



Proprietary Accounts of Introducing Brokers (PAIB) Agreement

This agreement sets forth the methodology and procedures to be followed by Interactive Brokers LLC ("Interactive") and its introducing broker-dealers that would permit its introducing broker-dealers to treat their proprietary assets held by Interactive as allowable assets for net capital purposes.

The parties hereto agree as follows:

1. Interactive shall perform a computation for PAIB assets ("PAIB reserve computation") of all of its introducing broker-dealers in accordance with the customer reserve computation set forth in Securities and Exchange Commission ("SEC") Rule 15c3-3 ("customer reserve formula") with the following modifications:
 - a. Any credit (including a credit applied to reduce a debit) that is included in the customer reserve formula shall not be included as a credit in the PAIB reserve computation;
 - b. Note E(3) to Rule 15c-3-3a which reduces debit balances by 1% under the basic method and subparagraph (a)(1)(ii)(A) of the net capital rule which reduces debit balances by 3% under the alternative method shall not apply; and
 - c. Neither Note E(1) to Rule 15c-3-3a nor NYSE Interpretation /04 to Item 10 of the Rule 15c3-3a regarding securities concentration charges is applicable to the PAIB reserve computation.
2. The PAIB reserve computation shall include all proprietary accounts of the introducing broker dealer covered by this PAIB Agreement. All PAIB assets will be kept separate and distinct from customer assets under the customer reserve formula in Rule 15c3-3.
3. The PAIB reserve computation will be prepared within the same time frames as those prescribed by Rule 15c3-3 for the customer reserve formula.
4. Interactive shall establish and maintain a separate "Special Reserve Account for the Exclusive Benefit of Customers" with a bank in conformity with the standards of paragraph (f) of the Rule 15c3-3 ("PAIB Reserve Account"). Cash and/or qualified securities as defined in the customer reserve formula will be maintained in the PAIB Reserve Account in an amount equal to the PAIB reserve requirement.
5. If the PAIB reserve computation results in a deposit requirement, the requirement can be satisfied to the extent of any excess debit in the customer reserve formula of the same date. However, a deposit requirement resulting from the customer reserve formula cannot be satisfied with excess debits from the PAIB reserve computation.
6. Within two (2) business days of entering into this PAIB Agreement, the introducing broker-dealer named below shall notify its designated examining authority in writing that it has entered into such agreement with Interactive.
7. Commissions receivable and other receivables of the introducing broker-dealer from Interactive (excluding clearing deposits) that are otherwise allowable assets under the net capital rule are not to be included in the PAIB reserve computation, provided the amounts have been clearly identified as receivables on the books and records of the introducing broker-dealer and as payables on the books of Interactive.
8. The proprietary account of an introducing broker-dealer that is a guaranteed subsidiary of a clearing broker-dealer or who guarantees a clearing broker-dealer (i.e., guarantees all liabilities and obligations) shall be excluded from the PAIB reserve computation.
9. Upon discovery that any deposit made to the PAIB Reserve Account does not satisfy its deposit requirement, Interactive shall, by facsimile or telegram, immediately notify its designated examining authority and the SEC. Unless a corrective plan is found acceptable by the SEC and the designated examining authority, Interactive shall provide written notification within five (5) business days of the date of discovery to its introducing broker-dealer that PAIB assets held by Interactive shall not be deemed allowable assets for net capital purposes. The letter shall also state that, if the introducing broker-dealer wishes to count its PAIB assets as allowable, it has until the last business day of the month following the month in which the notification was made to transfer all PAIB assets to another clearing broker-dealer. However, if Interactive's deposit deficiency is remedied before the time the introducing broker-dealer must transfer its PAIB assets to another clearing broker-dealer, the introducing broker-dealer may choose to keep its assets at Interactive.

PAIB ACCOUNT HOLDER:

Account Number

Signature

Printed Name

Title

Date

INTERACTIVE BROKERS LLC:

David M. Battan
Executive Vice President