

GEORGE C. JEPSEN
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Tel: (860) 808-5040
Fax: (860) 808-5033

Office of The Attorney General
State of Connecticut

August 28, 2012

Donato A. Montanaro
President and Chief Executive Officer
TradeKing Group, Inc.
13024 Ballantyne Corporate Place
Suite 500
Charlotte, NC 28277

Dear Mr. Montanaro:

This letter memorializes an agreement to certain commitments reached between TradeKing Group, Inc. and its subsidiaries (collectively referred to as "TradeKing") and the Attorneys General of Connecticut, Iowa, and Missouri ("the States") (the "Agreement"). The Agreement arises from the States' investigation of actions taken by participants in the retail brokerage industry following the announcement of a partnership between NASDAQ OMX Corporate Solutions, Inc. and Loyal3 Holdings, Inc. in June 2011 (the "Investigation").

TradeKing is entering into this Agreement voluntarily and has not made any admission of wrongdoing whatsoever. Neither the States nor any other person may use the fact or the content of this Agreement as evidence of or as admission of any wrongdoing by TradeKing, its officers, directors or employees.

A. TradeKing's Commitments:

1. TradeKing's Cooperation:

(a) TradeKing has and shall continue, in good faith, to provide full, complete and prompt cooperation with the States' Investigation, including any related proceedings and actions against any other person, corporation or entity, and to provide all reasonable assistance requested by the States in this regard; TradeKing shall use its best efforts to secure the full and truthful cooperation of its officers, directors, employees, and agents with the Investigation and related proceedings and actions.

(b) TradeKing's cooperation shall include, but not be limited to: (i) producing, voluntarily, without service of subpoena, to the extent permitted by law or regulation, all information, documents or other tangible evidence reasonably requested by the States that relates

to the Investigation, subject to the right to withhold information on grounds of privilege, work product or other legal doctrine;¹ (ii) preparing, without service of subpoena, to the extent permitted by law or regulation, any compilations or summaries of information or data that the States reasonably request that relate to the States' Investigation; and (iii) if requested by the States, using its best efforts to ensure that TradeKing employees attend, on reasonable notice, any proceedings (including but not limited to meetings, interviews, hearings, depositions, and trial) and, subject to the right to withhold information on grounds of privilege, work product or other legal doctrine, to answer completely, candidly and truthfully any and all inquiries relating to the subject matter of the States' Investigation that may be put to such person by the States, without the necessity of a subpoena.

(c) TradeKing shall not compromise the integrity or confidentiality of any aspect of the States' Investigation or any proceeding or actions relating to the States' Investigation. TradeKing's agreement in this regard shall include, but not be limited to, using its best efforts to ensure that TradeKing employees and agents refrain from sharing or disclosing evidence, documents or other information provided to the States to third parties without the consent of the States. TradeKing shall give notice to the States of any discovery or other request for such information within ten (10) business days of receipt. Nothing herein shall prevent TradeKing or its employees from providing such evidence to other government regulators, self-regulatory organizations, law enforcement agencies or as otherwise required by law or regulation.

(d) TradeKing shall maintain custody of, or make arrangement to have maintained, all documents and records of TradeKing related to the States' Investigation and covered by the subpoena issued in the States' Investigation until the completion of the Investigation and any related litigation, including appeals.

2. TradeKing's Implementation of an Antitrust Compliance Policy

TradeKing represents that it is creating an antitrust policy and training program and that it will implement the same for all TradeKing employees who interact with competitors or wholesale market makers (including order execution firms) in the retail brokerage industry, within ninety (90) days of the date of this Agreement. Within ninety (90) days of the date of this Agreement, confirmation of the commencement of the policy and training program shall be given to the States in writing. The States expressly acknowledge and agree that TradeKing's implementation of the antitrust compliance policy and training program should not be construed

¹ In the event any TradeKing document or information in TradeKing's possession is withheld or redacted on grounds of privilege, work-product or other legal doctrine, a statement shall be submitted in writing by TradeKing indicating: (i) the type of document or information; (ii) the date of the document; (iii) the author and recipient of the document; (iv) the general subject matter of the document or information; (v) the reason for withholding the document; and (vi) the Bates number or range of the withheld document. The States may initiate a challenge to such claim in any forum of their choice and may, without limitation, rely on all unprivileged documents or communications theretofore produced or the contents of which have been described by TradeKing, its officers, directors, or agents, if any.

as a disciplinary action or remedial sanction by the States against TradeKing, or as a determination by the States that any violation of law by TradeKing, its subsidiaries, officers, directors, or employees has occurred.

3. TradeKing's Payment of Apportioned Costs of Investigation

Within thirty (30) business days of the date of this Agreement, TradeKing shall pay or cause to be paid, by wire transfer, certified check or other guaranteed funds, pursuant to the instructions of the States, \$100,000 to reimburse the States for a portion of their costs of the Investigation. The States expressly acknowledge and agree that TradeKing's payment totaling \$100,000 should not be construed in any way by any person as a penalty, fine, disciplinary action, or remedial sanction by the States against TradeKing, or as a determination by the States that any violation of law by TradeKing, its subsidiaries, officers, directors, or employees has occurred.

B. The States' Commitments:

1. The States agree that if, in their sole discretion and exclusive judgment, they determine that TradeKing has complied with its obligations in paragraphs A(1) through A(3) above, the States shall, upon the request of TradeKing, confirm that TradeKing has cooperated fully with the States' Investigation and has given substantial assistance to the States' Investigation. Notwithstanding the foregoing, this provision shall not require any of the States to disclose confidential information or to take any action that would compromise the State's Investigation.


2. Provided all terms of this Agreement are satisfied, the Investigation, to the extent it relates to the activities of TradeKing, its subsidiaries, officers, directors, or employees, shall be closed.

3. Upon completion of the Investigation and conclusion of any related litigation, including appeals, the States shall notify TradeKing and, to the extent permitted by law, take reasonable steps to either return to TradeKing material produced by TradeKing to the States in connection with the States' Investigation or to destroy such materials. Upon notification that the Investigation has been closed, TradeKing's obligations under paragraphs (A)(1)(a)-(d) of this Agreement will be extinguished. Until such time as the States notify TradeKing of the completion of the Investigation and conclusion of any related litigation, and documentary material and other information furnished to the States by TradeKing is returned or destroyed, such documentary material and information shall be maintained in accordance with C.G.S. § 35-42(c).

By their signatures below, the States and TradeKing agree to the foregoing commitments.

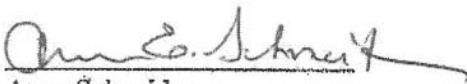
STATE OF CONNECTICUT

GEORGE JEPSEN
Attorney General


George W. O'Connell
Assistant Attorney General

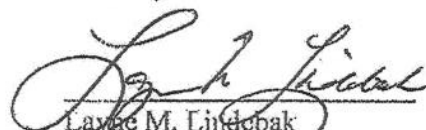
STATE OF MISSOURI

CHRIS KOSTER
Attorney General



Anne Schneider
Assistant Attorney General


STATE OF IOWA

TOM MILLER
Attorney General


Layne M. Lindbak
Assistant Attorney General

TRADEKING GROUP, INC.

BY: 
Donato A. Montanaro
President & Chief Executive
Officer

BY: 
M. Howard Morse
Cooley LLP
Counsel for TradeKing