

# GAIN Capital Group LLC

## Firm Disclosure Document

**National Futures Association Rule 2-36 and Commodity Futures Trading Commission  
Regulation 1.55**

GAIN Capital Group LLC dba FOREX.com  
RFED Division  
30 Independence Blvd, Suite 300  
Warren NJ 07045  
NFA ID: 0339826

This Disclosure was last updated on July 30, 2024

## Introduction

The Commodity Futures Trading Commission (“CFTC”) and National Futures Association (“NFA”) require each Forex Dealer Member (“FDM”), including GAIN Capital Group, LLC (“GAIN Capital”), to make the following information publicly available on its website. Unless otherwise noted, the information included in this document is as of June 30, 2024. GAIN Capital will update this information at least annually and will make all required intra-year updates within 30 days of the triggering event. Such events may be, but are not limited to, changes in Senior Management, any material changes to business operations, changes to financial condition or other factors that GAIN Capital believes may be material to a customer’s decision to do business with GAIN Capital. It should be noted that GAIN Capital’s business activities and financial data are not static and will change in nonmaterial ways frequently throughout any 12-month period.

### Firm Information

GAIN Capital’s corporate headquarters is 30 Independence Blvd, Suite 300, Warren, NJ 07059. The general support phone line is (877)-367-3946 for domestic clients and (908)-731-0750 for international clients. The fax number is (908)-731-0701. GAIN Capital can also be contacted via email at [Support@GainCapital.com](mailto:Support@GainCapital.com). GAIN Capital is a wholly-owned subsidiary of StoneX Group Inc (“SNEX”). SNEX is a public company listed on the NASDAQ, and financial information regarding the company can be found on the company’s website ([www.stonex.com](http://www.stonex.com)). GAIN Capital provides online trading services in over-the-counter (“OTC”) foreign exchange (“forex”) markets and currently offers 80 forex pairs for customers to trade. To access information about GAIN Capital’s Financial Condition, Customer Liability, Net Capital Requirements, and additional disclosures please visit this page: <https://www.forex.com/en-us/terms-and-policies/risk-disclosure/>.

GAIN Capital is an NFA Member (ID#: 0339826), and is registered as a Retail Foreign Exchange Dealer (RFED) and Futures Commission Merchant (FCM) with the CFTC. The NFA is GAIN Capital’s Designated Self-Regulatory Organization. The NFA & CFTC websites are accessible from the following links respectively: [www.nfa.futures.org](http://www.nfa.futures.org) and [www.CFTC.gov](http://www.CFTC.gov).

#### **i. Name, title, business background, areas of responsibility, and the nature of the duties of each person that is a listed principal of the Forex Dealer Member;**

##### **Eric Donovan, Director & Chief Executive Officer**

2 Perimeter Park South, Suite 100W, Birmingham, AL 35243

Mr. Donovan was appointed as a Director of GAIN Capital's Board in December 2022 and was further appointed Chief Executive Officer in January 2023. Mr. Donovan is also the Global Head of Institutional FX at StoneX Group Inc. He is currently registered as an Associated Person with the NFA and is the Branch Office Manager of the Birmingham, Alabama office for Stonex Financial Inc. Mr Donovan began his career as an options trader on the floor of CBOE, where he spent 5 years

trading equity index options. In 2007 Mr. Donovan founded an electronic options trading firm in listed CME & CBOE products. Since 2015, Mr. Donovan has held several positions at various business lines within Stonex Group Inc. He has a Bachelor's degree in Economics from Rutgers University, and an MBA from the University of Chicago

**Benjamin Greenfield, Director & Chief Financial Officer**

30 Independence Blvd, Suite 30, Warren NJ 07045

Mr. Greenfield has managed GAIN Capital's finance and accounting department in various capacities since October 2013. Mr. Greenfield was appointed as the CFO and registered as a principal with NFA in July 2019 (NFA ID: 0523160).

Prior to joining GAIN Capital, Mr. Greenfield held various roles for the public accounting firm Deloitte between 2010 and 2013. Also, he served as an Adjunct Professor of Accounting at Fairleigh Dickinson University Silberman College of Business between 2010-2017. Mr. Greenfield is a Certified Public Account and holds an M.S. in Accounting from Fairleigh Dickinson University, a Masters in Social Work from Rutgers University, and a B.A. in Religion/Religious Studies from Haverford College.

**Mark Maurer, Director & Chief Risk Officer**

230 South LaSalle Street, Suite 10-500, Chicago, Illinois 60604

Mr. Maurer was appointed as a Director to GAIN Capital's Board in December 2022. Mr. Maurer is the Chief Risk Officer of StoneX Group Inc., the ultimate parent company of GAIN Capital. Mr. Maurer joined Stonex in 2010 following INTL FCStone Inc's acquisition of Hanley Trading Group. Mr. Maurer was appointed Chief Executive Officer of affiliate StoneX Markets LLC (f/k/a INTL FCStone Markets, LLC) an NFA registrant, in March of 2014. Mr. Maurer served as the Head of Risk for StoneX Markets LLC prior to his appointment to the CEO role. Mr. Maurer is involved in overseeing several business lines and is responsible for overseeing the long-term strategies and operation of the Firm as a Director.

**Glenn Stevens, Director**

30 Independence Blvd, Suite 30, Warren NJ 07045

Mr. Stevens was appointed as a Director of GAIN Capital's Board in December 2022. Mr. Stevens currently serves on the Executive Committee of Stonex Group Inc. with overall responsibility for Retail activities of the company. Prior to this role, Mr. Stevens served as President and Chief Executive Officer of GAIN Capital Holdings Inc (GCAP) from June 2007 until 2020 when GCAP was acquired by Stonex Group Inc. From February 2000 to May 2007, Mr. Stevens also served as a managing director. Prior to founding and working for GAIN Capital and various GAIN Capital affiliates, from June 1997 to January 2000, Mr. Stevens served as managing director, head of North American sales and trading, at National Westminster Bank Plc (which was acquired by the Royal

Bank of Scotland Group in 2000). From June 1990 to June 1997, Mr. Stevens served as managing director and Chief Forex Dealer at Merrill Lynch & Co., Inc.

**Maria Concepcion Arena, Head of Regulatory Reporting and Treasury**

30 Independence Blvd, Suite 30, Warren NJ 07045

Mrs. Arena manages all treasury and regulatory reporting matters for GAIN Capital. Mrs. Arena was previously appointed as the CFO and became registered as a principal of GAIN Capital in November 2012 (NFA ID: 0445185), a position she held until June 2019. Mrs. Arena has also held various managerial positions within the Accounting, Finance, and Regulatory Reporting teams since joining GAIN Capital in 2006.

Prior to joining GAIN Capital, Mrs. Arena served in leadership positions at the following brokerages: Refco, LLC (Manager, Regulatory Reporting: 2002 – 2006); Nomura Securities International (Regulatory Reporting & Accounting: 1991-2002). Mrs. Arena is a Certified Public Accountant with a B.S. in Business Administration and Accounting from Baruch College.

**Michael Frey, Chief Compliance Officer**

30 Independence Blvd, Suite 30, Warren NJ 07045

Mr. Frey has managed the Compliance Department at GAIN Capital since September 2013 and was appointed as CCO in December 2014. In his position as CCO, Mr. Frey oversees compliance related functions at GAIN Capital, including but not limited to the CCO responsibilities defined by CFTC Regulation 3.3.

Mr. Frey started his career at GAIN Capital in January 2007 and served as a member of the Compliance Department until February 2011. After his first tenure at GAIN Capital, Mr. Frey held compliance control positions for the AML & Client Onboarding teams at BNP Paribas (February 2011-February 2013) & JPMorgan Chase (February 2013-September 2013). Mr. Frey holds a B.S. in Finance from Fairleigh Dickinson University.

**Sixto Alonso, Head of Business Unit**

230 Park Ave, 10th Floor, New York, NY 10169

Mr. Alonso is currently the Regional Director of FOREX.com Americas, including GAIN Capital Group LLC. In his position as Regional Director, Mr. Alonso is responsible for developing and implementing strategic plans for the region, which involves analyzing market trends, identifying opportunities, and creating strategies to maximize growth and profitability. Mr. Alonso is registered as an Associated Person and Principal with NFA (NFA ID 0373430)

Mr. Alonso started his career at GAIN Capital in June 2006, and over his 15+ years of tenure, he has held several positions within the Sales Department (June 2006 to January 2020). He served as the

Regional Business Director for the Middle East/ Latin America from January 2020 to May 2021 and currently is the Regional Business Director for the Americas. Mr. Alonso holds an Economic Degree from Bates College.

**GAIN Holdings LLC, Principal**

30 Independence Blvd, Suite 30, Warren NJ 07045

GAIN Holdings, LLC, a Delaware Corporation, incorporated on 03/24/2006 is the direct parent company of GAIN Capital. Both GCG and GAIN Holdings LLC are ultimately 100% owned by StoneX Group Inc. NASDAQ: SNEX

**ii. A discussion of the significant types of business activities and product lines engaged in by the Forex Dealer Member, and the approximate percentage the Forex Dealer Member's assets and capital used in each type of activity**

GAIN Capital is a global provider of trading services and solutions, specializing in over-the-counter, or "OTC" markets. GAIN Capital services retail and institutional customers worldwide and primarily conducts business from its headquarters in Warren, New Jersey, as well as its Branch Office in New York City, New York. GAIN Capital has invested considerable resources since its inception in developing its proprietary trading platforms to provide its customers with advanced price discovery, trade execution and order management functions. GAIN Capital's customers can trade through web-based, downloadable and mobile trading platforms and have access to innovative trading tools to assist them with research and analysis, automated trading, and account management. As of June 30, 2024 GAIN Capital has committed 100% of its assets and capital to its foreign exchange offering. The Company allocates its capital in a manner generally consistent with its asset allocation.

**iii. A discussion of the Forex Dealer Member's business on behalf of its customers, including types of customers, markets and currencies traded, international businesses, prime brokers and/or liquidity providers used, and the Forex Dealer Member's policies and procedures concerning the choice of bank depositories, custodians and counterparties to permitted transactions under CFTC Regulation 1.25;**

GAIN Capital offers its Forex services to a wide array of account types including: individual, joint, corporate, IRA, Commodity Trading Advisor ("CTA"), and commodity funds. Our current client base is mainly comprised of retail self-directed customers; however, we have institutional and managed account offerings as well. GAIN Capital provides access to rolling spot forex products that includes 80 tradable currency pairs.

GAIN Capital utilizes banks and prime brokers as custodians and counterparties to client and firm assets and to act as liquidity providers. GAIN Capital has established Prime Broker relationships with JPMorgan Chase and UBS. In selecting a new bank/broker depository GAIN Capital undertakes a

thorough review of the institution's capitalization, creditworthiness, operational reliability, and access to liquidity. Additionally, GAIN Capital will review credit ratings and outlooks as published by selected third part ratings agencies if available and undertake additional diligence regarding the institution's profitability, share price, and analyst recommendations. The depository review will also include the availability of deposit insurance and the extent of the regulation and supervision of the depository. As part of our counterparty risk mitigation measures, GAIN Capital seeks to diversify client and firm assets across an array of custodians to reduce its exposure to the potential failure of any one institution. As of the date this document was written, we have obtained a comfort level with our banks and liquidity providers and will continue to assess the counterparty risk and diversify assets amongst multiple counterparties in the future. GAIN Capital utilizes the same counterparty review procedures when assessing counterparties for permitted transactions under CFTC Regulation 1.25

GAIN Capital solely invests client and firm assets in 1.25 eligible investments as defined by CFTC regulation. GAIN Capital considers all highly liquid investments with a maturity of 90 days or less to be a cash or cash equivalent. As of June 30, 2024, client and firm assets were deposited in cash and cash equivalents (cash and money market funds) but can at its election deposit client and firm assets in US T-bills less than 90 days to Maturity as well as marketable securities (US T-bills greater than 90 Days to maturity), all of which would be available upon demand within 24 hours.

**iv. A discussion of the material risks associated with the Forex Dealer Member acting as a counterparty to eligible contract participants (ECP) as defined in Section 1a(18) of the Act, including any risks created by the Forex Dealer Member's affiliates and other ECPs acting as dealers;**

In general, we view the key risks associated with acting as counterparty to ECP clients consistent with the risks that exist for our retail client base. As of June 30, 2024, GAIN Capital did not have any affiliate ECP forex accounts on its books. Additionally, GAIN Capital did not have any non-affiliate ECP accounts on its books that were acting in the capacity of a dealer. GAIN Capital requires that all non-affiliate ECPs acting as a dealer be regulated entities in the jurisdiction in which they operate. The key risks resulting from GAIN Capital's acting as counterparty to non-affiliate ECPs acting as a dealer are: 1) Debit/Deficit risk 2) Market making losses due to volatility 3) System performance/outage issues and 4) Manual input error. To effectively manage these risks, GAIN Capital performs the following:

- **Debit/Deficit risk**

To mitigate the risk of non-affiliate ECPs acting as a dealer from going into deficit, GAIN Capital will employ several risk reducing measures which may include all or some of the following measures: 1.) auto liquidation of the non-affiliate ECPs acting as a dealer underlying client accounts for failure to meet NFA's minimum required margin; 2.) requiring margin requirements be maintained in excess of NFA's minimum margin requirements; 3.) issuance of intra-day margin calls; 4.) placing an account on reduce

only; or 5.) liquidation of all or a portion of open position(s). All non-affiliate ECPs acting as a dealer are monitored proactively throughout the trading day.

- **Market making losses due to volatility**

GAIN Capital's risk management policy is designed to accurately execute client transactions and aggregate the resulting exposure. GAIN Capital has developed a risk policy over time that addresses both high and low volatility environments, news events and weekends when markets are closed. The overriding principle for the risk mandate is reducing the firm's exposure and achieving the commercial goals of the firm. The risk policy dictates both exposure and profit/loss targets that are executed by the market making team. The surveillance of these parameters makes up a high percentage of the daily duties of the Trading team. Strict adherence to the policy is a requisite. There is no proprietary trading and there is very little decision making done by the trading group. Executions are predefined in advance based on stress testing.

- **System performance/outage**

Although there is always a risk that unanticipated volume surges can exceed the systems' anticipated capacity, we make best efforts to monitor, test, and scale all our systems to provide the best possible client experience. The system has been designed to be scalable to a level that exceeds current demands to a level that can meet the needs of a market much larger than the size of our current market. The aspects of capacity planning process may include: 1.) baseline figures for acceptable client experience and infrastructure utilization; 2.) continual and periodic review of trade/order execution process time; 3.) real time monitoring as well as historical trend analysis of infrastructure utilization; and 4.) actions to scale systems in the areas of network, trade execution servers, database systems, data room HVAC, power and power continuity. Capacity is continually reviewed by both our Platform Operations Team as well as the individual engineering teams. Additionally, GAIN Capital has defined a process for developing, maintaining and testing contingency plans for business processes in the event of IT service interruptions that are outlined in the company BCP/DR Plan.

- **Manual input error**

GAIN Capital's trading system is designed to set limits for each customer based on customer account settings including factors such as: margin threshold based on NFA requirements, margin utilization, margin funds availability, quantity, and order type. Additionally, large orders, typically >\$10,000,000 notional value are first sent to the trade desk for manual review to insure accuracy of pricing on larger exposures. Additionally, the client is limited to a maximum "per click" trade size to help avoid potential fat finger errors on behalf of the client.

**v. GAIN Capital's quantitative and qualitative disclosures about market risk**

**Key Financial Metrics**

As of June 30, 2024, GAIN Capital maintained 50.0 million in Adjusted Net Capital representing 168% of Net Capital required. The Balance Sheet Leverage calculated in accordance with NFA Financial Requirements Section 16 Information was 4.34 (Total Assets less Amounts to be Segregated and Secured divided by Ownership Equity). As of June 30, 2024, GAIN Capital did not utilize any available subordinated debt and did not have any loans payable, contingent liabilities and/or material commitments. GAIN Capital's liabilities primarily consist of payable to customers transacting forex; accounts payable, accrued wages, and payables to affiliates.

A summary schedule of GAIN Capital's adjusted net capital reflecting balances as of the month end for the most recent 12 months can be found directly in our website, link below: <https://www.filesandimages.com/Brand/compliance/forex-net-capital-summary.pdf>

GAIN Capital does not currently offer Futures or Futures Options trading to customers under its FCM registration category. If GAIN Capital begins to offer Futures or Futures Options to its customers in the future, a more substantive discussion regarding Futures specific FCM risks will be provided. See Section IV for material risks associated with GAIN Capital's FDM/RFED offering.

**vi. A discussion of any pending or completed material administrative, civil, enforcement or criminal complaints or actions filed against the Forex Dealer Member during the last three years;**

- On September 15, 2022, NFA filed an administrative complaint against Gain Capital Group LLC ("GCG") and its then CEO Alexander Bobinski alleging that GAIN Capital violated NFA Compliance Rules 2-43(a)(1); 2-36(c); 2-5; 2-36(e); and 2-9(a), and that Bobinski violated Rules 2-36(e), 2-36(c), and 2-5. GAIN Capital made an offer of settlement without admitting or denying any of the allegations in the Complaint. NFA accepted the offer on December 7, 2022. As part of the settlement, GAIN Capital was ordered to pay a fine of \$700,000.

**vii. GAIN Capital's overview of customer fund segregation and secured locations, collateral management and investments**

GAIN Capital's aggregate retail forex assets are calculated and treated in accordance with CFTC 5.8 and NFA Financial Requirements.

GAIN Capital solely invests customer and firm assets in 1.25 eligible investments as defined by CFTC regulation. Investments of funds include cash on deposit at banks and other FCMs as well



as US Government Securities with maturities up to 12 months. Additional financial information, including how GAIN Capital invests and holds customer funds, may be found on the National Futures Association website <https://www.nfa.futures.org/BasicNet/basic-profile.aspx?nfaid=8xWTPnTVRTw%3D>. GAIN Capital considers all highly liquid investments with a maturity of 90 days or less to be a cash or cash equivalent. GAIN Capital considers US Tbills greater than 90 Days to maturity as marketable securities, all of which would be available upon demand within 24 hours.

As of June 30, 2024, client and firm assets were deposited in cash and cash equivalents (cash and money market funds).

GAIN Capital does not hold customer funds required to be segregated under the CFTC regulation 1.20. GAIN Capital does not hold customer secured funds under CFTC Regulation 30.7. GAIN Capital does not hold cleared swaps collateral required to be segregated under CFTC Regulations 22.2.

#### **viii. Filing a Complaint against GAIN Capital or one of its employees**

**CFTC** - A customer that wishes to file a complaint about GAIN Capital or one of its employees with the Commission can contact the Division of Enforcement by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382) or electronically at <https://forms.cftc.gov/Forms/TipsAndComplaints.aspx>

**NFA** - A customer that may file a complaint about the Firm's FCM Division or one of its employees with the National Futures Association electronically at <https://www.nfa.futures.org/complaintnet/complaint.aspx> or by calling NFA directly at 800-621-3570.

#### **ix. GAIN Capital Financial Metrics**

GAIN Capital is required to maintain certain financial metrics as a condition of its registration as both an RFED and FCM. A summary of these metrics are provided below for reference as of June 30, 2024.

Description	Amount
Total Equity (Total Shareholder Equity)	66,060,423
Regulatory Capital (Adjusted Net Capital)	50,256,212
Net Worth ( Net Capital)	51,791,431
Proprietary Margin Requirements/Customer Margin Requirements- Futures	N/A
Proprietary Margin Requirements/Customer Margin Requirements- Secured	N/A
Proprietary Margin Requirements/Customer Margin Requirements- Cleared Swaps	N/A
# of Futures Segregated Customers greater than 50% of all Futures Segregated Customers	N/A
# of Futures Segregated Customers greater than 50% of all Futures Secured Customers	N/A
# of Cleared Swaps Customers greater than 50% of all Cleared Swaps Customers	N/A
Aggregate Notional Value of all non-hedge, principal OTC transactions by FCM	0
Unsecured Line of Credit and Short Term Funding Obtained but not yet drawn upon	0
Aggregate Financing Provided to Customers in illiquid financial products	N/A
12 Month Segregated Customer Debit/Deficit Expense Written Off as Uncollectible as a % of Total Segregated Customer Liability	N/A
12 Month Segregated Customer Debit/Deficit Expense Written Off as Uncollectible as a % of Total Secured Customer Liability	N/A
12 Month Segregated Customer Debit/Deficit Expense Written Off as Uncollectible as a % of Total Cleared Swaps Customer Liability	N/A

As noted above, more information about GAIN Capital's Financial Condition, Customer Liability, Net Capital Requirements, and additional disclosures are available on our website <https://www.forex.com/en-us/terms-and-policies/disclosures-and-risk-warning/>

FCMS and RFEDs must file monthly financial reports with the CFTC's Division of Swap Dealer and Intermediary oversight (DSIO) within 17 business days after the end of the month. Selected financial information from these reports is published by the CFTC please visit <https://www.cftc.gov/MarketReports/financialfcmdata/index.htm> to access the data.