use of a margin account; i.e., purchasing securities on margin. Investors who sell securities short, which are also margin transactions, should check with EBC to fully understand the impact that changes in market value may have on their account.

What can I do to better manage my margin account?

If you use a margin account, make sure you do not use all of your available funds to trade securities in the margin account. You should retain a ready reserve of easily accessible cash (for example, in a checking or savings account) so that you can promptly meet a margin call. Manage your margin account. If you see that the securities in your margin account are declining in value, deposit additional funds into your account. These cash deposits will reduce the margin loan, and lessen your chances of a margin call as long as the value of the securities in your account do not continue to decline or you do not use the money to engage in further securities transactions. EBC and FINRA are excellent sources of information on margin accounts.

If you do not fully understand how a margin account works, limit your investments to a cash account where you must pay for the securities in full. Cash accounts are not subject to margin calls. Know your Wedbush Securities and EBC margin policies. Speak with your broker for any changes in margin policies. Wedbush Securities or EBC can make policy changes at their discretion, and are more likely to do so in volatile markets.

What are the risks associated with the use of margin?

- You can lose more than you have invested;
- You may have to deposit additional cash or securities into your account on short notice to cover market losses and/or a decrease in your account's equity value;
- If you are unable to deposit additional cash or securities into your account, you may be forced to sell some or all of your securities when falling stock prices reduce the value of those securities; and
- Your broker may be forced to sell some or all of your securities, with or without notice, when falling stock prices reduce the value of those securities, and you are unable to meet a margin or house call in a timely manner.

FEES

Please refer to the Wedbush Securities Notice Regarding Pricing Policy and Charges for Special Services for fees associated with your account. The only fee not defined on brochure is the Activity Assessment Fee. This fee may include mail charges, ticket charges and certain execution costs.