



FUTURES
AND FOREX

Charles Schwab Futures and Forex LLC

FDM-Specific Disclosure Document

150 S. Wacker Dr. ■ Chicago, IL 60606

Phone: 800-435-9050 ■ Fax: 888-526-7252

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INTRODUCTION

The National Futures Association ("NFA") requires each Forex Dealer Member ("FDM"), including Charles Schwab Futures and Forex LLC ("Schwab Futures and Forex" or the "Firm"), to make the following information readily available on its website. Unless otherwise noted, the information set out in this document is as of March 2024. Schwab Futures and Forex will update this information annually and as necessary to take account of any material change to its business operations, financial condition, or other factors that Schwab Futures and Forex believes may be material to a customer's decision to do business with Schwab Futures and Forex. Nonetheless, Schwab Futures and Forex's business activities and financial data are not static and may change in non-material ways frequently throughout any 12-month period.

Schwab Futures and Forex is a subsidiary of The Charles Schwab Corporation. Information that may be material with respect to Schwab Futures and Forex and for purposes of the NFA's disclosure requirements may not be material to The Charles Schwab Corporation for purposes of applicable securities laws.

FIRM AND ITS PRINCIPALS

Charles Schwab Futures and Forex LLC

150 S. Wacker Dr.

Chicago, IL 60606

800-435-9050 phone

888-526-7252 fax

Futures@Schwab.com

Schwab Futures and Forex's Designated Self-Regulatory Organization (DSRO) is the National Futures Association (NFA) nfa.futures.org. Prior to a name change in September 2021, Charles Schwab Futures and Forex LLC was known as TD Ameritrade Futures & Forex LLC.

The following is a list of Schwab Futures and Forex's Principals along with their title, business address, business background, areas of responsibility, and the nature of the duties of each principal as defined in CFTC § 3.1(a):

Ben Miller, Managing Director, Charles Schwab Futures and Forex LLC

Business Address: 3000 Schwab Way, Westlake, TX 76262

Background: Ben Miller has worked in the financial industry since 1996. Prior to coming to Schwab Futures and Forex, he worked for Penson Futures for more than 10 years and he has experience with Coquest (a registered IB) and ED&F Man where his main focus was with operations. Ben Miller holds a Series 3 and 30, and has a Bachelor of Business Administration from the University of Oklahoma.

Areas of Responsibility: Futures and Forex Operations

Duties: Ben Miller is responsible for the futures and forex business at Schwab Futures and Forex.

John Ehlers, President, Charles Schwab Futures and Forex LLC

Business Address: 3000 Schwab Way, Westlake, TX 76262

Background: John Ehlers has worked in the financial industry since 1992. He joined Schwab as part of the TD Ameritrade acquisition. John Ehlers has served in a variety of roles spanning service, risk, and sales for over 25 years, and has been registered as an Associate Person with Schwab Futures and Forex and/or a predecessor since 2010. He holds a Series 3, 4, 7, 24, 30, 34, and 57 and has a Bachelor of Arts in Political Science from the University of Nebraska-Lincoln.

Areas of Responsibility: Futures and Forex

Duties: John Ehlers leads the futures and forex division for Schwab Futures and Forex as well as the Trader Product and Platforms teams for Schwab.

Michael Asmus, Treasurer, Charles Schwab Futures and Forex LLC

Business Address: 200 South 108th Avenue, Omaha, NE 68154

Background: Michael Asmus has 20+ years' experience in the banking and brokerage industries. Michael Asmus joined TD Ameritrade in 2010 where he has been responsible for balance sheet management and investments for the futures entities. Previously, he worked for a multi-charter bank holding company where he was responsible for liquidity, capital, asset liability management, and investments. Michael Asmus holds a Bachelor of Science in Business Administration and an MBA from the University of Nebraska at Omaha.

Areas of Responsibility: Treasury

Duties: Michael Asmus oversees treasury functions for Schwab Futures and Forex.

Aaron Thompson, Chief Financial Officer, Charles Schwab Futures and Forex LLC**Business Address:** 9875 Schwab Way, Lone Tree, CO 80124

Background: Aaron Thompson has worked in the financial industry since 2004. Aaron joined Schwab in 2015 and is currently responsible for accounting and regulatory reporting functions of Charles Schwab Futures and Forex LLC as well as the Company's broker dealers and certain other subsidiaries. Previously, he worked in the banking industry as a Controller and Chief Financial Officer of a State of Florida chartered and Federal Reserve member bank. He holds a Series 27 and has a Bachelor of Science in Accounting from the University of South Florida.

Areas of Responsibility: Accounting and Regulatory Reporting

Duties: Aaron Thompson oversees the 1-FR-FCM Report, Segregation Computation, Regulatory Reporting and Accounting for Schwab Futures and Forex

Lynn Konop, Chief Compliance Officer, Charles Schwab Futures and Forex LLC**Business Address:** 2309 Gracy Farms Lane, Austin, TX 78758

Background: Lynn Konop is the designated Chief Compliance Officer ("CCO") for Schwab Futures and Forex. In addition to her responsibilities as the futures CCO, Lynn Konop is responsible for managing the development, implementation, maintenance and administration of reasonably designed and effective compliance programs that meet Corporate Compliance standards and the requirements of the functional regulators of the Schwab Futures and Forex FCM, including, but not limited to, the CFTC and the NFA. Lynn Konop attended St. Peter's College where she received a degree in Marketing with a minor in Economics. Lynn Konop holds Series 4, 7, 9/10[8], 24 and 63 licenses.

Areas of Responsibility: Compliance

Duties: Lynn Konop oversees the compliance functions of Schwab Futures and Forex.

James Kostulias, Director of Charles Schwab Futures and Forex LLC**Business Address:** 70 Hudson St., Jersey City, NJ 07302

Background: James Kostulias is a Director on the Board of Charles Schwab Futures and Forex LLC. and has been the head of Trading Services since March 1, 2023. In his previous role as Managing Director in the Integration Management Office, James Kostulias was responsible for integration planning and the execution of the TD Ameritrade Client conversion to Charles Schwab. James Kostulias has 25 years of experience in the financial services industry and has spent the bulk of those years with TD Ameritrade in leadership roles across its Retail, Technology, and Active Trader businesses. Prior to his work on the Schwab Integration, James Kostulias was the Head of Retail Experience at TD Ameritrade, where he was responsible for the execution of the firm's Retail Strategy, Client Experience, Digital Platforms, Learning and Development, Client Segmentation, and LEAN Strategy. Kostulias also led the TD Ameritrade and Scottrade Integration, served as Head of eCommerce, leading the digital strategy for web, mobile, social media, market data, and research, and held TD Ameritrade's Chief Information Officer position, overseeing technology relationship management and project delivery for all business units. Prior to joining TD Ameritrade, James Kostulias was with Datek Online, where he held a variety of Operational Management Positions, and with Moody's Investor Services, where he designed and implemented a Global Senior Credit Analyst Professional Development Training Program. James Kostulias is a board member and former President of the Wall Street Technology Association, previously sat on the FINRA Technology Advisory Committee, and is a graduate of the SIFMA Securities Institute Program at Wharton. James Kostulias holds a bachelor's degree in Business Administration from Rutgers University and Series 4, 7, 24 and 63, licenses.

Areas of Responsibility: Head of Trading Services

Duties: James Kostulias is responsible for leading the end-to-end client experience for traders at Schwab, including overseeing the thinkorswim suite of trading platforms.

William Quinn, Director of Charles Schwab Futures and Forex LLC**Business Address:** 211 Main St, San Francisco, CA 94104

Background: Bill Quinn is a Director on the Board of Charles Schwab Futures and Forex. Additionally, he is currently a Managing Director and Treasurer at Charles Schwab & Co., Inc. and Charles Schwab Bank. Prior to joining Schwab, Bill Quinn was Senior Vice President at Fannie Mae serving most recently as the Chief Risk Officer for the Capital Markets business unit. In that capacity, he was responsible for approvals and oversight for all risks within the business including credit risk, market risk, operational risk, and model risk. Previously, he was Senior Vice President, and head of Capital Markets Strategy where he was responsible for running portfolio strategy and asset/liability management for Fannie Mae's balance sheet. He focused on total return management subject to risk and capital constraints. Prior to joining Fannie Mae in 2000, Bill Quinn was an executive vice president and head of Collateralized Strategies for Smith Breeden Associates, responsible for managing fixed-income portfolio for pension funds, corporations, and financial institutions. He also was part of a 4-member group responsible for asset allocation for all client portfolios. He was also head of the firm's Consulting Division where he assisted clients, mostly banking institutions, in the formulation and implementation of investment and risk management policies and procedures. Education: Bill Quinn has a Master of Science and a Bachelor of Science from the Massachusetts Institute of Technology. He is also a chartered financial analyst (CFA).

Areas of Responsibility: Treasury

Duties: Bill Quinn leads the functional areas of balance sheet management including capital, liquidity, and investments, as well as banking services and securities lending.

Faris Matalka, Director of Charles Schwab Futures and Forex LLC**Business Address:** 150 S. Wacker Dr., Chicago, IL 60606

Background: Faris Matalka is a Director on the Board of Charles Schwab Futures and Forex. Additionally, Faris Matalka is a Managing Director at Charles Schwab & Co., Inc. and heads up the Trading Operations and Margin Services. Within this role, he oversees order routing in equities, equity options and futures. His role also entails overseeing all street side relationships with Market Makers and U.S. Exchanges including representing the firm on market structure issues. Faris Matalka also oversees the firm's Margin book intra-day risk and all operational functions in Margin Lending. Faris Matalka has 20+ years in trading operations that includes the last 8 years in retail brokerage. Prior to that he worked at Citadel Securities as part of the team that helped build out the Equities Wholesale and Options smart routing business that catered to all U.S. and Canadian brokerage firms. Faris Matalka started his career on the Chicago Board of Trade and First Options of Chicago Finance department. Faris Matalka holds a B.S. in Accounting and a minor in Business Administration from Jordan University in Amman, Jordan. He holds Series 7, 24, 55 and 66 licenses.

Areas of Responsibility: Head of Trading Operations and Margin Services

Duties: Faris Matalka oversees order routing in equities, equity options and futures.

FIRM'S BUSINESS

Schwab Futures and Forex's business activity caters to self-directed retail futures and forex customers. Our customer base is more than 90% individual or joint accounts. Schwab Futures and Forex clients do not have direct market or API access to the futures markets. Schwab Futures and Forex currently offers the ability to execute orders on the CME Group (CME, CBOT, NYMEX, & COMEX) ICE US, CFE, and MGEX. Schwab Futures and Forex is the counterparty to all forex customer trades, and exclusively uses straight-through processing such that it automatically (without human intervention and without exception) enters into the identical but opposite transaction with another liquidity provider (creating an offsetting position in its own name). Current product groups offered to our customers to trade include: interest rates; metals; currency; grains; stock index; energy, softs; forest; and livestock futures contracts. Schwab Futures and Forex offers a variety of forex pairs which are outlined on the firm's website. This business activity is supported by one hundred percent (100%) of the firm's assets and capital.

FDM CUSTOMER BUSINESS

On November 25th, 2019, The Charles Schwab Corporation and The TD Ameritrade Holding Corporation announced they entered into a definitive agreement for Schwab to acquire TD Ameritrade in a stock transaction valued at approximately \$26 billion. On October 6, 2020, TD Ameritrade Holding Corporation ("TD Ameritrade") and Charles Schwab Corporation ("CSC") reached deal close and CSC completed the acquisition of TD Ameritrade. As part of integration, on September 24, 2021, TD Ameritrade Futures & Forex LLC was renamed to Charles Schwab Futures and Forex LLC. Additionally, on October 24, 2021, the clients of the individual FCMs of each company (Schwab Futures and Forex and Charles Schwab & Co Inc.) were consolidated within Schwab Futures and Forex.

Schwab Futures and Forex is an indirect subsidiary of the CSC, a publicly-traded company using the symbol SCHW.

Schwab Futures and Forex caters to self-directed retail futures and forex customers. Our customer base is more than 90% individual or joint accounts.

Schwab Futures and Forex offers a variety of forex pairs which are outlined on the firm's website.

Schwab Futures and Forex utilizes JP Morgan Chase Bank N.A. as its forex prime broker and JP Morgan, Citadel Securities, XTX Markets, and Virtu Financial as forex liquidity providers. Schwab Futures and Forex is not involved directly or indirectly in taking proprietary trading positions other than error correction trades in listed futures or commodity interests or engaging in arbitrage activities of any kind. However, Schwab Futures and Forex participates in exchange incentive programs. Schwab Futures and Forex is not involved in swaps or engaged in over-the-counter derivatives trading.

PERMITTED DEPOSITORIES AND COUNTERPARTIES

Charles Schwab Futures and Forex holds forex customer funds in cash at US Bank in an account titled "Charles Schwab Futures and Forex LLC CFTC Regulation 5.80 Retail Forex Obligation Account."

Schwab Futures and Forex adheres to a separate CSC Corporate Credit Risk Policy. Schwab Futures and Forex performs regular reviews of their bank depositories, counterparties, and vendors to ensure they can support the futures and forex business.

Client funds held in the Regulation 5.80 Retail Forex Obligation Account do not receive any protection or guarantee from the Securities Investor Protection Corporation "SIPC", nor do they receive a preference in any bankruptcy proceeding pursuant to Part 190 of the CFTC's regulations.

MATERIAL RISKS

While Schwab Futures and Forex does not believe any of the following risks to be material, Schwab Futures and Forex recognizes that customers may be subject to liquidity, credit, and/or counterparty risks by entrusting funds with Schwab Futures and Forex. Schwab Futures and Forex attempts to limit these risks by maintaining excess capital and investments in cash or highly liquid, readily accessible products.

Schwab Futures and Forex routes and executes only retail forex transactions for self-directed customers. Customers are not permitted to route a trade unless sufficient funds are available in their forex account. Schwab Futures and Forex executes forex trades on a Riskless Principal basis. Schwab Futures and Forex does not act in the capacity of a market maker or dealer, but is the counterparty to every customer's trade. Regarding debit or unsecured risk, Schwab Futures and Forex requires margin deposits pursuant to NFA minimums, but reserves the right to raise in excess of NFA minimums, place an account in closing only status, liquidate the account wholly or in part, and employ an automatic liquidation feature.

In order to ensure that it is in compliance with its regulatory capital requirements and has sufficient liquidity to meet its ongoing business obligations, Schwab Futures and Forex holds a significant portion of its firm owned liquid assets in cash, highly liquid money market mutual funds, and/or U.S. Treasury securities

guaranteed as to principal and interest. As of the date of this disclosure, all Firm owned liquid funds are held in either 1) cash in a bank account or 2) highly liquid money market mutual funds, both of which are in the name of Charles Schwab Futures and Forex LLC. Therefore, all Firm owned liquid assets are available on demand.

Schwab Futures and Forex carries no debt on the balance sheet and is therefore not financially leveraged. Schwab Futures and Forex currently has approximately US\$317 million of net capital as of January 31, 2024. Schwab Futures and Forex holds 100% of firm investments in overnight cash or cash equivalents, and therefore has adequate available liquidity at all times. Principal liabilities are payables to clients, accounts payable, and deferred income taxes.

Schwab Futures and Forex holds forex customer funds in cash; therefore, the weighted average maturity is .003 years and the weighted average yield is 0.0 percent. Forex customer funds are not invested in any affiliated entity.

Schwab Futures and Forex parent corporation, CSC is rated A and A2 by S&P and Moody's, respectively.

Schwab Futures and Forex has no material commitments.

Schwab Futures and Forex does act as a counterparty to eligible contract participants "ECP" as defined in Section 1a(18) of the Act. These clients are treated identically to self-directed retail customers.

MATERIAL COMPLAINTS OR ACTIONS

Material administrative, civil, enforcement, or criminal complaints or actions filed against Schwab Futures and Forex can be accessed on the NFA BASIC system, accessible on the NFA's website at: <https://www.nfa.futures.org/basicnet> (Schwab Futures and Forex LLC; NFA ID # 477394);

Other Legal and Regulatory Matters – Schwab Futures and Forex may be subject to a number of other lawsuits, arbitrations, claims, and other legal proceedings in connection with its business. Some of these legal actions include claims for substantial or unspecified compensatory and/or punitive damages. In addition, in the normal course of business, Schwab Futures and Forex discusses matters with its regulators raised during regulatory examinations or otherwise subject to their inquiry. These matters could result in censures, fines, penalties, or other sanctions. In light of the uncertainties involved in such matters, Schwab Futures and Forex is unable to predict the outcome or the timing of the ultimate resolution of these matters, or the potential losses, fines, penalties, or equitable relief, if any, that may result, and it is possible that the ultimate resolution of one or more of these matters may be material to Schwab Futures and Forex's results of operations for a particular reporting period.

This Disclosure Document was first used on March 13, 2024.