Diverse Trader Training Program: Frequently Asked Questions

The Diverse Trader Training Program is a one-year program, developed through a collaboration between Wall Street Bound, Inc. and Maverick Trading to recruit, train and mentor underrepresented talent to become FX and stock/options proprietary traders, managing live capital.

Wall Street Bound is a nonprofit organization whose mission is to diversify the finance industry through education, training and mentoring. Maverick Trading is a proprietary trading firm that has been recruiting and training traders to trade Maverick's capital for 23 years.

Once selected, DTTP participants are accepted into the Maverick Trading capital sharing program, with the same relationship and expectations with the firm as any other Maverick trader. In addition, Wall Street Bound supports DTTP participants with additional mentoring. Upon completing the program, participants may decide for themselves whether trading is a career path they continue to pursue, or if their experience is best leveraged into an alternate finance or other career option.

The DTTP offers a unique and exciting opportunity for selected participants to begin the journey towards increased trading knowledge and ability, professional experience, development of self-mastery and wealth generation.

The following FAQs will help you understand Maverick’s business model, and what your role may be as a DTTP participant.

**IS MAVERICK TRADING A BROKERAGE?**

No. Maverick is a private equity firm that trains and allows a team of professional traders to trade on behalf of the firm in its master account. Maverick has partnered with some of the biggest firms in the industry to provide our traders the best trade execution and superior pricing (commissions). Unlike most prop firms, Maverick doesn’t mark-up trading commissions. We simply share in profits, aligning our goals with our traders, making it an ideal environment for traders.

**IS MAVERICK TRADING HIRING ME?**

You are not being hired in the traditional sense with benefits and a salary, but as an independent contractor (1099), where your paycheck is a direct reflection of the profits you produce as a professional trader. Compensation is based on each individual trader’s net profit and loss. There is no cap on the levels that can be achieved, so your potential revenue is virtually unlimited.
WHAT WILL MY RESPONSIBILITIES BE AS A MEMBER/TRADER FOR MAVERICK TRADING?
Upon the successful completion of Maverick’s qualification program, your primary responsibility will be to trade the firm’s capital within Maverick’s risk guidelines for maximum profit for both you and for the firm.

HOW DO I GET STARTED AS AN INDEPENDENT TRADER?
To become a DTTP/Maverick Trader, all traders must complete the qualification program, which consists of passing a series of online tests that cover all aspects of our trading methodology, demonstrating a proven track record through our demo trading platform, and submitting a detailed trading plan to management. Before we put our capital, leverage and support into a trader, we want to make sure they know what they are doing to minimize our risk and theirs.

Only traders who successfully complete Maverick’s qualification program are invited to become traders of the firm. Upon completing the requirements, traders are granted a trading account with trading capital of $25,000 and have access to portfolio margining above and beyond that amount. As your experience and success grows, you will be authorized to trade more of the firm’s capital, up to $250,000.

WHEN CAN I WITHDRAW A PART OR ALL OF MY EARNINGS?
Monthly trading profits are calculated from each option period and a trader’s profits will be credited on the Saturday after options expiration (the third Friday of each month). Profit disbursements will be made on the 1st of the month following the prior trading period. As an example, if a trader earned $10,000 in profits in the March options period and was on a 75% profit split, they would receive a disbursement of $7,500 on April 1st. A trader can retain any earnings within their trading account and apply for higher capital amounts.

CAN I REQUEST ADDITIONAL BUYING POWER AS A MAVERICK TRADER?
Yes. Maverick wants to put as much money in front of successful traders as possible, as it benefits both the trader and the firm. This increase will be granted based on your trading performance, profits retained in their account and size of risk deposit. As most traders know, the bigger the buying power, the bigger the potential profits. This extra potential is earned via “consistency” more than anything else. In the professional trading world, consistency is king. We are looking for consistency married with low draw-downs and/or small account swings.

CAN I BECOME A PART-TIME TRADER?
Yes. Part-time traders often become our best traders.

I KNOW WHAT I’M DOING, WHY SHOULD I HAVE TO DEPOSIT RISK CAPITAL OR BUY INTO THE FIRM? I JUST WANT TO TRADE THE FIRM’S CAPITAL
Maverick is creating new members of the firm with a vested interest in their personal success, the success of their colleagues, and the success of the firm as a whole. Maverick offers training, leverage, and support not available to solo traders, nor available at many proprietary firms. Management and the remaining members of the firm, the traders, recognize the importance of each trader, each
member of the firm, having a vested interest in success and alignment of interests, not simply free reign. As you develop a successful track record at Maverick Trading, management, at its sole discretion, may authorize greater leverage without additional risk capital.

**HOW AM I PAID AS A TRADER?**

Each month following options expiration, traders may request all or a portion of their profits for that month in excess of their investment unit.

Maverick will make all distributions via ACH bank transfers for the amount requested no later than the 5 days after options expiration each month.

For example, after the profit split, a trader makes a $20,000 profit in June, recognized at the close of trading on options expiration Friday. The trader requests $10,000 be paid and the remaining $10,000 be kept in their capital account. No later than the 5th of July, Maverick will process an ACH transfer to the trader’s personal bank account for $10,000 and the trader’s authorized trading amount will increase by $10,000 with additional buying power from the firm’s portfolio margin.

All profits must be paid out by December 31st, the end of our fiscal year.

Profits may be paid out via wire transfer at the trader’s expense.

**AM I AN EMPLOYEE, AN INDEPENDENT CONTRACTOR, OR A PARTNER OF THE FIRM? HOW ARE MY EARNINGS REPORTED?**

Maverick’s traders are independent contractors of the LLC which makes everyone a part of the firm. At the end of the year, each trader/member will receive an IRS 1099 reporting their trading profits and a consolidated statement to facilitate calculating their net gain.

Additionally, as Maverick’s traders are contributing with the success of the controlling LLC (Maverick Partners) each trader will receive a bonus distribution (via deposit in their equity accounts) representing their proportional profit percentage in the firm’s yearly profits. As you can see, each trader will not only benefit from their own trading activities, but they will also participate in the overall profitability of the firm.

Please consult a tax adviser regarding reporting and accounting requirements. It is highly recommended that each trader look into incorporating their trading business to take advantage of lower corporate tax rates and business write-offs.

**WHAT IS THE PROFIT SPLIT BETWEEN THE FIRM AND ME?**

Maverick offers extraordinary profit splits to its traders. The profit split is on a graduated scale based on the experience of the trader.

For the first two levels of trader (Associate Levels), the profit split is 70% to the trader, 30% to the firm and WSB.

The next two levels (Master Levels), the profit split is 75% to the trader, 25% to the firm and WSB.
The last two levels (Elite Levels), the profit split is 80% to the trader, 20% to the firm and WSB.

**CAN I REQUEST ADDITIONAL BUYING POWER AS A MAVERICK TRADER?**
Yes. This increase will be granted based on your trading performance, profits retained in your account and size of risk deposit. In our program, the trader, through performance, earns greater and greater exposure. As most traders know, the bigger the buying power, the bigger the potential profits. This extra potential is earned via “consistency” more than anything else. In the professional trading world, consistency is king. We are looking for consistency married with low drawdowns and/or small account swings. Level advancement will be made by additional training requirements and management approval.

**HOW DOES THE TRADER PERFORMANCE BONUS WORK?**
Once a trader completes the Qualification Program and starts trading live for the firm, they enter into a profit-sharing agreement with the firm where the trader keeps 70-80% of all profits. Once the firm has profited an amount equal to the membership fee, a performance bonus of that same amount will be paid directly to the bank account of the trader along with any profits during that period.

**WHAT COSTS ARE INVOLVED?**
To be accepted into the Diverse Trader Training Program (DTTP) and gain access to Maverick Trading capital, you will be required to make a small contribution of capital. All Maverick traders are required to deposit risk capital for the associate level (levels one and two). This amount is held by Maverick Trading and can be withdrawn upon any time from the firm.

This deposit, known in the industry as a “performance bond” or “first loss capital” serves to insure against reckless trading behavior by those who might not fully appreciate having access of the firm’s capital. As the trader is in the development phase, we have found this to be the best way for both the trader and the firm to have their interests aligned, as each trader has a stake in the profits and risk of their trading activities. Overall gains and losses will be reconciled against your risk deposit in the firm.

The amount of the capital contribution is either $1,000 or $2,500 depending on what product (FX or Stock/Options) best matches your situation and desire to trade. Once a trader has demonstrated proper risk management, capital controls and has produced a profit for the firm (advanced to level 3), the trader may trade without risk capital upon management approval.

Please note: It is likely that you will not make very much money if any at all for the first six months or more trading. If you are expecting trading to be easy or a way to “get rich quick”, you will be disappointed, and it is highly likely that this program is not for you.

If you have any further questions, you can email us at info@wallstreetbound.org, please write “DTTP FAQ Question” in the subject.