EDUCATION CHEAT SHEET

Vajgrt Labs - Education - the open course on one sheet - Updated Oct 21, 2026

1 - WHAT THIS COURSE IS - AND IS NOT

- Free means free: no prices, no tiers, no upsell waiting at the end of this stage.

- The author is a learner, not a guru - his lifetime options P&L is -$9,458, and wins and losses are both published here.

- Nothing here is financial advice or a trade recommendation. It is study material, identical for every reader.

- Deciding not to trade is a successful outcome of this stage - it has its own finish line, in Lesson 7.

RULE: If a course won't show you its losses, it is selling you something. This one shows its losses first.

2 - THE EVIDENCE - WHAT ACTUALLY HAPPENS

- Taiwan (complete exchange records): more than 8 in 10 day traders lost money in a typical six-month period; fewer than 1% predictably earned profits net of fees. (Barber, Lee, Liu & Odean.)

- Brazil: of futures day traders who began in 2013-15 and kept going for at least 300 days, 97% lost money; 0.4% earned more than a bank teller, about $54 a day. (Chague, De-Losso & Giovannetti, 2019.)

- United States, 1991-96: the most active traders earned 11.4% a year while the market returned 17.9% - trading more made it worse, not better. (Barber & Odean, 66,465 households.)

- Leveraged CFD accounts: regulators found 74-89% of EU retail accounts lose money (ESMA, 2018) and 76% of UK retail clients lost money in Jul 2015-Jun 2016 (FCA).

- India, FY2022-23: 71% of individual intraday equity traders lost money - 80% among those trading 500+ times a year - and losers paid an extra 57% of their losses in trading costs. (SEBI, 2024.)

RULE: Plan for the base rate, not the highlight reel: the default outcome is losing, and beating it is the exception that has to be earned.

3 - INVESTING, TRADING, OR GAMBLING?

- Investing: horizon years, returns from earnings and dividends, diversification, very few decisions. Boredom is a feature.

- Trading: horizon minutes to weeks; returns (if any) from a repeatable edge executed with risk control - against other participants, after spreads and fees take their cut.

- Gambling: negative expectancy by design, no edge available; the payment is for the uncertainty itself.

- The conversion test: no written plan + a revenge entry after a loss + money needed elsewhere = gambling - even on SPY, even with charts.

RULE: If you can't state your edge and your exit in writing before the trade, you're not trading - you're gambling with extra steps.

4 - THE MONEY RULES - BEFORE ANY TRADE

- Prerequisite 1 - an emergency fund of 3-6 months of essential expenses (the SEC's example goes up to six months of income), in plain savings, never in the brokerage account.

- Prerequisite 2 - no revolving high-interest debt carried while learning to trade. The SEC's example rate is 18%: beating that, reliably, after costs, is not a beginner plan.

- Prerequisite 3 - capture the full employer retirement match first. It's an immediate 100% return on that contribution; no trade in this course promises anything like it.

- Prerequisite 4 - trading capital defined as a written dollar figure. Total loss of that figure changes nothing about housing, bills, debt, or sleep. If no such figure exists yet, the honest figure is $0 - and paper trading (Stage 4) is free.

- Prerequisite 5 - costs understood as a hurdle: spreads, fees and taxes are paid on every trade, win or lose. (Recall SEBI: losers paid an extra 57% of their losses in costs.)

RULE: No bulkheads, no trading. The five prerequisites get signed off in writing before real money - self-certified, honestly, at Lesson 7's gate.

5 - TIME, TEMPERAMENT, AND HONEST FIT

- Budget honestly: the routine this course teaches - prep, trading, a daily review, a weekly review - runs several hours a week on top of the lessons themselves. The paper stage included.

- Sample sizes lie to beginners: results need on the order of 200+ trades before they say anything reliable about an edge - the sample-size lesson tastylive's research repeats relentlessly. Months of paper practice is the honest timeline.

- Temperament is checkable in advance: how did you handle your last real loss - money, game, argument? Trading industrialises that feeling, weekly.

- The disposition effect is the default setting: investors in Odean's 10,000-account study realised 14.8% of available gains but only 9.8% of available losses. Knowing the bias exists is Stage 0; training against it with your own journal is Stage 9.

RULE: If you can't give it the hours and can't stand being wrong on the record (your journal counts), the fit answer is "not yet" - and that's a pass.

6 - HOW GURUS MAKE MONEY (IT'S NOT TRADING)

- The SEC / Investor.gov red flags: "guaranteed" high returns with little or no risk; unlicensed or unregistered sellers; fake testimonials; depictions of accounts skyrocketing.

- The FTC/CFTC pattern adds: urgency and scarcity, a secret or proprietary method, rented-lifestyle marketing, P&L screenshots without losses or account context, and price escalators - each tier unlocking what the last one promised.

- Enforcement is real: the FTC's cases against trading educators (Warrior Trading, RagingBull, Online Trading Academy) were built on earnings claims and testimonials while, per the complaints, most customers lost money.

- This course's own compliance with this lesson, stated plainly: it is free, it shows losses, it sells nothing, it promises nothing. Hold it to that.

RULE: Run the inversion test on every pitch, including this site's: if the edge were real and scalable, why is the income selling the course?

7 - PAPER TRADING - THE ONLY FREE LUNCH

- What paper teaches: mechanics - placing each order type, reading the chain, navigating your broker's app - plus the journal habit, at zero financial risk.

- What it cannot teach: the emotional weight of real losses, true fills and slippage, and real liquidity at your size. Paper fills are generous in ways the market is not.

- The house-money trap: profits on fake money feel like skill and push position sizes up. The gate is process compliance - plan followed, size correct, every trade journaled - never paper profitability.

- The sequence from here is fixed: Stages 1-3 knowledge, Stage 4 risk arithmetic and your paper account under course rules, Stages 5-6 options - and live money stays optional until Stage 10: tiny, and reversible.

RULE: Paper first, process graded, profit ignored. If the process isn't boring by the end of Stage 4, you're not ready for Stage 5's options.

8 - WHAT A SHARE ACTUALLY IS

- One share = one unit of ownership in one company, including a claim on its future earnings. That is the whole definition - everything else in this course is built on it.

- Price appreciation: if more people want slices than want to sell them, the price of a slice rises. Nothing new is created; the slice is simply repriced by the next trade.

- Dividends: some companies pay part of their profit straight to owners. SPY passes its companies' dividends out to holders quarterly (State Street, the fund's sponsor).

- What a share is not: a loan to the company (that's a bond), a guaranteed claim on anything, or a say in day-to-day decisions - at any normal size your vote is real but tiny.

RULE: Before any ticker, say what you'd own. If you can't name the business a share slices into, you're not investing in it - you're just renting its price moves.

9 - COMPANIES, IPOs, AND WHY PRICES MOVE

- An IPO (initial public offering) is a private company selling shares to the public for the first time. From then on it must report its finances publicly - the trade for the money is scrutiny.

- Once public, a share's price is set by supply and demand between investors. The quoted price is just the most recent trade - a continuous vote on expectations, settled in dollars.

- The four everyday drivers: (1) the company's results and outlook, (2) the wider economy - interest rates, jobs, inflation, (3) news and expectations about both, (4) the crowd itself - fear and greed change what people will pay for the same earnings.

- A price can move with no news about the company at all: when the whole market reprices, everything on the shelf gets marked together.

RULE: The tape shows you the result of a move, never the reason. Anyone certain about why a stock moved today is telling you a story, not a fact.

10 - EXCHANGES AND MARKET HOURS

- An exchange's job is matching and record-keeping: it pairs your buy with someone else's sell,

prints the price for everyone to see, and enforces the rules of the room.

- Regular hours - 9:30am-4:00pm ET - are when institutions, funds and everyone else are present at once. That depth is what keeps SPY's spread in penny-class territory.

- Extended hours (pre-market from as early as 4:00am ET at many brokers; after-hours to about 8:00pm ET) trade the same tickers with a fraction of the participants - moves exaggerate and fills worsen.

- The clock that matters is Eastern, whatever your timezone says. The open, the close and market news all run on it: 9:30am ET is 8:30am Central, where this course is written.

RULE: Beginners trade regular hours only: 9:30-4:00 Eastern. Thin rooms are a tax on the new - let other people pay it.

11 - WHAT AN INDEX IS - AND ISN'T

- The S&P 500 index holds 500 large US companies - as 503 listed shares, because a few companies have two share classes trading (State Street index data, Oct 2026). It is weighted by company size: the biggest members move the number most.

- The index level (often quoted as SPX) is computed from those companies' prices all day. It is not traded, and nothing in a normal brokerage account settles at 'the index price'.

- An index fund does the owning for you: SPY holds the basket, so one purchase tracks the whole scoreboard. That's the 'product' half of the pair.

- The ~1/10 rule: SPY was built to trade at about a tenth of the index level, so a 'SPY up $2' day is roughly an 'index up 20 points' day. Check the ratio, not your memory of it.

RULE: Index = the number. Fund = the thing you buy. When someone quotes you a level, ask which of the two they mean before you do any maths.

12 - WHY THIS COURSE TRADES SPY

- What it holds: the S&P 500 basket - 500 large US companies across all eleven sectors (State Street). One SPY share is a sliver of all of them at once.

- What it costs: a gross expense ratio of 0.0945% per year (State Street, Oct 2026). On $10,000 that's $9.45 a year, taken inside the fund - you never see a bill, which is exactly why you have to know it's there.

- What it pays: the basket's dividends, distributed to SPY holders quarterly. The index's dividend yield stood at 1.10% (State Street, Oct 14, 2026) - real income, but modest; nobody buys SPY for the yield alone.

- Why it's the classroom: SPY has listed options (State Street: 'Options Available - Yes') with penny-class bid/ask spreads and enormous depth. The chain in Stage 5 is this fund's chain, and the Greeks behave there the way the lessons say they should.

RULE: One product, learned deeply, beats fifty tickers skimmed. This course's ticker is SPY - every example, level and chain from here on is SPY's.

13 - BULLS, BEARS, AND MARKET WEATHER

- Uptrend (bull weather): higher highs and higher lows - each push up goes further than the last, and each dip stops sooner. One day's positioning - where SPY sits between the Sheet's walls and its tipping line - is the same idea in miniature; a regime is that idea over weeks and

months.

- Downtrend (bear weather): lower highs and lower lows. Rallies are shorter, dips are deeper, and 'cheap' keeps getting cheaper - the trap Stage 3 teaches you to respect.

- Range (sideways): price bounces between a floor and a ceiling. Markets spend much of their time here - including Oct 15, 2026: no clean trend, stairs pointing both ways.

- The 20% convention: news outlets often declare a bear market at -20% from a high. Useful shorthand, declared late by construction - the fall has already happened when the label arrives.

RULE: Name the weather before you plan the trade - but trade the plan, not the label. A regime tells you the game's recent rules, never its next play.

14 - THE SPY SHEET - A FIRST LOOK

- Spot: SPY's current price - the same number Lesson 1 did its maths with ($771.41 at 12:54pm CT, Oct 15, 2026).

- Call wall (772 that day): the strike above price with the heaviest call positioning - a ceiling price often respects, because that's where the bets are stacked.

- Put wall (770 that day): the mirror image below - the strike with the heaviest put positioning, a floor price often respects. Note how tight the corridor was that day: 770 to 772 around a 771.41 spot.

- Tipping line (780 that day) and expected move (–1.67): the level where dealer positioning flips character, and the size of move the options market itself is pricing in. Both get their full treatment in Stage 3 - for now, know where they live on the page.

RULE: Read the Sheet like a weather report: conditions first, opinions second. The four numbers describe where the bets are - what you do about them is a later stage's job.

15 - WHAT A BROKER ACTUALLY DOES

- The four jobs: execution (routing your order to an exchange or market maker), custody (holding your cash and securities), lending (margin, against your own holdings), and record-keeping (confirmations, statements, tax documents).

- How brokers get paid, in plain terms: options contract fees (Fidelity's published schedule charges $0 commission plus $0.65 per contract online - checked Oct 15, 2026); payment for order flow (the graphic's line 2); margin interest; interest earned on your uninvested cash beyond what it pays you; and lending shares held in margin accounts to short sellers.

- None of this is secret or illegal: fee schedules are published, and SEC Rule 606 requires every broker to publish quarterly reports of where its customers' orders were routed and what it was paid. Almost nobody reads them - which is why this course makes you (the task below).

- The incentive to hold in your head: a broker earns more when you trade more and borrow more. Your interest is usually the opposite. That is not villainy; it is a price list. Price lists are for reading, not for trusting.

RULE: Nobody at your broker is paid to make you profitable. Read its price list - the fee schedule and the Rule 606 report - before you read anything else the app shows you.

16 - CASH VS MARGIN - AND THE ONE-DAY SETTLE

- Cash account: spend settled cash only. You cannot short, you pay no interest, and a loss can

never exceed what you put in. Its one tripwire is trading on unsettled money - the good faith violation, taken apart in Lesson 5.

- Margin account: the broker lends against your holdings. Regulation T allows borrowing up to half the price of a stock purchase to open it (50% initial margin), and FINRA requires at least $2,000 of equity before margin borrowing works at all (Rule 4210).

- Settlement is T+1 for US stocks, ETFs and listed options (SEC Rule 15c6-1; the compliance date was May 28, 2024). Sell on Monday and the money is settled on Tuesday - weekends and holidays stretch the calendar wait, not the rule.

- IRAs: the IRS caps what you can contribute each year (the figure changes - check irs.gov for the current one). You cannot borrow against an IRA, and brokers limit IRA options to approved, usually defined-risk, strategies.

RULE: Start in a cash account. Margin is a loan product wearing a trading costume - and nobody needs a loan to learn: Stage 4's paper account makes margin unnecessary for everything this course practises.

17 - MARGIN, HONESTLY - BORROWED MONEY, REAL TEETH

- The mechanics: deposit cash, borrow up to the same again for stocks (Regulation T 50% initial margin). Your equity is the position's value minus the loan. The loan does not shrink when the price falls - your equity absorbs the entire fall.

- FINRA's maintenance floor for long stock positions is 25%: your equity must stay at least a quarter of the position's current value, and brokers may (and do) impose higher 'house' floors. Below the floor comes the margin call - and the standard margin agreement lets the broker liquidate immediately, choosing what to sell, without waiting for you to answer the call.

- Interest is a real, daily cost. One major broker's published margin rates, checked Oct 15, 2026 (Fidelity), ran from 7.50% to 11.825% per year depending on the size of the balance borrowed - charged on money you owe whether your trades win or lose.

- Why this course starts cash and paper: every Stage 0 statistic was compiled from ordinary accounts. Margin multiplies position size, speeds up every clock in the course, and adds a counterparty who can end your trades for you. Nothing in Stages 0-10 requires it.

RULE: Never size a position off buying power. Size off your Stage 0 dollar figure - the amount whose total loss changes nothing - and remember the loan is the only participant in your trade who gets paid in every outcome.

18 - MARKET VS LIMIT - TWO DOORS INTO THE MARKET

- The book: every market carries standing limit orders - bids stacked below, asks stacked above. A market order consumes the best of them instantly; a limit order joins the queue at your price and waits its turn.

- Context decides the toll: on SPY shares in regular hours the spread is usually a penny (State Street's 30-day median spread rounds to 0.00% of price - Stage 1), so a market order's toll there is small. On options the spreads are dimes, not pennies, and the same habit costs real money.

- The midpoint - (bid + ask) ÷2 - is where this course starts every limit order, walking a few cents toward the other side only if the trade still makes sense a little worse. Stage 5's chain

lesson turns that into a routine.

- When is a market order acceptable? At most, when all of these hold at once: regular hours, a penny-class spread, no news pending, shares rather than options - and even then, a limit order priced at the market does the same job with a seatbelt fitted.

RULE: Limit orders, from the midpoint, for everything - and no market orders on options, ever. The spread is a toll you can mostly refuse to pay; refusing it is the first free edge a beginner can own.

19 - STOPS, STOP-LIMITS, AND THE FINE PRINT

- Stop-market mechanics: trigger price trades -> market order fires. Its job is to get you out; in a gap or a crash its fill is the next available price - Lesson 4's Flash Crash filled stops at stub quotes. This course therefore sizes positions so a stop is a convenience, never a lifeline (Stage 4).

- Stop-limit mechanics: trigger -> limit order at your limit price. A calm slide fills near the stop; a gap jumps clean over the limit and leaves you unfilled. Decide in advance which failure you prefer, because you are choosing one: a bad fill, or no fill.

- Time in force: DAY expires at today's close (4:00pm ET). GTC - 'good till cancelled' - keeps working across days until it fills, you cancel it, or your broker's cap on GTC order length expires it (caps vary by broker; check yours). Never leave a GTC order sitting on an options position through earnings or big news.

- Good faith violation (cash accounts, Regulation T): buy with unsettled funds - say, this morning's sale proceeds, which settle T+1 - and sell that purchase before the original funds settle. Brokers must track these: three within 12 months restricts the account to buying with settled cash only, for 90 days. Worse is free riding - selling before ever paying for the purchase - which brings the 90-day restriction immediately.

RULE: A stop is a trigger, not a floor - no order type can sell at a price that never traded. Your real floor is position size (Stage 4); orders are just how the exit gets delivered.

20 - READING A QUOTE - AND WHAT THE ROUND TRIP COSTS

- Quotes also carry size: how many contracts stand at the bid and at the ask. If your order is bigger than the size shown at the best price, the remainder fills deeper into the book at worse prices - one more reason this course trades small and liquid.

- Slippage is the difference between the price you expected when you decided (the quote, or your midpoint plan) and the price on your fill. It is a real, measurable leak - Stage 4 onward, it goes in the journal for every trade, paper or real.

- Fees are the small, honest part: $0.65 per contract per side on Fidelity's published schedule (checked Oct 15, 2026) is $1.30 per contract per round trip; a $0-per-contract broker collects its share through order flow instead (Lesson 1). Either way, the spread is usually the bigger toll.

- Friction is expectancy drag: costs are certain, any edge is hypothetical. A trade that pays $16.30 of friction on a $2,060 premium spends 0.8% before it starts - survivable. The same habit on a cheap, wide contract can spend a sixth of the position. Friction is a Stage 4 sizing input, not a footnote.

RULE: Run the friction arithmetic before every trade: (spread + 2 x fee per side) ÷premium. If the toll is a large share of the premium, the contract is too illiquid to trade - no opinion about direction changes that.

21 - CANDLES: WHAT ONE BAR ACTUALLY RECORDS

- The four prints, on a real bar: SPY, Oct 9, 2026 - open 776.24, high 779.42, low 775.14, close 778.57. Body +2.33 (open to close), whole range 4.28. The wicks are what's left: 0.85 poked above the close, 1.10 dipped below the open. The graphic draws this candle life-size.

- A wide body means one side controlled the period's start-to-finish; a tiny body with long wicks means the period travelled and came back. Feb 13, 2026: open 681.69, close 681.75 - a body of +0.06 - inside an 8.76 range, on the heaviest volume in this stage (96.3M shares). Enormous effort, no winner: a draw, drawn as a candle.

- The opposite colour, same honesty: Oct 14, 2026 - open 774.92, close 769.60, a red body of -5.32 inside a 9.64 range. Then the gap: Oct 15 opened at 766.25, 3.35 below Oct 14's close. The empty space between the candles is the gap - prices nobody ever traded at, because the market was shut while the news moved.

- What a candle cannot say: whether the high came before the low, how long price stayed anywhere, how many shares changed hands getting there (that's volume, Lesson 5), and - the one that matters - what the next candle does. Candles are records, not forecasts.

RULE: Read a candle as a record, not a forecast: four prints, one period, no promises. Anyone who tells you a candle shape means price will do something next is selling certainty the bar doesn't contain.

22 - TIMEFRAMES: THE SAME MARKET, DIFFERENT STORIES

- The weekly view, real numbers: the week of Oct 5, 2026 is ONE candle - open 769.69, high 781.62, low 769.63, close 778.57. That single calm green bar hides the year's highest high (781.62, Oct 6), a stall at the top, and a week of fighting over the same ground Lesson 4 maps.

- The daily view of the same week shows five candles and the stall in detail; the 5-minute view of one of its days shows 78 candles. Each step down multiplies the detail by an order of magnitude - and multiplies the noise by at least as much, because most small candles are just the market breathing.

- Aggregation is arithmetic, not interpretation: a weekly candle's open is Monday's open, its close is Friday's close, its high and low are the week's extremes. The week of Oct 12 (still forming at this lesson's capture) read open 778.78, high 779.40, low 764.44, close 770.49 - the low is Oct 15's intraday washout, invisible in the weekly summary except as a wick.

- Rules of engagement: decide the timeframe from the decision, before looking. Context questions ('what kind of market is this?') belong on the weekly and daily. Today questions ('is this morning's move holding?') belong on the 5-minute. And a small-timeframe signal pointing against the larger trend is a coin-flip until the larger chart agrees - a convention, but one that keeps beginners out of the traffic.

RULE: Pick the timeframe from the decision, not from the answer you want. Weekly for context, daily for the plan, 5-minute for the day - and if you catch yourself switching zooms mid-decision, the decision was already made and the chart is just being bullied into agreeing.

23 - TREND: HIGHER HIGHS, HIGHER LOWS

- The definitions, kept mechanical: mark the swing highs (local peaks) and swing lows (local troughs). Highs rising + lows rising = uptrend. Highs falling + lows falling = downtrend. Anything else - highs rising while lows fall, both mixed - is a range or a mess, and 'no trend' is a complete and tradeable answer.

- The real staircase, spring 2026: SPY's swing high of 712.39 on Apr 17; pullback low 702.28 on Apr 23; higher high 715.63 on Apr 27; higher low 708.37 on Apr 29; then the climb extended - low 731.83 on May 12, high 749.53 on May 14, low 731.53 on May 19. Each pullback stopped above the last one. That is the whole pattern; everything else called 'trend analysis' is decoration on these two sequences.

- The range, just as real: Jun 1-Jul 31, 2026, SPY's price stayed inside 716.58-760.40 and the closes went from 758.54 to 747.03 - down 1.5% across two months of daily effort. Highs didn't keep rising; lows didn't keep falling. A trader demanding a trend verdict in July gets 'sideways' - and sideways is information: it means trend-following expectations should be shelved and range behaviour (Lesson 4's shelves) is running the market.

- Why this matters before options: an option's price decays daily (Stage 6's theta). A trend read tells you whether the underlying has been paying for direction at all - in the Jun-Jul corridor, a direction bet had to be right about timing inside a 44-point box while rent ran every day. Regime first, opinion second: that ordering is the spine of Lesson 6's routine.

RULE: Name the regime before you form any opinion: staircase up, staircase down, or corridor. And hold the name loosely - a trend is what price has been doing, written in pencil; the first lower high is the market starting to erase it.

24 - SUPPORT & RESISTANCE: MEMORY, NOT MAGIC

- Why levels work at all - three honest reasons, none of them magic: memory (everyone sees the same prior highs and lows), orders (limit orders, stops and option strikes cluster at round numbers and prior extremes, which is literally how the SPY Sheet's walls form in Stage 5-6 territory), and regret (buyers who missed the last bounce at a level queue up for the next one). All three are human behaviour, which is why levels are probabilities with good attendance records - not guarantees.

- The resistance shelf, counted honestly: price reached 779-782 on Aug 13 (high 779.37), then in October on the 6th (781.62 - the highest high of the trailing twelve months), 7th (779.10), 9th (779.42) and 12th (779.40), with the 8th (777.09) and 13th (778.75) stopping just short. Six October approaches in eight sessions. Closes above 779: one, ever, in the year - 779.09 on Oct 6, also the year's highest close. Sellers have defended this shelf every single time so far.

- The support shelf, with its failure printed in the same ink: lows of 766.03 (Sep 21), 766.50 (Sep 23) and 766.29 (Sep 25) - three holds. Then Sep 28-Oct 1 it broke: lows of 763.72, 762.35, 762.18 and 758.79, closes between 762.63 and 765.61. Price reclaimed the shelf on Oct 2 (close 769.64) and hasn't closed below 769.60 since; Oct 14's washout stopped at 766.71, and Oct 15 pierced to 764.44 intraday before recovering the same morning.

- Zones, not lines, and a basis chosen in advance: the shelf is 766-767, not 766.29 exactly - order clusters are fuzzy, so levels are bands. And decide before the test whether your level is judged on intraday prints or on closes. By intraday prints, the shelf 'failed' twice more (Oct 14 held, Oct 15 pierced); by closes, it has held since Oct 2. Both statements are true; switching basis mid-trade to suit your position is how levels become astrology.

RULE: Draw levels as zones at places price actually turned, count the tests out loud, and write the failure plan before the test comes. A level with no plan for its breaking is not analysis - it's a hope with a line under it.

25 - VOLUME: HOW MANY PEOPLE SHOWED UP

- Mechanics first: volume for a day or a candle is the number of shares that changed hands in that period, printed under the price panel on any chart. It is not 'buying volume' or 'selling volume' in aggregate - a trade needs both sides, so the count measures activity and disagreement, never net enthusiasm.

- The yardstick is the instrument's own recent past. SPY, nineteen completed sessions Sep 18-Oct 14, 2026: median ~42.7M shares a day. Call that normal. Oct 12 printed 18.7M - under half of normal, the lightest session of the nineteen. Sep 18 printed 65.4M - half again above normal, the heaviest. A volume figure quoted without its yardstick is a number looking for a meaning.

- The stall vs the selloff, two days apart: Oct 12 poked at the 779.40 high (Lesson 4's shelf) on those lightest-of-the-month 18.7M shares - a push with almost nobody behind it, and it went nowhere. Oct 14 fell to a 766.71 low on 55.4M shares - the heaviest October session to that date, ~2.96x Oct 12's crowd. Same market, same week: one move was a rumour, the other was a crowd. Which one you'd weight more heavily in a read is the lesson.

- Volume can also shout 'draw': Feb 13, 2026 - 96.3M shares, the heaviest day in this stage, range 8.76 - and a body of +0.06 (Lesson 1's candle). When the biggest crowd of the year produces no net movement, the information is exhaustion of both sides, or absorption by one patient side - either way, 'high volume means the move continues' would have read the loudest day of the year exactly wrong.

RULE: Never read a price move without asking how many showed up for it - and never call volume 'confirmation'. Volume sizes the crowd behind a move; it does not vote on the next one.

26 - THE DAILY LEVELS, READ TOGETHER

- The frozen snapshot (Oct 15, 2026, 1:54pm CT - the graphic prints it): spot 770.37; previous close 769.60; call wall 772 (the strike above price where call positioning piles up heaviest); put wall 770, which was also the day's max pain; tipping line (the pipeline's flip) 751; expected move –1.27 - the band 769.10-771.64 priced for the rest of the day; net GEX -0.11. Stage 1 defined each number; this lesson is about what they did all day.

- Read the geometry before the day: spot sat between the walls, 1.63 below the call wall and 0.37 above the put wall - a narrow channel with the floor closer than the ceiling. The tipping line at 751 sat far below everything: the day's fight was about the walls, not the flip. The expected band (769.10-771.64) framed where the options market expected the rest of the day to stay - a pricing, re-priced all day, not a promise (the morning had already visited 764.44 before this snapshot existed).

- What the day actually did with the map: gapped down to 766.25, washed through the put wall to 764.44 by 8:55am CT (walls get violated - Lesson 4, now with options-market levels), recovered to close a 5-minute bar back above 770 at 10:00am CT, and ran to 771.91 at 12:40pm - stopping nine cents under the 772 call wall, then holding beneath it into the snapshot. One day, both walls tested from both sides, and every outcome the honest version of this lesson allows: respected, violated, and respected again.

- Position inside the map is a fact, not an order: at 1:54pm spot sat above the tipping line, between the walls - a statement about positioning, in the present tense. At 12:54pm the geometry was the reverse (spot 771.41, tipping line 780 - price under the flip). Nothing 'flipped' in the market's soul; positioning moved and the geometry moved with it. Treat that geometry as the map's compass needle - useful, live, and absolutely not the destination.

RULE: Read the Sheet like a harbour chart: regime first, levels second, opinion last - fresh every morning, judged on closes, and never mistaken for a promise. The map's job is to tell you where the day will be fought, not who wins it.

27 - EXPECTANCY: WHY WIN RATE ALONE LIES

- Trader A, worked in full: wins 60% of trades, average win $100, average loss $180. Expectancy = 0.60 x $100 - 0.40 x $180 = $60 - $72 = -$12 per trade. Over 100 trades that is about -$1,200 - from a trader who wins most of the time. 'Wins most trades' and 'loses money' are the same sentence here, with no contradiction.

- Trader B, worked in full: wins 40%, average win $300, average loss $100. Expectancy = 0.40 x $300 - 0.60 x $100 = $120 - $60 = +$60 per trade - about +$6,000 over 100 trades, while losing six of every ten. The payoff column, not the win column, did the work. Neither trader is exotic; the difference between them is arithmetic, not talent.

- The breakeven win rate falls out of the payoff: needed win rate = average loss ÷(average win + average loss). Win and lose the same ($100/$100) and you must win 50% just to stand still. Win twice your loss ($200/$100) and 33.3% is enough. Win half your loss ($100/$200) and you need 66.7% - a standard most 'high win-rate' selling quietly fails.

- Costs sit inside the formula, not after it. Stage 2 priced a real round trip on the Oct 9 chain (773 call, bid 20.53 / ask 20.68): worst case ~ $16.30 a contract; filled at the midpoint both ways, ~ $1.30 in contract fees. A method with +$10 of gross expectancy per trade is a losing method filled at the spread and a winning one filled at the mid. Execution is not separate from the edge - it is part of it.

RULE: Never quote a win rate without its payoff, and never quote either without the costs. Expectancy - net, per trade, in dollars - is the only score this course keeps.

28 - POSITION SIZING: SIZE FROM THE RISK

- The budget comes from the account, never from the trade. Course default for paper work: 0.5-1% of the account per trade. On $10,000 that is $50-$100; on $25,000, $125-$250. The budget is chosen in a calm moment, in advance, and it does not grow because a setup 'looks perfect' - Lesson 3 shows what ten straight losses do at each setting of this dial, and boring is the point.

- Risk per share = entry price - invalidation price, where invalidation is the level that proves the idea wrong - Stage 3's shelves and trend breaks are where it lives. No invalidation means no denominator, no division, no trade. Lesson 4 turns this into paperwork; here it is arithmetic: if you cannot point at the price that proves you wrong, you are not sizing a trade, you are buying a hope of a particular weight.

- Rounding is always down, and the remainder is not spendable. $100 ÷$12 = 8.33 shares is 8 shares (planned risk $96, not $99.96). The 'just this once' round-up is how budgets become suggestions - and it always happens on the trade that 'can't lose', which is the one position

sizing exists for.

- Two dials that are not the same dial: risk-per-trade (this lesson's 0.5-1% - the slice of the account one trade may cost you) versus a position's maximum loss as a share of the account (some published house rules for defined-risk spreads run 1-3%). Conflating them is a real beginner error with real bills attached: sizing a spread by its max-loss percentage while believing you followed the per-trade rule can quietly triple your risk. This course's exercises use the 0.5-1% default; the other dial gets its own treatment in Stage 7.

RULE: Budget first, division second, order last - and the size is whatever the division says, rounded down, including when it says zero.

29 - DRAWDOWN & THE LOSING STREAK

- The recovery table - pure arithmetic, worth pinning next to the screen: down 10% needs +11.1% to recover; down 20% needs +25.0%; down 25% needs +33.3%; down 30% needs +42.9%; down 50% needs +100%. Nothing in the table is an opinion. Every sizing decision in this course is made in sight of it, because a trader who has to earn +100% to get home does not, in any practical sense, get home.

- The streak table - what ten straight full-risk losses cost, by the setting of Lesson 2's dial: at 0.5% risk per trade, -4.9% of the account; at 1%, -9.6%; at 2%, -18.3%; at 5%, -40.1%; at 10%, -65.1%. Losses compound geometrically (0.99^10, not 10 x 1%), which is a mercy at small sizes and an executioner at large ones. The same streak, five different fates - chosen in advance by the size dial alone.

- Why the streak is an appointment, not an accident - exact probability arithmetic on the win rate alone: the chance that one specified block of ten trades is all losses is small (about 0.1% at a 50% win rate, 0.6% at 40%). But 200 trades contain 191 overlapping windows of ten, and the chance that at least one of them runs all-loss is about 9% for the coin-flip trader, about 20% at a 45% win rate, and about 38% at 40%. Your intuition prices the single window; your career contains all of them.

- Why this course refuses verdicts before roughly 200 trades - the sample-size arithmetic (standard error of a proportion, first-year statistics): a win rate measured over 20 trades comes with about –22 percentage points of pure luck either way; over 200 trades, about –7 points; over 400, about –5. At 20 trades you cannot distinguish a good method from a lucky one or a bad one from an unlucky one. Judging there isn't rigour - it is tea-leaf reading with arithmetic on it.

RULE: Set size so that the worst ordinary thing - ten straight losses, a -19% market slide - is a bad month you can describe calmly, never a hole you have to climb out of. If the streak would end you, the size is wrong, whatever the win rate is.

30 - THE WRITTEN PLAN: FIVE LINES BEFORE ENTRY

- Each line has a job. Setup: the reason, citing Stage 3 evidence - regime, levels, volume - not a feeling about the day. Entry: a price and a limit order (Stage 2: beginners default to limit), with its time-in-force. Exits: three of them - the profit target, the max-loss exit, and the time exit, because trades can fail by going nowhere as well as by going wrong. Size: Lesson 2's division, shown in the plan, not asserted. Invalidation: the observable fact that proves the idea wrong - distinct from the max-loss exit, which is the action you take when you see it.

- The plan is written for a specific reader: you, mid-trade, down money, at speed. It must be readable in ten seconds and leave nothing to improvise - no 'watch it', no 'decide later', no blanks where the hard part goes. If a line can't be written, the trade isn't ready; that is the plan doing its first job before any money moves.

- Plans can change exactly one way: the change and its reason are written in the journal BEFORE the action, and Lesson 6 grades it as a change. Silent edits - the target that quietly moves, the invalidation that quietly softens - are how a plan becomes a diary of excuses while still looking like discipline from the inside.

- 'No plan' is also a plan: the market's. Entry by impulse, size by leftover cash, exit by pain threshold - every account in Stage 0's evidence was built from unplanned trades, each one individually explainable on the day it happened. The five lines are not bureaucracy. They are the whole border between this course and the statistics it opened with.

RULE: Setup, entry, exits, size, invalidation - written before entry, or there is no trade. The plan is not a prediction; it is a pre-commitment, and its value is precisely that it cannot be renegotiated by the person holding the position.

31 - PAPER TRADING: THE RULES OF ENGAGEMENT

- Where to run it: your broker's simulator if it offers one, or TradingView's built-in Paper Trading - free, and on the same charts Stage 3 taught you to read. The platform genuinely does not matter; the rules are the course. Stage 4's paper trades are SPY shares - the mechanics Stage 2 taught (limits, stops, fills, settlement) at share scale. Options join the paper account in Stages 5-7's assignments, once contracts exist to practise on.

- Friction must be simulated because the simulator will not do it for you: log every entry at the ask and every exit at the bid, read from the real quote at that moment (Stage 2's spread), because most simulators cheerfully fill at the last price or the mid. If the simulator filled you better than the quote allowed, your log corrects it - the journal, not the simulator, is the record this course grades. A paper P&L that never paid the toll is a fairy tale with charts.

- The reset rule protects the only irreplaceable thing paper trading produces: evidence. A blown paper account is the most valuable data of the stage - which rule broke, at which trade, costing what, in whose handwriting. Before any reset, that post-mortem gets written and filed. Reset first and you have deleted the evidence and kept the habit, which is the precise opposite of training.

- Know when the simulator has taught what it can: when the mechanics are boring - orders placed correctly without thinking, sizes coming out of the division by reflex, the journal written the same day without being chased - and Lesson 6's process grade holds across a real sample. What remains untaught at that point is the honest trio on the graphic: real fills, real friction, and the feeling of real loss. Stage 10 is the bridge built for those three, at the smallest size that can teach them.

RULE: Paper trading under course rules is training; paper trading without them is a video game with a brokerage skin. Same account size as real life, same plan, same size, same journal - or it doesn't count.

32 - THE JOURNAL STARTS NOW

- The fields, and why each one earns its place: date and time (the regime context - Stage 3's

read, in one line); the instrument; the plan reference (was there one? which?); the size math - budget ÷risk per unit = size, shown, because unshown math can't be graded; entry and exit prices with the friction the log charged (Lesson 5); the result in dollars and in R; screenshots before and after; and one line of lesson, written while it still stings or sings.

- R is the journal's unit of honesty: the result divided by the planned risk. Lesson 4's trade made +$121 at target (+1.2R) and lost $143 in its gap variant (-1.4R). In R, that $99-risk share trade and a future $250-risk options structure become directly comparable - +1.2R means the same thing on both. In dollars they never can, which is why journals that record only dollars can't tell their owner whether the process is improving.

- The process grade, mechanically: three yes/no questions. Was the plan written before entry? Was the size the division's answer? Was the exit the written rule's exit? Three yeses: process A - a good trade, whatever the P&L says. Any no names the leak in plain words, and the tally of noes is the most valuable column in the book: the weekly review (Stage 9's method, started early) exists to find the most expensive recurring one and make it next week's single goal.

- The review rhythm starts small and starts now: after every ten logged trades, tally the grades, count the noes by type, and compute running expectancy from the journal's own numbers - Lesson 1's formula, your data at last. Pin Lesson 3's warning above the computation: at ten trades it is weather, not climate. The tally of process grades, though, is meaningful from the very first page - process doesn't need 200 trades to be visible.

RULE: If it filled, it's logged - the same day, win, loss, or breach. The grade grades the process; the market grades itself. A journal that only records the trades you're proud of is marketing, and you are not your own audience.

33 - WHAT AN OPTION ACTUALLY IS

- The contract's five fields, read off the real row (the graphic dissects it): UNDERLYING - SPY, the asset whose price the contract's value derives from. TYPE - call (a right to buy) or put (a right to sell); Lessons 2 and 3 take one each. STRIKE - 773, the price written into the contract; it cannot change. EXPIRY - Nov 30, 2026, the deadline after which the contract ceases to exist; this row had 52 days to run (52 DTE) when the chain was captured. MULTIPLIER - 100 shares: one contract is always a hundred-share sentence, which is why the quote of 20.53/20.68 means $2,053/$2,068 of real money.

- Standardisation is the whole trick. Because the terms are set by rulebook rather than negotiated, any trader's 773 call is identical to every other trader's - fungible, listed, and tradable in a tap. The clearing guarantee sits underneath: the OCC becomes the buyer to every seller and the seller to every buyer (through its clearing members and their collateral), and an option holder looks to that system for performance - not to whichever stranger happened to sell the contract. One honest footnote: after events like splits or special distributions, the OCC can publish ADJUSTED terms for a contract - a changed deliverable or multiplier. On SPY that is a practical non-issue; on anything unusual, read the contract's details before its price.

- Right against obligation - the four exposures, mechanics only. LONG CALL: the right to buy 100 shares at the strike. SHORT CALL: the obligation to sell 100 shares at the strike if the buyer exercises. LONG PUT: the right to sell 100 shares at the strike. SHORT PUT: the obligation to buy 100 shares at the strike if exercised. Two seats hold rights; two carry obligations; the premium is the payment that moves from the right-holders to the obligation-carriers at the

moment of the trade. Which of these seats this course ever sits in is Stage 7's business - long seats, and short seats fenced inside defined-risk spreads. The naked short seats are the ones whose worst case has no printed limit, and this stage will show you their arithmetic before anyone romanticises their premiums.

- What the buyer does NOT get is as much of the definition as what they do. No shares: a call is not a discounted stock position. No dividends: SPY pays its holders quarterly (Stage 1) - a contract holder is not a holder, and receives nothing. No vote, no claim on the fund, and no existence past the deadline: a share is forever, a contract is a wasting right with a date printed on it. Hold those negatives clearly, because most beginner losses in options are category errors - treating a contract like a share that happens to be cheap.

RULE: Read every option as a sentence - underlying, right or obligation, strike, deadline - and multiply every price by 100 before you let yourself feel anything about it.

34 - CALLS: THE RIGHT TO BUY

- The payoff rule, from which the whole lesson is arithmetic: at expiration, a call is worth max(SPY - strike, 0) per share. Above the strike it pays the difference; at or below it, it pays nothing - nobody exercises a right to buy at 773 what the market sells for less. The buyer's result is that value minus the premium paid; the seller's is the premium collected minus that value. Every figure in the worked example, and every cell of the graphic, is this one line evaluated at a finishing price.

- Breakeven is the line the trade is actually about: strike + premium = 793.68. Between the strike and the breakeven sits the dead zone - prices where the contract pays real money back and the trade still loses. SPY finishing at 785, up nearly seven points from where it sat when the chain was captured, returns 12.00 against 20.68 paid: -$868. Being right about direction is necessary; it is nowhere near sufficient. The move must clear the premium, in full, by the deadline - Stage 6 ends with a lesson that makes drawing this line on the chart a non-negotiable habit.

- Both sides' prices live in the same row, and the difference is Stage 2's friction made visible: the buyer is logged at the ask (20.68) because that is the conservative fill - the course never flatters a trade by assuming the midpoint. The seller collects the bid (20.53): the 15 cents between them is the spread, paid by whoever crosses it. So the two seats even break even at different prices - 793.68 against 793.53 - and in the sliver between them, both sides lose. That is not a paradox; it is the market maker's wage, itemised.

- One boundary on everything in this lesson: the table is exact only AT expiration. Before the deadline, the contract also carries extrinsic value - the price of its remaining time and possibility (Lesson 5 splits the premium open) - so a live quote mid-life sits above this lesson's payoff line, and a trade can be closed for more (or less) than the table suggests. The course's structures are normally closed before expiry (Stages 7-8), which means they are settled by the live price, not this table. But every path ends at this table if held - it is the contract's final form, and the only honest place to plan from.

RULE: Strike plus premium is the line - judge every call by where SPY must FINISH, not by where it might visit.

35 - PUTS: THE RIGHT TO SELL

- The payoff rule, mirrored: at expiration, a put is worth max(strike - SPY, 0) per share. Below the strike it pays the difference; at or above it, nothing - nobody exercises a right to sell at 773 what the market buys for more. The buyer's result is that value minus the premium; the seller's is the premium minus that value. Note where this lesson's contract starts: with SPY at 778.12, the 773 put is out-of-the-money - it needs a fall of 5.12 points before it holds a cent of expiry value, and a fall past 757.50 before its buyer profits. The same strike that was in-the-money for the call is out for the put; Lesson 5 makes a language of that.

- The protection seat, in arithmetic. Own 100 shares of SPY (worth $77,812 at the snapshot) and buy the 773 put at the example premium: for $1,550 - about 2.0% of the position - the shares carry a floor at 773 until Nov 30. Finish at 700 and the position is worth $70,000 in shares plus $7,300 from the put: the floor held, minus the premium. That is a real and honourable use of this contract - and the fx panel below prices what doing it permanently would cost, because insurance renewed forever is a strategy with a drag, not a free shield.

- The seller's bill, tabulated (they collected the 15.35 bid -> $1,535; breakeven 757.65): finish at or above 773 and they keep everything. At 760 the put pays 13.00 and they still keep 2.35 - +$235; the dead zone shelters them too. At 750: -$765. At 700: -$5,765. At zero - SPY cannot fall further, which is the only reason this seat has a maximum at all: -$75,765 per contract. Compare the short call's open slope (Lesson 2): the short put's loss is capped by the underlying's floor at zero, and the cap is still the largest number in this stage. 'Defined' is not the same as 'small' - which is why Stage 7's first credit spread sells a put only with a bought put beneath it, printing a maximum loss a budget can read.

- The same boundary as the call lesson, because it is the same contract machinery: this table is exact only at the deadline. Before expiry the put carries extrinsic value too - and puts carry a particular extra: falls usually arrive with fear, and fear inflates premiums (Stage 6's IV lesson prices it), so a mid-fall put can show a profit the expiry table would not promise, which can evaporate if the fall stalls. Plan from the table; don't be surprised by the journey's prices. What happens mechanically when a put is exercised - the seller buying 100 shares at the strike - is Lesson 6's subject, and its full morning-after procedure is Stage 8's.

RULE: Strike minus premium is the put's line - a fall that doesn't reach it by the deadline is a loss wearing a good story.

36 - YOUR ROBINHOOD CHAIN, DECODED

- The expiry pill is your DTE - it decides how fast theta bleeds you.

- Scan the delta column first: hunt 0.50-0.65, skip the rest without a reason.

- Bid/ask: never market-order. Walk a limit from the midpoint.

RULE: Scan delta first, check theta and IV, then walk the midpoint.

37 - MONEYNESS: WHAT A PREMIUM IS MADE OF

- The labels, defined by the holder's exercise position. For a CALL: strike below the price = in-the-money (exercising buys below market); strike above = out-of-the-money (exercising would overpay - nobody would); the strike nearest the price = at-the-money. For a PUT every label flips: strike above the price is in-the-money (exercising sells above market), strike below is out. 'The money' always describes the contract's relationship to the price, never the trader's result - the 773 call is in-the-money at purchase and, at an unchanged expiry, its buyer still

loses (Lessons 2's table). Moneyness is geography, not profit.

- The split, computed on four real rows (the graphic draws them; premiums at the mid of each real quote, SPY 778.12): 773C - intrinsic 778.12 - 773 = 5.12, extrinsic 20.60 - 5.12 = 15.48. 775C - intrinsic 3.12, extrinsic 19.25 - 3.12 = 16.13. 780C - intrinsic 0 (the strike sits above SPY), extrinsic all 16.06. 785C - intrinsic 0, extrinsic all 13.14. Read the pattern, because it surprises everyone once: the extrinsic does not shrink as the strike rises away from the price in a straight line - it peaks at the strikes NEAREST the price (16.13 and 16.06 here) and thins as you walk away in either direction. Near the money is where the outcome is most undecided; undecided is what extrinsic prices.

- What extrinsic is, and its one absolute law. It is the market's price for the contract's remaining life: 52 days here, and the move SPY might make inside them. It is not a fee and not a markup - it is the part of the premium a buyer pays for possibility and a seller is paid for carrying the obligation through that possibility. The law: at expiration it is exactly zero, always, on every contract ever written. Which produces the stage's most useful sentence: whatever you paid above intrinsic value is rent on time - and rent is never refunded. Stage 6 takes the extrinsic apart properly (theta collects it daily; IV inflates and deflates it); Stage 5 asks only that the split become reflexive before any premium is judged.

- The deep and the far ends of the ladder behave like different instruments, and the split tells you which you are holding. A deep in-the-money contract is mostly intrinsic - it moves nearly dollar-for-dollar with SPY (Stage 6's delta says how nearly) and its rent is a small fraction of its price. A far out-of-the-money contract is pure extrinsic - a priced hope with a deadline, no banked value at all, and a payoff that needs a journey, not a nudge. Beginners shop the ladder by the tag and gravitate to the pure-hope end because it looks cheap. The split is the antidote: 13.14 of pure time is not cheaper than 20.60 that is a quarter banked - it is a different bet wearing a smaller number.

RULE: Never compare two premiums until you've split them - intrinsic is banked value, extrinsic is rented time, and only one of them survives the deadline.

38 - EXPIRY: EXERCISE, ASSIGNMENT, AND THE PIN

- The three endings, and who decides each. SOLD: you close the position any day the market is open - the ordinary ending, and the only one fully in your control. EXERCISED: you instruct your broker on any day up to expiry (American-style), or the system does it for you at the deadline under exercise-by-exception. EXPIRED: the default for anything out-of-the-money - the contract simply ceases to exist, and an unexercised in-the-money contract left without instructions is handled by the same exception rule, not by your intentions. Add the broker's hand: brokers set their own exercise-instruction cutoffs ahead of the OCC's processing, and a broker may close an expiring in-the-money position itself if your account plainly couldn't settle the shares - policies differ by broker, and expiry afternoon is the wrong time to learn yours.

- Exercise-by-exception, precisely (OCC Rule 805). After the close on expiration day, every contract of a series that finished $0.01 or more in-the-money - measured against the underlying's closing price - is deemed exercised, automatically, no phone call, no tap in the app. The escape hatches run both ways and both are called contrary instructions (Rule 805(b)): a holder may decline an automatic exercise, or exercise a contract that finished out-of-the-money - filed through the broker, ahead of the broker's cutoff, which sits ahead of the OCC's deadline. A one-cent threshold is not a rounding error; it is a cliff edge with a settlement on

one side, and Lesson 5's split tells you why the system is built this way: at expiry only intrinsic value remains, and a cent of it is still money that belongs to the holder.

- The settlement is real, in shares and in dollars. SPY options are physically settled: exercise the 773 call and you BUY 100 shares of SPY at $773 - $77,300, settling the next business day under Stage 2's T+1. Get assigned on a short call and you must DELIVER 100 shares at 773. Get assigned on a short put and you must BUY 100 shares at the strike. There is no cash-equivalent shrug available - the shares move, the bill lands, and an account that cannot fund it meets its broker's risk desk on the broker's terms. Stage 8 teaches the morning-after procedure in full; Stage 5's point is smaller and colder: the deadline is a settlement event with a date and a dollar figure, and it executes whether or not it was in your plan.

- Pin risk - the knife-edge, priced on this stage's own contract. It is expiry day and SPY closes at 773.01: the long 773 call is one cent in-the-money, auto-exercise fires, and the holder wakes to 100 shares and a $77,300 settlement. SPY instead closes at 772.99: no exercise, no shares, no bill - the contract is simply gone. One cent of closing price separates 'owner of 100 shares' from 'nothing happened' - and because after-hours news can move SPY after the close print, a holder near the strike cannot even be certain which side of the cent they landed on until the notices settle. Sellers sit on the same edge, unsure whether the shares are leaving. The professional answer is not vigilance; it is absence. This course closes its positions before expiry day (Stage 7's exits, Stage 8's expiry week) precisely so that no trade it teaches ever sits on that cent.

RULE: The deadline is a settlement, not a suggestion: know your contract's expiry-day mechanics cold - and be out before the day they can bill you.

39 - DELTA - YOUR SPEEDOMETER

- 0.60 delta ~ 60 cents per $1 SPY move - and ~ 60% odds of expiring in-the-money.

- 50-65 is the sweet spot: real punch, real odds, sane price.

- Below 0.50 you're buying hope. Above 0.70 you're overpaying for leverage.

RULE: If delta isn't 50-65, I need a written reason why.

40 - THETA & DTE - TIME IS BLEEDING

- Theta is rent: every calendar day you hold, you pay it - weekends too.

- Far from expiration the rent is cheap. Inside ~30-45 DTE it spikes.

- Day trades: short DTE is fine. Swing holds: use 45+ DTE so theta doesn't eat the trade.

RULE: Match the expiration to the plan - day trade, swing, or thesis.

41 - IV - THE PRICE TAG

- Before a big event IV inflates - options get expensive. After, it collapses in minutes.

- The stock can go UP and your call can still LOSE: the crush outruns the move.

- Check IV against its own recent range before you buy. Cheap IV = wind at your back.

RULE: Never buy the week of a big event without checking IV first.

42 - GAMMA - DELTA'S ENGINE

- Gamma 0.0099: every $1 SPY move shifts your delta by ~0.01.

- Gamma is biggest at-the-money and explodes near expiration.

- Long options = long gamma (good when price moves). You pay for it with theta.

RULE: Near expiry, delta can flip fast - size accordingly.

43 - BREAKEVEN - THE LINE THAT MATTERS

- Breakeven = strike + premium paid. Your 773C needs SPY past 791.38, not 773.

- Draw the breakeven line on your TradingView chart the day you buy.

- If price can't plausibly reach it in time, the trade is wrong - pass.

RULE: No breakeven line on the chart, no trade.

44 - LONG CALL, LONG PUT - HONESTLY

- The premium IS the position size. 20.68 x 100 = $2,068 - 20.7% of the course's $10,000 example account, riding on one idea with one deadline. 'One contract' is not a size; it is a count. The size is $2,068, and it is judged against the budget exactly like Stage 4 judged shares: the division does not soften because the instrument got more exciting.

- Read the real row like an inspector (Stage 5's chain, Oct 9, 2026, Nov 30 expiry): delta 0.61 - inside the hunt zone, pass. IV 13.1% - the chain graphic itself calls 13% calm, pass. Clock 52 DTE - matches a swing plan, pass. Rent -0.19 a day - -$19 a day per contract, affordable only if the plan's horizon is short or the move is near. Size - $2,068 against a $100 budget, fail. Three passes and a pass on the clock do not average out the fail: conditions are a checklist, not a GPA.

- Breakeven is the trade: 793.68 against a spot of 778.12 means SPY must gain +15.56 points (+2.0%) by Nov 30 for the first dollar of expiry profit. And delta's rough-odds reading (Stage 6: 0.61 ~ a 61% chance of expiring in-the-money) is NOT a 61% chance of profit: an expiry at 780 is in-the-money - and loses $1,368. In-the-money is a location. Profit starts at the breakeven, 20.68 points above the strike, and the distance between those two lines is where most long-premium money dies.

- Why most long-premium trades lose (Stage 6's warning, now with a face): the trade needs a move of a specific size, arriving by a specific date, that wasn't already priced into the premium - while paying daily rent for the wait. Each condition alone is survivable; their product is the base rate. This is not an argument to never buy a single. It is the price of admission: a plan that names all three, and a size that survives being wrong about any of them.

RULE: A single is a ticket with the odds printed on it: premium inside the budget, breakeven drawn, rent affordable, plan written - all four, or it isn't a trade, it's a donation with a delta.

45 - ANATOMY OF A VERTICAL: TWO LEGS, ONE IDEA

- Same type, same expiry, two strikes - those are the rules that make it a vertical. Both legs calls (a call vertical) or both puts (a put vertical); the expiry is shared, so both legs live and die on the same date. One idea, expressed twice: the long leg says where you think price is going; the short leg says how much of that move you're willing to pay for.

- Debit or credit is just which side of the money the long leg sits on. Buy the nearer call and sell the further one (this lesson) and you pay a net debit - a debit vertical. Sell the nearer

put and buy the further one (Lesson 4) and you receive a net credit - a credit vertical. Same skeleton, opposite cash direction; both are defined-risk, and both get their three numbers from the same arithmetic: the width and the net premium.

- The three numbers, always, in this order: max loss first (what leaves your account in the worst case), max gain (the cap you accepted), breakeven (the line the trade is judged against). For a debit vertical: max loss = the debit; max gain = width - debit; breakeven = long strike + debit for calls, - debit for puts. Lesson 3 runs them on real money; they are stated here so no spread is ever described in this course without them.

- The net Greeks are differences, and the differences are the point. This structure's delta at entry ~ 0.54 - 0.48 = 0.06 - about $6 per $1 SPY move per spread, against $54 for the single 780 call (Stage 6's arithmetic). It is a smaller, slower trade on purpose: less thrill per point, a fraction of the rent, and a worst case a budget can actually hold. Anyone selling you a vertical as 'the same trade, cheaper' is omitting the cap and the slower delta - the two things you paid with.

RULE: Two legs, one idea, three numbers - max loss, max gain, breakeven - or it isn't a vertical yet; it's two opinions in a trench coat.

46 - DEBIT VERTICALS: PAY FOR THE MOVE, CAP THE BILL

- The three numbers are one arithmetic, run in the course's order - loss first: max loss = the debit, $296. Max gain = width - debit = 5.00 - 2.96 = 2.04, $204. Breakeven = long strike + debit = 782.96. Every debit vertical you ever meet reduces to those three subtractions; a broker screen that shows you the gain first is marketing, and this course reads the red number first on principle (Stage 4's habit, applied to structures).

- Required win rate: 59.2%. Stage 4's instrument - breakeven win rate = max loss ÷(max loss + max gain) = 296 ÷500 - says this structure must be right roughly three times in five, at full payoff, merely to stand still. Partial payoffs (an expiry at 783.50, worth $154) soften real results, but the hurdle frames the honest question: is your read on SPY, at these strikes, on this clock, right three times in five? If the answer is a shrug, the ticket is overpriced at any debit.

- Why the rent nearly vanishes - and why that cuts both ways: the long leg's theta is -0.19 and the short leg's is +0.18, because theta is charged by proximity to the money, and both legs live in the same neighbourhood. The same neighbourhood logic shrinks vega (an IV move reprices both legs together) and delta (0.06 net at entry). A debit vertical is a low-drama instrument: it will not save you with a thrilling hedge dynamic mid-trade, and it will not ambush you with one either. What moves it is SPY's price versus the band, and time spent inside or outside it.

- The cap is a real cost with a date on it. This structure was chosen while SPY sat at 778.12 with resistance mapped at 779-782 (Stage 3): if your actual view is 'a squeeze through resistance toward 790', the 780/785 vertical is the wrong instrument - it sells precisely the part of the move you believe in. Lesson 5's strike selection exists to prevent that mismatch: the strikes are chosen from the view and the levels first, and the structure is built to fit them - never the other way round.

RULE: Pay for the move, cap the bill - and say the required win rate out loud before you pay. If 59.2% sounds high for your read, the trade is telling you something.

47 - CREDIT VERTICALS: MAX LOSS FIRST

- Why the win rate feels high - honestly: the short strike is placed where SPY is not. The 765 put is sold with SPY at 778.12, below the 766-767 support shelf Stage 3 mapped, so the trade profits if SPY rises, drifts, or falls gently - most ordinary paths pay it something. That is a real structural fact, and it is fully compatible with a negative expectancy: the market prices this. A structure that wins on most paths and still needs 79.2% to break even is the market's way of saying the losing path, when it comes, is not rare enough to save you. High win rate is a property of the shape, not evidence of an edge.

- The 90%-mirage, at strategy scale: Stage 0 named the trap - a claim that feels like safety because the wins are frequent. Here it is wearing a defined-risk costume. Run the streaks the way Stage 4 taught: wins of +$104 and losses of -$396 mean four wins buy back one loss, with $20 to spare - before costs. A trader winning 'almost always' can be compounding a coin-flip expectancy and discovering it in month three, in one week, all at once. The journal's job (Stage 4) is to record expectancy, not win rate: R per trade, averaged, after the toll.

- Theta finally pays you - with the same invoice, reversed: as the short leg's premium decays, the spread's value falls toward zero and the gain accrues to you. But time is not free money; it is the price the buyer pays you for carrying the tail. Every quiet day the trade earns a few dollars of decay is a day you were short a contract that a $13 SPY drop would have put at max loss. The course does not let the word 'theta income' appear without its shadow: you are paid because you are exposed, and the pay rate was set by a market that knows the exposure better than you do.

- The short leg is a real obligation, with two mechanics beginners must meet before money: assignment - the 765 put's buyer can exercise, and you would buy 100 SPY at 765 ($76,500 of stock) - and its early form, driven on calls by SPY's quarterly distribution: a short in-the-money call heading into an ex-date (most recently declared: $1.8888 a share, ex-date Sep 18, 2026, per State Street) can be assigned the night before, leaving the seller short 100 shares and owing that distribution. The long leg is the floor in both cases - if the position is acted on promptly rather than admired over a weekend. Lesson 7 prices the expiry version of this (pin risk) to the cent.

RULE: A credit spread is a loss looking for its date, carrying a small win as its cover - price the $396 first, respect the 79.2% hurdle, and never call the credit income.

48 - CHOOSING STRIKES & EXPIRY: THREE FILTERS

- Filter 1 in action, on the course's own map (Oct 15, 2026 close 770.49; Stage 3): support shelf 766-767, resistance zone 779-782, the 773 area in between. This is why Lesson 4's credit spread sold the 765 put - just under the shelf, so the market must break a mapped level, not merely drift, to hurt it - and why a bullish debit structure aims its short leg at or through the 779-782 ceiling rather than parking it at 800 'for room': the cap should sit where the view's job gets hard, because that is where the premium for selling it is honest.

- Filter 2 is a checklist read off real rows, not a vibe: long-leg delta 0.50-0.65 (Stage 6's hunt zone - the 773C at 0.61 and the 780C at 0.54 both pass; the 785C at 0.48 does not get to be a long leg here); on credit structures, the short strike at roughly 0.30 delta or less - a course convention, stated as one, meaning the market's own rough odds (Stage 6) price expiry beyond it at under ~30%; net theta read and affordable either way; IV compared with its range (13% on this chain is calm - Stage 6); and every leg's bid/ask measured: this chain's are $0.04-$0.15 wide, crossable twice without donating the edge (Stage 5's rule).

- Filter 3 ends arguments: the division runs on the structure's max loss at the entry method you will actually use, and on the SUM of worst cases across all open structures (Lesson 4's correlation warning). The $10,000 course account's $100 budget passes the 773/775 ($148)? No - $148 > $100: it passes nothing in Stage 7 so far except smaller or nearer structures, and the correct output of the filter on a small account is often 'not yet, on paper yes'. A filter that never says no is a decoration.

- Two structures, one map - the comparison this lesson exists for: STAYS-UP (mild view: SPY holds above the shelf and leans up): buy the 773 call at 20.68, sell the 775 call at 19.20 - debit 1.48, max loss $148, max gain $52, breakeven 774.48 - below the 778.12 spot, so the trade profits at expiry even if SPY merely stands still; its breakeven win rate is 74.0% (148 ÷200), the debit family wearing credit-family geometry. GOES-UP (stronger view): Lesson 3's 780/785 - $296 at risk, $204 on the table, breakeven 782.96, hurdle 59.2%. Neither is 'safer' in the abstract: the first risks less to make less with a lower bar; the second risks more with a higher bar and more headroom. The view picks. The filters judge. The budget vetoes.

RULE: Levels choose the neighbourhood, Greeks check the mechanics, brakes check the account - in that order, every time. A strike that skips a filter is a guess wearing a structure.

49 - BUILDING THE TRADE: PLAN, TICKET, FILL, JOURNAL

- The five lines, specialised for a spread (this is the card Stage 7's gate asks you to produce): SETUP names the map ('SPY holding above the 766-767 shelf, resistance 779-782, Oct 15 close 770.49'). ENTRY names the structure and its ceiling ('buy 773C / sell 775C, Nov 30 expiry, one net-limit ticket, ceiling debit 1.48'). EXITS names all three doors before entry (profit mark, invalidation, time). SIZE is the division at the ceiling ($250 budget ÷$148 -> 1 contract). INVALIDATION is the market fact that kills the idea (a daily close below 770 - through the shelf's midpoint - voids the stays-up view, whatever the spread is worth that day). Five lines; a spread changes their contents, not their existence.

- Mid, ceiling, walk - the entry mechanics in numbers: the legs' mids on the Oct 9 chain are 20.605 (773C) and 19.25 (775C), so the spread's mid is 1.36. The plan's ceiling is the full quoted-side debit, 1.48 - the price at which the structure was priced and sized in Lesson 5, and therefore the most this entry may pay. The walk: offer 1.36, then 1.39, then fill at 1.42. Each step is a decision the plan authorised in advance; a ticket that hasn't filled at 1.48 is cancelled, not chased - Stage 2's toll discipline, applied to two legs at once, because every cent of debit above the ceiling is max loss the brakes never approved.

- Why one ticket matters, in dollars: entered separately at the quoted sides, the legs cost 20.68 and return 19.20 - the same 1.48 - but the interval between the two fills is unpriced exposure: buy the 773 call first and SPY drops a dollar before the 775 sale executes, and you have held a $2,068 single (Lesson 1) with its full premium at risk for exactly the minutes you were 'being careful'. A market order on the spread removes the timing gap but hands both legs' bid/ask tolls to the market maker at whatever depth is showing. The multi-leg net-limit order is the only version where the structure, the price and the size are all the ones the plan wrote.

- The fill rewrites the trade's numbers - once, immediately, in the journal: filled 1.42 -> max loss $142 (not the $148 planned - better, and recorded as such), max gain 2.00 - 1.42 = $58, breakeven 774.42, profit-exit mark recomputed against the fill (1.90 -> +$48, +0.34R). Nothing else about the plan changes: the exits, the invalidation and the size were written against the ceiling, so a better fill improves the trade without loosening a single rule. This is the moment

paper trading earns its keep - Stage 4's convention (enter at the ask, exit at the bid) makes paper fills pessimistic on purpose, and this walk-through shows the real method the pessimism is standing in for.

RULE: Plan at the ceiling, enter on one net-limit ticket, journal the fill's numbers - a spread is built on the ground, in writing, or it isn't built at all.

50 - WHEN THE TRADE IS WRONG - AND WHAT ISN'T TAUGHT

- The max-loss exit deserves its own paragraph, because 'defined risk' whispers against it: why exit early if the worst case is already capped? Three reasons, all mechanical. First, brakes are per-day and per-week (Stage 4: -2% / -4%) - a spread ridden to a full loss parks its capital inside a dead position while the brake clock runs. Second, Lesson 6's worked loss (-$32 at the invalidation exit versus most of $142 by expiry week) is the general shape: plans exit losers at a fraction of max because the thesis died before the money did. Third, expiry itself: every door in this course closes before the final week, because that is where pin risk lives (next takeaway). Defined risk caps the loss; exit rules decide how much of the cap you actually pay.

- Pin risk, precisely: 'the pin' is SPY closing expiry day within cents of your short strike - the zone where you cannot know whether you'll be assigned. The machinery is automatic: in-the-money by $0.01 or more at the close and the long holder's option is exercised by exception (OCC Rule 805); the assignment lands on some short holder, possibly you. In a spread, the disaster is asymmetry: your short leg is exercised (you now hold - or owe - 100 shares) while your long leg, struck on the wrong side of the pin, expires unexercised. The fence from Lesson 2 is a fence only while both legs live; expiry can kill one and exercise the other. Hence the rule's exact wording: closed before expiry DAY - not 'managed on the day', not 'watched closely on Friday'. A spread that reaches its expiry morning unclosed is already a rule break, whatever it later pays.

- Rolling, honestly previewed: when a losing spread is 'rolled' - closed and re-opened further out in time, sometimes further out in strike - the trader books the loss and buys a new position, usually for a small credit that makes the operation feel like a rescue. Most beginner rolling is exactly that feeling and nothing more: the loss is real, the new trade is new (with its own max loss, which often quietly grows), and the combined position must now win back the old loss from a worse starting line. There are legitimate, pre-planned reasons to extend a thesis; Stage 8 examines rolling with the expectancy arithmetic and the rules that separate adjustment from denial. Stage 7's rule is simpler and stricter: your paper trades for the gate are not rolled. They exit at their doors, they are journaled at their real results, and the log - not a rescue operation - is what gets graded.

- The complacency trap is Stage 7's final honesty test, and it targets the structure's greatest strength: because each loss is capped and modest, nothing stops a trader opening five, ten, fifteen 'small' spreads until the caps sum to a real account event. Stage 4's streak table is the antidote kept in view: independent-looking trades sharing one market factor (SPY's direction) are not independent - Lesson 4's correlation warning - and a bad week clusters. The division therefore runs across the book (Filter 3, Lesson 5), the brakes halt the week, and the journal's total-open-risk line is reviewed before any new ticket. Defined risk per trade is a property of structures. Defined risk per account is a property of discipline.

RULE: Exits are doors installed before entry - profit, invalidation, time, loss - and every door closes before expiry day. The market can take your max loss; only you can let it take more.

51 - FROM REGIME TO STRUCTURE: MATCH THE TRADE TO THE OPINION

- The regime-to-structure translation, in the course's own inventory: an uptrend or a range holding above its shelf supports the stays-up family - Lesson 6's 773/775 debit, or Lesson 4's credit spread parked beyond the shelf. A strong directional view with room through the level supports the goes-up debit (780/785). A broken map - no regime you can name in one line - supports no structure at all: 'no trade' is a structure choice, and the checkpoint state with an empty book is the system working, not a failure of nerve.

- The checkpoint discipline is deliberately tiny: two comparisons per session, at the close. (a) SPY's close vs the plan's levels - is the premise alive? (b) The spread's mark vs the four doors - has any door been reached? Everything else - intraday noise, headlines, the opinion of a man on the internet - is not a checkpoint input. A regime change mid-trade (a range that breaks its shelf) is caught by comparison (a), because the invalidation door IS the regime-change detector: it was the map, converted into an exit, on entry day.

- A chased fill corrupts every door downstream, in arithmetic: Lesson 6's build filled at 1.42, so its profit door at 1.90 pays +$48 = +0.34R against a $142 max loss. Chase the same ticket to 1.60 - already a plan break, since the ceiling was 1.48 - and the max loss becomes $160, the max gain $40, and the same 1.90 door now pays +$30 = +0.19R. The chase didn't just cost $18 of premium; it cut the profit door's reward by more than a third while raising the risk. That is why Stage 7's ceiling is a management tool, not an entry nicety: the doors are priced off the fill, and a fill the plan didn't authorise reprices them all, worse.

- The mismatch autopsy is the review's first question (Lesson 7): did the structure express the view? A perfectly managed wrong structure still loses to a right view (the 792 ending), and a sloppily managed right structure sometimes wins and teaches poison. Stage 8 therefore grades the match BEFORE it grades the exits - a trade can earn full marks for door discipline and still fail the stage's first test, because the most expensive management error is the one committed calmly, at entry, in the wrong vehicle.

RULE: Regime first, view second, structure third - and the doors are chosen with the structure, not after the trouble starts.

52 - TAKING PROFIT: THE 50% RULE, LABELED

- The recompute, in full, on one spread (credit 1.04; max gain $104; max loss $396): HOLD TO EXPIRY - win +$104, loss -$396, breakeven win rate 79.2%, expectancy at 80% wins = +$4.00. THE 50% DOOR ALONE - win +$52, loss -$396, hurdle 396 ÷448 = 88.4%, expectancy at 80% = 41.60 - 79.20 = -$37.60. PAIRED HALF-DOORS - win +$52 at the 0.52 mark, loss door at -$198 (a 3.02 mark), hurdle 198 ÷250 = 79.2%, expectancy at 80% = 41.60 - 39.60 = +$2.00. Three rows, one instrument - the convention's whole truth fits in them, and none of the rows required a new statistic: conventions are priced, not researched.

- Why the single-door version is the popular one anyway, stated honestly: it feels wonderful. Wins arrive early and often, the journal fills with small green entries, and the disposition effect (Stage 0's canon: investors realised 14.8% of available gains but only 9.8% of available losses - Odean) gets a system-shaped blessing. And paths do sometimes rescue it: a spread that reaches +50% has moved away from danger, and some of those trades would have come back to lose. Whether 'some' is enough - whether your realized win rate under the door actually clears 88.4% at these payoff sizes - is an empirical question about YOUR log. This course's answer is to log

both doors' R and let the 30-trade review (Stage 9's cycle) judge, not to adopt the famous rule on faith.

- The debit side barely uses it - geometry, again: Stage 7's worked debit trade set its profit door at 1.90 on a 1.42 fill - +$48, which is 83% of its $58 max gain, not 50%. A credit spread's profit is front-loaded (decay pays the seller early), so half of it arrives fast; a debit vertical's value must travel into the band first, so its door conventionally waits nearer the cap. Applying '50%' to the debit build means exiting at 1.71 for +$29 (+0.20R instead of +0.34R) - the same slogan, a different animal. Conventions don't transplant for free either, and a rule quoted without its structure is a rule quoted without its meaning.

- The toll gets a vote: every early exit crosses two bid/ask spreads (Stage 2's friction, doubled for two legs) - on structures this size, Stage 7 priced closing costs at a few dollars to perhaps twenty - while a held winner whose spread expires worthless pays NO exit toll at all. In the paired-halves row the expectancy had already thinned to +$2.00 before that charge; charged honestly, the convention's expectancy case at these numbers is roughly a wash, and its real product stands revealed: variance reduction. The largest win halves, the largest loss halves, capital comes home early. Traders are allowed to buy exactly that - with eyes open and the price computed. That is this course's whole position on conventions, and it will not move in later stages.

RULE: A convention is a preference with a price - compute the price on your own structure's numbers, in R, before the convention gets a vote.

53 - CUTTING LOSERS: THE EXIT YOU WROTE FIRST

- The three loss doors, and when each one rules: INVALIDATION - the market fact; the thesis is false, so exit regardless of the mark (Lesson 6's -$32 came from this door while the spread still held $110 of value). MAX-LOSS VALUE - the plan's spending limit as a spread mark (Lesson 2's paired convention sets it at half the max, a 3.02 mark on the credit spread); it binds when the thesis is ambiguous but the money isn't. TIME EXIT - the calendar's veto: the trade hasn't worked by the date, so it leaves with what's left - on the 780/785 debit, a Nov 23 mark of 1.20 against the 2.96 debit exits -$176 (-0.59R) instead of donating the remainder to expiry week.

- Why defined-risk traders under-use their doors - the whispers, named: 'The max is capped anyway' (the cap is a ceiling, not a spending target - the brakes count realised losses, and a book of ridden losers parks capital inside dead theses while the brake clock runs). 'It might come back' (sometimes it does - the whipsaw toll, priced below; the plan prices the system, not the anecdote). 'Selling now makes it real' (it was real at the mark; the journal records R either way - refusing to close is an accounting preference, not a risk decision). Every whisper is the disposition effect doing an impression of risk management.

- The whipsaw, priced honestly: run Lesson 6's trade down the other path - exit at 1.10 (-$32) on the close below 770, then SPY reclaims 774 within the week and the spread would have re-marked ~ 1.60 (+$18 had you held). The door's toll on that path is ~ $50 of forgone swing, plus the exit crossing (scenario arithmetic, labeled as this course always labels it). Budget it the way the sample demands: if, across 30 trades, the door saves ~ $110 on the paths where the thesis truly died and costs ~ $50 on the paths where it faked you out, the door is doing its job even though every individual whipsaw stings. Doors are judged on the sample, never on the story - Stage 4's sample-size lesson, applied to exits.

- Renegotiation is a new trade - the worst kind: moving the invalidation 'just this once' after it fires is an unplanned position entered at the worst emotional moment, sized by hope, with no filters run and no ceiling set. The course rule is absolute: a door may be revised only OUTSIDE a position, in the review (Lesson 7), and the revision applies to future trades. Inside a trade, the plan is the senior partner and your job is execution plus accurate minutes. This is not rigidity for its own sake - it is the only arrangement under which the journal can ever tell you whether your doors work, because a door that bends leaves no data behind it.

RULE: The exit was decided before entry; inside the trade you are the clerk, not the committee.

54 - ROLLING: A NEW TRADE, NOT A RESCUE

- Roll A, priced (same strikes, more time - the 'respectable' roll): close the 765/760 spread at 2.60 (realised -$156, -0.39R); sell the same strikes in the next monthly expiry for a 1.85 credit - a new trade with max loss $315 and breakeven 763.15. The ticket nets -0.75: you PAY $75 more today for the privilege of continuing. Episode arithmetic: worst case -156 - 315 = -$471 against the original -$396 (+19% risk), and to finish the episode flat the new trade must capture $156 of its $185 maximum gain. Time was bought. Nothing was rescued.

- Roll B, priced (out and wider, 'for a credit'): close at 2.60 (the same -$156 stands - the first trade's fate never depends on which roll follows); sell a $10-wide 760/750 put spread in the next expiry for 3.30. The ticket shows +0.70 net credit. The new three numbers: max gain $330, max loss $670, breakeven 756.70. Episode worst case -$826 = 2.1x the original $396. The +0.70 is not a payment for skill; it is the market paying a larger premium for under-writing a larger loss - Stage 7's insurance analogy, re-read: bigger policy, bigger obligation.

- The toll, itemised: a roll crosses four bid/ask spreads - two legs out, two legs in - Stage 2's friction quadrupled, charged on top of whatever the market takes between mark and fill. On a structure whose entire expectancy is a few dollars (Stage 7's spread: +$4.00 a trade at an 80% win rate, before costs), one roll's crossings can consume the expectancy of several clean trades. Rolls are therefore rationed by arithmetic as well as by honesty: each one must be justifiable as a new trade you would take, at this size, with no old trade on the books at all.

- The legitimate core, kept intact: sometimes the thesis is right and the calendar was wrong - the level holds, the view stands, only the deadline was optimistic. Extending a still-valid thesis into a later expiry is a real technique - which is precisely why this course fences it with pre-commitment: the plan names the roll conditions before entry (the thesis fact that must still hold, the expiry it may extend to, the episode risk cap), or the roll does not happen. What separates adjustment from denial is never the mechanics - the tickets are identical - it is whether the decision predates the loss.

RULE: A roll is a closed loss plus a new trade. Quote both, size both, judge both - or don't roll.

55 - EXPIRY WEEK: GAMMA, THE PIN, THE WALL

- The cliff, tabulated (the graphic draws it): the 765/760 spread's value at expiration across SPY closes - 770: 0.00 - 766: 0.00 - 765: 0.00 - 764: 1.00 - 763.96: 1.04 - 763: 2.00 - 762: 3.00 - 761: 4.00 - 760: 5.00 - 755: 5.00. Between the strikes the value is simply 765 - SPY. Mid-life, the same $2 slide (764 -> 762) moves the spread by much less - both legs still carry time value and their deltas only partly engage (the exact mid-life figure belongs to that day's chain; the shape is the lesson). At expiry it is the full $200. The position's personality

inverts across its life: the ’quiet’ trade of week two is a binary coin by the Friday of week seven, its delta able to cross the whole width’s exposure in a single afternoon.

- Theta’s last-week bargain, refused: yes, an out-of-the-money credit spread’s remaining value decays toward zero by Friday, and holding ’a few more days’ harvests what’s left - say the spread marks 0.30 on Wednesday: $30 of harvest. Against it: the same Wednesday, a slide to a 762 close re-marks the spread at 3.00 - a $270 swing against you, accepted in exchange for collecting $30. The final week’s theta is real money, priced against cliff risk, and the course declines the trade without embarrassment: some premiums are wages for carrying exactly the risk this course exists to avoid, and recognising the wage doesn’t oblige you to earn it.

- Contrary instructions - the pin is unknowable, not merely unlikely: holders may instruct their clearing member NOT to exercise an in-the-money option, or TO exercise an out-of-the-money one (the OCC’s contrary-exercise mechanism, Rule 805(b)) - for reasons of their own: a stock position elsewhere, a hedge to flatten, a tax lot. So ’SPY closed $0.04 above my strike, I’m safe’ is not a fact available to you on Friday night. Assignment is determined by the whole market’s instructions and allocated after the close (Lesson 6 walks the machinery). The only state in which a spread cannot be pinned is closed.

- The debit side’s wall sits earlier for a reason: a debit vertical’s remaining value in its final week is mostly hope priced by gamma - Stage 7’s build exited on Nov 23, seven days out, sacrificing the last slice of its $58 cap to leave while the spread still had two-sided value and a functioning market in it. Calendar rules in this course are structure-specific and written on the plan card at entry, because ’I’ll decide when we get there’ is how positions meet Friday.

RULE: Expiry week is a different instrument wearing your spread’s name - the course’s doors all close before it, and the last cents of credit are the most expensive cents on the chain.

56 - ASSIGNMENT, IF IT HAPPENS: THE MORNING AFTER

- Who picks you, precisely - the part folklore always garbles: your counterparty is NOT the person who bought your put. The OCC stands between all parties. When any holder of the series exercises, the OCC assigns that exercise to a clearing member carrying open short positions in the series, and the member firm - your broker - allocates it to one of its customers by its own method: automated random selection or first-in-first-out. Exchange rules require that method to be fixed, approved, and disclosed to customers in writing. Two consequences follow: you cannot predict your turn from how ’old’ your position is (unless your broker is a first-in-first-out shop - which your account documents tell you), and you cannot charm, call or complain your way out of an allocation already made.

- Early assignment’s two real triggers (Stage 7 met both; here they get their mechanics): (a) the short call into the ex-date - its holder exercises to own the shares and collect the distribution when the call’s remaining time value is worth less than the distribution itself (most recently $1.8888 a share, ex-date Sep 18, 2026, per State Street); (b) the deep in-the-money short put whose remaining time value has nearly vanished - its holder prefers the strike cash now, where it can be put to work, to a wasting contract. Both are rational exercises of a right you sold. Neither requires your strike to look ’in trouble’ on a chart: they are calendar and arithmetic events, which is why the course’s defences are calendar and arithmetic rules - mind the ex-date; close before expiry day.

- The cash clock: a put assignment settles like a stock purchase - T+1 (Stage 2’s SEC rule) - so

$76,500 per contract must be paid for on settlement day. In a margin account without the cash, the broker lends it automatically at the margin rate: on the published schedule Stage 2 checked (Fidelity's, Oct 15, 2026), rates ran 7.50%-11.825% a year by balance, and at the top of that schedule $76,500 costs ~ $25 a day while you 'decide'. In an account that can't fund the delivery at all, the broker may liquidate the position - FINRA's margin-disclosure rules (Rule 2264, Stage 2) are explicit that firms may sell without prior notice and explain later. Speed here is not panic; it is interest arithmetic.

- The spread's saving grace - the surviving leg: assignment takes ONE leg. Your long leg (the 760 put in the course's spread) is untouched by the short leg's assignment and still holds its value and its rights: exercised against the shares, it sells them at 760 and caps the episode at the printed width; sold into the market alongside the shares, it closes the episode at the day's marks. The fence can be rebuilt or dismantled deliberately - what it cannot survive is neglect. A long leg left to expire while its shares sit unexamined converts a defined-risk spread into an accidental stock portfolio (Stage 7's pin autopsy). The checklist checks the leg second for a reason: the floor is perishable.

RULE: Assignment is a delivery, not a verdict: read the note, check the surviving leg, flatten or re-fence the same session, and journal the rule that would have prevented it.

57 - THE BOOK, THE BAD DAY, AND THE REVIEW

- Total open risk, computed the course way: worst cases summed, then interrogated for correlation. $396 + $142 + $296 = $834 gross. Now the honest haircut that ISN'T available: in a sharp selloff the two debit verticals die by their bands while the credit spread dies through its shelf - different mechanics, same weather - and the realistic bad-week loss is most of the $834. (In a flat week the same book can win on all three at once; correlation is symmetric, which is exactly why it's a risk fact and not a mood.) Then the book rule - a course convention, labeled as one: total open worst case never exceeds the WEEKLY brake. On the $25,000 account that line is $1,000 (this book passes at $834); on the $10,000 account it's $400, and the same book fails - even the two debits alone ($438) breach it. One line goes on every plan card from now on, checked before any new ticket: 'book after this trade: $___ of $___ allowed.'

- Buying power is the book's shadow: brokers reserve roughly a vertical's maximum loss against the account while it's open (spread margin; in a cash account, a credit spread's worst case is cash-secured outright) - so the $834 book has $834 spoken for until the trades close. The trap the reservation hides: a trader who sizes by available cash ('there's $9,000 free') can stack worst cases far past the brakes, because reservations measure collateral, not danger. The division (Stage 4) counts danger: worst cases against brakes. Two ledgers, two questions - never let the collateral ledger answer the danger question.

- The bad-day protocol, in operational language: (a) DAY BRAKE TOUCHED (-$200 on the $10,000 account / -$500 on the $25,000, counting the day's closed losses plus any position sitting at its max-loss door): no new entries. Existing trades keep their doors - the protocol never overrides a door; it only forbids adding risk. (b) WEEK BRAKE TOUCHED (-$400 / -$1,000): the trading week ends; the review below happens before the next ticket; new positions wait for a plan written cold. (c) THE REVENGE CIRCUIT-BREAKER: any urge whose plan-sentence contains 'win back', 'make up', or a size derived from a loss amount ends the trading day automatically, and the next session's first trade is half the normal division or paper. The arithmetic that justifies it: after the credit spread's -1R (-$396), winning it back on an identical spread

takes 3.8 clean wins - or one doubled position whose identical loss is -$792: a -2R day and most of the weekly brake in a single trade. The circuit-breaker exists because that second sentence, at 1pm on a red day, sounds reasonable.

- The review - management graded, money recorded: five lines per closed trade. (1) MATCH - did the structure express the view (Lesson 1)? (2) ENTRY - ceiling respected, one ticket, size by the division? (3) DOORS - every exit at its written trigger, no committees (Lessons 2-3)? (4) BOOK - total open risk inside the book rule throughout? (5) RESULT - dollars and R, recorded beside the grades and never instead of them: a +0.34R trade with a bent door is a BAD trade that paid; a -0.23R trade with four yeses is a GOOD trade that cost (Stage 4's grading, with Stage 8's full checklist). Then the management line - realised R against the priced counterfactuals where they exist: Lesson 3's door (-0.23R realised vs -1.00R ridden = +0.77R of management value on that path); Lesson 2's convention (+0.13R at the 50% door vs +0.26R held = -0.13R of convention cost on that path). Estimates, labeled as such - whose SUM over 30 trades is the only honest answer to 'is my management adding anything?'. And finally the PlayBook line: one sentence, written as a rule for a future trade, filed where Stage 9 will build the book from them.

RULE: Size the book like one trade, brake the day like a machine, and grade the management in R - the money is the last line of the review, never the first.

58 - THE JOURNAL AS A DATABASE, NOT A DIARY

- The three tags, and why these three: SETUP - which PlayBook candidate the trade belongs to (in the sample: the shelf credit spread, the stays-up debit, the goes-up debit - the structures of Stages 7-8, nothing else). REGIME - Stage 3's read at entry, in the course's own vocabulary: range, trend, breakdown. ERROR - the kind of wrong, assigned at the same-day review from the process grade: none, plan, execution, or tuition (Lesson 5 defines each), plus the pattern word when there is one - EXECUTION: EARLY ENTRY is a different animal from EXECUTION: OVERSIZE, and the leak hunt of Lesson 6 runs on pattern words. Three families, fixed spellings, no improvising new tags mid-season: a tag vocabulary that changes monthly can never accumulate.

- The fields underneath stay Stage 4's - date and regime line, plan reference, size math shown, entry and exit with friction charged, result in dollars and in R, screenshots, one line of lesson, process grade - because a tag without the graded entry under it is a label on an empty jar. The database move is additive: same notebook, three more words per line. If your existing paper log has the Stage 4 fields, it is already stage-9-ready; the tags start with your next entry, and Lesson 1's practice adds them - once, marked - to your last ten.

- Why the database beats the diary even for an honest diarist: memory ranks by loudness. The sample's loudest line is the credit spread's -$396 - a revenge trade, the stage's single worst entry - and a trader reviewing from memory 'knows' the credit spread is the problem. The database disagrees, in arithmetic: the shelf credit's CLEAN line is -0.22R across four trades - roughly flat, a business roughly breaking even - while the stays-up debit's entries, none of them dramatic, sum to -2.30R of execution error. Feelings retire the wrong setup and keep the leak. That inversion - visible only because twelve ordinary lines can be sliced - is the entire business case for this stage.

- The sample's headline numbers, stated once and used all stage: twelve paper trades over four weeks on a $25,000 paper account, one contract each; net -2.85R, -$585, -2.3% of the account; expectancy -0.24R (-$48.75) per trade at a 50% win rate (average win $67.67, average loss

$165.17 - Stage 4's two numbers lying in the usual way: the win rate looks respectable, the payoff ratio is the wound). Seven GOOD trades net +0.43R; five BAD trades net -3.28R. Nothing in this stage claims the sample is typical, predictive or anyone's results - it is a worked example whose arithmetic foots, which is exactly the standard your own log will be held to.

RULE: Tag it at the sitting or it didn't happen: setup, regime, error. A journal you can't slice is a diary, and diaries don't compound.

59 - THE PLAYBOOK PAGE: ONE SETUP, FULLY SPECIFIED

- The anatomy, in the order the page is filled: (1) THESIS - one sentence the trade believes ('SPY holds above the 770 shelf and leans up; own the shelf's upside in a fenced structure'). (2) CONTEXT - the regimes the slice blesses and forbids (this page: range-to-trend off a held shelf; forbidden on breakdown days - and the sample's regime line is why: its breakdown trades were behaviour, not setups). (3) TRIGGER - the observable event, judged on closes, that permits the ticket. (4) SIZE - the division's answer, written as a number of contracts. (5) THE FOUR DOORS - profit, invalidation, time, max-loss, at this structure's printed marks. (6) MY OWN NUMBERS - total, clean line, error line, each with its count. (7) THREE EXAMPLES - filed by journal number, not by memory. (8) THE VERDICT + ITS GUARD, and the date it is re-judged.

- The stays-up page's working parts, from Stages 7-8 verbatim: the 773/775 call debit at its 1.42 fill - max loss $142, max gain $58; the profit door at the 1.90 mark (+?$48, +0.34R); invalidation a close below the 770 shelf, exit next session; the time door out before expiry week; size one contract while the division says one ($142 inside the $25,000 account's $250 budget - Stage 7's arithmetic). Nothing on the page is new invention: a PlayBook page is where the course's earlier machinery gets filed under one setup's name, so that at ticket time there is one page to obey instead of eight lessons to remember.

- The three examples are the page's conscience, and the selection rule is strict: BEST = the cleanest full-process trade (sample: #2, +0.34R - trigger waited for, door taken); TYPICAL = the ordinary clean outcome, win or lose (sample: #8, -0.50R - the shelf test failed, the invalidation exit taken as written: tuition, filed without shame); BOTCHED = the worst process failure (sample: #5, -0.70R - entered before the confirming close). A page whose 'typical' slot holds a second-best trade is lying in the direction traders always lie, and the botched slot is the one that teaches: at ticket time, the botched example is the picture the guard exists to prevent.

- The verdicts are paperwork states, not feelings: MINE - a clean line at a real sample supports it; CANDIDATE - being paper-traded for evidence, no verdict yet; PROBATION - in the book with written terms (what its clean line must show, by when); RETIRED - archived with its numbers, Lesson 6. The stays-up page's verdict is the split's child: MINE - ON A LEASH. The structure's clean line (-0.16R over its two clean trades) is roughly flat - there is nothing to retire - while its error line (-2.30R, all entries) names the disease exactly: entries taken before the trigger. So the guard is an entry rule, written on the page where the next entry will be read: no ticket before a held close above the shelf. Verdicts and guards are re-judged at the 30-trade review, never mid-week on a feeling.

RULE: A PlayBook page earns its stats or prints them blank. Borrowed numbers make borrowed traders.

60 - THE DAILY REVIEW: GRADE THE GOAL, NOT THE MONEY

- The goal comes first because it was written first: one process goal per day, set before the open from the current weekly goal (Lesson 4) - the sample day's was 'no entry before a held close', the leash from Lesson 2's page in daily form. The grade is binary and unsentimental: the goal was kept or it wasn't. Layered under it sit the standing checks from Stage 8's review - match, entry, doors, book - but the headline grade is the goal's, because one target per day is what a tired trader at 4pm can still aim at tomorrow.

- WELL / POORLY / DIFFERENTLY is a discipline of three honest sentences, and POORLY is not the confessional: each line must name a decision, not a feeling or an outcome. Sample day: WELL - 'trade 5's invalidation exit was taken as written; the early entry cost -0.70R instead of the full -1.00R: one door held.' POORLY - 'trade 6 existed: entered the same session as trade 5's loss, sized by the hole, its door ignored on the way down - a plan error wearing a ticket.' DIFFERENTLY - 'the circuit-breaker sentence is written tonight, in the plan file, where tomorrow's first read finds it.' Three sentences, each actionable or evidentiary - anything vaguer ('must focus more') is decoration and gets rewritten until it names a decision.

- The one PlayBook trade is the ritual's deep work: ONE trade - usually the day's worst, occasionally its sloppiest winner - rebuilt in full PlayBook detail as it should have been done: the context read cold, the trigger awaited, the ticket as the plan wrote it, the doors at their marks. Two honesty rules govern the rebuild (Stage 8's counterfactual discipline): it may claim only what it can price, and on the sample's worst day the correct rebuild is the non-trade - after the circuit-breaker, the trade that should have replaced #6 is NO trade, and its page is written with the same rigour: position flat, size zero, the exit being the review itself. A trader who can write the non-trade's page has understood the day better than one who invents a winning alternative.

- Feelings are data - filed in their own file, on their own terms. The sample day's feelings line ('Furious at the shelf. Wanted it back by Friday.') is written, dated, and closed. It is never written in the journal beside the numbers (where it would contaminate the evidence), never traded from (it is weather, not a plan), and never deleted (read at the monthly review, a month of feelings lines becomes the cheapest psychology dataset a trader owns - Lesson 5 reads exactly such sequences). The separation is the skill: the journal is what happened, the feelings file is what it felt like, and the craft consists of never letting the second file edit the first.

RULE: Grade the goal, record the money last, rebuild one trade a day - and feelings get their own file, never the ticket.

61 - THE WEEKLY REVIEW - AND THE MONTHLY BOOK

- The weekly method, in order: (1) TALLY - trades taken, GOOD/BAD split, net R and dollars, each printed with its count and no expectancy claims (three trades do not have an expectancy; they have a sum). (2) PRICE THE ERRORS - the week's error-tagged trades summed by pattern word: the most expensive error, and separately the most REPEATED one - they are not always the same line, and Lesson 6's leak hunt needs both. (3) ONE GOAL - next week's single process goal, written as a rule with a trigger, aimed at the error the evidence indicts. (4) THE PLAYBOOK DELTA - any page whose verdict, guard or examples the week's evidence touched gets its dated line. Four moves, one page, about thirty minutes - SMB's weekly shape, run on this course's artefacts.

- Why ONE goal: a goal is a daily-review instrument - it must fit in the headline box of five daily pages and be gradable at a glance at 4pm. Five goals fit nowhere and grade nothing; by Wednesday the trader is failing four of them and the ritual's credibility - its only real asset

- is spent. The sample's Week 2 produces exactly one: 'entries only after a held close; the plan card is read aloud before the ticket.' Every other finding (the tuition was ordinary; the exits behaved) is recorded as context, not converted into homework. Discipline is subtraction.

- The monthly book calculation, done the course's way: sum the four weekly pages - R, dollars, percent of account - and set beside the sum the month's error account (errors priced by kind, Lesson 5) and the process account (GOOD trades' net). The sample's month reads: net -2.85R / -$585 / -2.3% of the $25,000 paper account; process account +0.43R; error account -3.28R. One sentence carries the month: 'A +0.43R process carrying -3.28R of errors.' That sentence - not the -$585 - is what the next month's weekly goals are built from, because it names the part that is fixable.

- What the monthly meeting may and may not do: it revisits PlayBook verdicts (Lesson 6 runs the full board), reads the month's feelings file in aggregate (Lesson 5's psychology evidence), and re-checks the brakes against the month's worst week. It may NOT retire or promote a setup on one month's sums alone unless the 30-trade cycle has also closed (counts govern), and it never sets strategy by the money line: a month whose errors shrank while its dollars fell is a GOOD month in this book, and a month of lucky errors is a bad one wearing green. The book grades the business; the market grades itself.

RULE: One week, one error, one goal. The monthly book is summed from weekly pages - verdicts are never read off a single week.

62 - THREE KINDS OF WRONG: PRICING YOUR ERRORS IN R

- The diagnostics - how a loss is assigned its kind at the review, in order: (1) Was there a written plan, and did the trade match its page (setup, regime, trigger)? If the trade shouldn't have existed at all - no page, wrong regime, a plan sentence that names a feeling - it is a PLAN error, however clean the clicking was. (2) The page was right: did the hands obey it - entry at the trigger, size at the division, exits at the doors? Any 'no' makes it an EXECUTION error, priced at what the disobedience cost where that's priceable. (3) Page right, hands obedient, loss anyway: TUITION - the market collected the risk the plan had printed. The order of the questions matters: a trade cannot be tuition until it has survived both audits, which is why 'the market was unfair' is a conclusion the ledger reaches last, not first.

- The fixes are kind-specific, and cross-kind fixes are how traders churn: plan errors are fixed on paper - the plan sentence rewritten, the circuit-breaker installed (Stage 8), the regime line made a pre-trade check; NO checklist at the ticket window fixes a trade whose conception was the violation (the sample's #6 would have passed any entry checklist - its strikes were fine, its size was the division's; what was wrong was its EXISTENCE). Execution errors are fixed with guards that make obedience physical - the trigger read aloud from the page, the size copied from the division line rather than typed from hope, exits written on the ticket at entry. Tuition is fixed with a budget line and a steady nerve: it is the rent the method pays for its wins, and the rent is reviewed (is it roughly what the plan priced?) rather than resisted.

- The sample, priced in full (the graphic): PLAN -1.00R - #6 alone, the revenge entry. EXECUTION -2.28R - #5 early entry -0.70R, #9 door-bend +0.02R, #10 oversize -1.00R, #12 early entry -0.60R: four trades, three pattern words, one shelf of fixes. TUITION -1.00R - #4 and #8, two clean losses at their written doors, the shelf credit's and the stays-up's ordinary rent. CLEAN WINS +1.43R - five trades. And the cross-check that keeps the taxonomy honest: plan + execution = -3.28R = the BAD trades' total from the process grades; wins + tuition = +0.43R = the GOOD

trades' total. Two independent partitions of the same twelve lines agreeing to the cent - that is what 'the arithmetic foots' means at the level of kinds.

- Psychology, read off sequences - the sample's three exhibits: (1) DISPOSITION EFFECT - Stage 0's pattern (winners sold too early, losers held too long) appears in trade #9's costume: a winner held PAST its written profit door 'for the rest', giving back +0.13R of door value to close at +0.02R - the effect's winner-side, filed as an execution bend. Its loser-side twin doesn't appear in the sample; your log is where you watch for your own version, on whichever side it lives. (2) OVERCONFIDENCE AFTER WINS - trade #10's oversize sits two trades after the sample's biggest win (#7, +0.51R): the sequence is noted, not diagnosed - one instance is a hypothesis for the weekly review to watch, not a character verdict. (3) REVENGE - trade #6, entered the session #5's loss closed, its plan sentence recoverable from the feelings file: 'wanted it back by Friday'. The method throughout: patterns are claimed from YOUR tagged sequences, with counts, or not claimed at all.

RULE: Price every loss before you forgive it: plan, hands, or rent. Fix the first two; pay the third without flinching.

63 - FIND YOUR ONE LEAK

- The scoring, done on the sample so the practice can copy it exactly: pattern words with (count, total R) - EARLY ENTRY (2, -1.30R); REVENGE ENTRY (1, -1.00R); OVERSIZE (1, -1.00R); DOOR BEND (1, +0.02R). Read the table like the method does: revenge is already handled by a standing guard (Stage 8's circuit-breaker - its fix exists and is mechanical, so it needs vigilance, not the goal slot); oversize gets a lock today (size copied from the division line - a ten-second change at the ticket); the door bend is flagged for watching precisely BECAUSE it paid - paid bends are how doors quietly become suggestions. Early entry is the only pattern with a count above one and a four-figure trajectory if annualised by habit: it takes the goal slot, the leash, and the next review's first line. Frequency x price, with guards credited - that's the whole algorithm.

- Why the leak outranks a new strategy, in the sample's own arithmetic: the best available 'new strategy' evidence in the sample is the goes-up debit's +0.83R over two trades - a hypothesis. The leak's -1.30R over twelve is a measurement: those two trades happened, at those prices, for one stated reason (the trigger existed; the waiting didn't). Retiring the leak is worth more than the sample's entire clean profit (+0.43R) three times over, and it requires no market insight whatsoever - only a rule, obeyed. This is the craft stage's central economic claim, and it is modest on purpose: across a real log, the recurring-error line is usually the largest single recoverable sum a trader owns, and it is recoverable by paperwork.

- Deliberate practice is aimed at the leak, not at 'the market': between trades, the sample's trader rehearses THE TRIGGER on historical SPY charts - Stage 3's discipline turned into drills. Twenty old shelf days, chart paused at the test: call 'trigger / no trigger' before revealing the next day's bar; score it in the journal like a trade. The drill targets the exact muscle that failed (waiting for the held close) on evidence that can't cost money, and its score is a process metric the weekly review can watch while the live count is still small. Practice aimed generally ('study more charts') diffuses; practice aimed at the leak compounds. When the leak changes - Lesson 4 watched it migrate from entries to an exit bend in one week - the drills re-aim at the 30-trade review, not before: one target per cycle, or the aiming itself becomes whack-a-mole.

- The board, and its constitution: verdicts are read off CLEAN lines (a setup is never convicted of its owner's errors, nor acquitted by their luck), at the 30-trade review, with tallies every ten trades in between (Stage 4's rhythm, promoted). PROMOTE - a candidate whose clean line at its own 30 supports it joins the book, with its page's stats box finally filled from its own log. PROBATION - terms in writing: what the clean line must show, by which review, or the page retires. RETIRE - a setup whose clean line is negative at a real sample is archived: the page kept, stamped RETIRED with the numbers that retired it and the date; the archive is the tuition receipt drawer, and an archived setup returns only as a new paper candidate with blank stats - never by quietly resuming. The sample's board at twelve trades is PROVISIONAL (the graphic says so): candidate, leash, probation - three paperwork states, zero executions, because twelve trades haven't earned the court a verdict yet. That restraint is the system working.

RULE: The leak is the pattern that repeats, not the loss that screams. One rule, written into the page, judged at thirty trades.

64 - THE READINESS AUDIT: EVERY GATE, ONE CHECKLIST

- The lines, one per gate, each with its proof. STAGE 0 - the money-readiness worksheet, signed, its five lines true (the re-certification below is part of this line, not a bonus). STAGE 2 - account and order literacy, evidenced by your paper record: every order type placed correctly on paper, every fill read, cash vs margin and the one-day settle statable cold. STAGE 3 - the chart gate: regimes and levels read on charts you had not seen, in the course's vocabulary. STAGE 4 - the personal risk sheet signed; the sizing division run on scenarios including a ten-loss streak; a written five-line plan produced before a hypothetical entry. STAGES 5-6 - the chain read cold on an unseen screenshot (breakeven and maximum loss stated before any opinion) and the Greeks scenarios predicted. STAGE 7 - both spread types constructed on a live chain to the course's filters, and TWENTY compliant paper trades logged, each with its process grade. STAGE 8 - the trade lifecycle walked on historical screenshots with each decision graded, and the total-open-risk sum computed. STAGE 9 - the four artefacts: four weeks of tagged journal, one complete PlayBook page, one weekly review naming a recurring error with its evidence, the monthly book page. Plus the standing line: your one leak named, and its guard written into the PlayBook page it belongs to.

- Re-certification is a line of its own: the emergency fund intact at TODAY'S expenses; no new high-interest debt; the certified figure still money whose total loss changes nothing about housing, bills, debt or sleep; the time budget (Stage 0's five to six hours a week) still real in an actual week; none of the stop-signs currently true. Any changed answer routes back to Stage 0 - not as punishment, but because the figure every later stage is sized from lives on that worksheet, and arithmetic built on a stale certification is fiction with good formatting.

- Scoring discipline: YES requires the artefact in hand, dated, yours. 'I did that in March' without the page scores NO - not because March didn't happen, but because an audit that runs on the narrator is a mirror, not an instrument. Borderline lines score NO for the same reason: the audit is cheap to re-run and expensive to fake, and that asymmetry is the whole design. Note what never appears on the card: a P&L line. A red paper record with complete paperwork passes lines that a green diary fails, because the gates were always about preparation, and preparation is what the artefacts measure.

- What a clean card certifies - and what it never does. It certifies preparation: the way a licence certifies training. It does not predict the first ten trades, and it does not repeal

Stage 0’s evidence: the base case for a beginner’s first live period is a small loss, and Lesson 4 budgets for exactly that, in dollars, before trade #1. A learner who hears ’you passed the audit’ as ’you will probably make money’ has misread the only document in this course that never lies to them - which is why this lesson prints the distinction on the card itself.

RULE: Artefacts, not feelings: a line is YES when the page exists, or it is NO - and a NO names the stage, never the trader.

65 - THE LIVE ACCOUNT, FUNDED

- The account’s shape: cash, at a broker you already know from the paper phase - Stage 2’s selection questions still apply (fees published, Rule 606 reports available, fills reported properly). Margin is not applied for and not enabled: Stage 8 priced a vertical’s buying-power effect at roughly its maximum loss, so the course’s structures fit a cash account’s collateral logic. Whether a cash account at your broker may hold defined-risk spreads is the broker’s stated policy - read the account’s options agreement BEFORE funding; if cash-account spreads aren’t permitted there, that is a broker-selection fact, never a reason to switch on borrowing.

- The application, honestly: trading options live means an approval level, assigned by the broker from the application’s answers - experience, finances, objectives. This stage needs only the level that permits defined-risk spreads. Inflating the answers to unlock more is disqualifying in this course, and not as etiquette: the application is the first live trade of the stage, and it is graded like one. A trader who lies to a form to reach more risk has announced their process before the first fill.

- The money moves once: one transfer of the tranche, from the account where the certified figure already lives. Expect Stage 2’s mechanics with money attached - transfers take time to arrive and settle, new funds may be held before they are tradable, and in a cash account purchases run on settled money: the good faith violation stops being a quiz answer and becomes a real way to bruise a new account. Fund on a quiet day, not on a morning a setup is calling. The first trade waits for settled funds and a written plan card, in that order.

- What the account now produces: real confirmations for every fill, real statements, and after the year turns, the tax package built around Form 1099-B (Lesson 6). Read the first confirmation the day it arrives - price, fees, the works - against the journal entry for the same trade. That reconciliation, started at trade #1, is the cheapest records habit in the stage; discovering in February that your journal and your broker disagree about October is the expensive version.

RULE: Cash account, honest application, one transfer: the tranche moves once, and the protocol - never a losing week - decides if it ever moves again.

66 - TUITION SIZING: THE DIAL AT ITS FLOOR

- The two dials, reprinted because this lesson runs on them (Stage 4, Lesson 2): RISK PER TRADE - what one trade may cost you against plan, the course’s 0.5-1% default - and MAXIMUM LOSS AS A SHARE OF THE ACCOUNT, the dial published house rules for defined-risk spreads express as 1-3%. Stage 9’s sample ran the second dial at 1.18% (the $296 debit) and 1.58% (the $396 credit) on paper, where learning the dial was free. Live, that dial is pinned to its floor - 1% - and the first dial is honoured by the one-contract, one-position form the block takes. Conflating the dials was a beginner error on paper (Stage 4 said so); with money attached it is an expensive one.

- The division, run in the open (Stage 4's order: budget first, division second, order last). Certified figure $25,000 x 1% = a $250 maximum-loss cap per live trade. The candidates at one contract: the 773/775 debit - max loss $142 = 0.57% of the figure ?; the 780/785 debit - $296 = 1.18% ?; the 765/760 credit - $396 = 1.58% ?. Notice what the division is really saying: at one contract there is no smaller size to retreat to, so size is chosen by STRUCTURE - and two of the course's three structures are simply not first-ten instruments. Stage 7 printed the same wall from the other side: the $396 credit 'first fits at 1% on about a $39,600 account' (396 ÷0.01). The $296 debit first fits at $29,600; the $142 debit at $14,200.

- The zero line, stated plainly: a certified figure under about $14,200 buys zero contracts of even the smallest structure this course teaches, at the live setting. The division's answer is zero, and Stage 4's rule governs - zero is an answer. That learner's Stage 10 outcome (keep building the paper record and the certified figure, and let the stage wait) is a complete, respected result of this stage, not a failed one. What the course will never do is solve the arithmetic by widening risk: no narrower gamble, no undefined-risk substitute, no 'just this once' at 2%.

- Friction joins the sums (Lesson 2's preview, priced): at the published example schedule, one round trip on a two-leg spread carries $2.60 of contract fees - 1.8% of the $142 maximum loss, paid before the market moves - and the toll actually paid against the mid is read off each fill report and journaled per trade. Across the ten trades of the block, contract fees alone budget to $26.00. Paper's friction was a convention; live friction is a line item, and at this size it is not a small one - which is part of the block's honest price, stated before trade #1 rather than discovered after trade #10.

RULE: One contract, one position, max loss ? 1% of the certified figure - and when the division says zero, zero is the size.

67 - THE FIRST TEN: A PROTOCOL, NOT A DEBUT

- Eligibility: only setups holding a PlayBook page whose verdict admits them - MINE, or IN THE BOOK on stated terms (Stage 9). CANDIDATE setups stay on paper: the block is not where a page gathers its evidence; it is where a proven page meets real money. One position at a time, and the block trades only the structure class Lesson 3's card admitted - if the PlayBook's admitted setup needs a structure the cap rejected, the block waits. The protocol does not re-open Lesson 3's arithmetic for a good chart.

- The per-trade circuit - no step skippable, in this order: (1) the plan card, written before the ticket exists (Stage 7's spread plan card: setup, structure, the three numbers, the four doors). (2) The read-aloud guard from the PlayBook page, if the page carries one - Stage 9's leash becomes a live habit here. (3) The ticket: one multi-leg net-limit order, worked from the mid, never legged, never market (Stages 2, 7, 8). (4) The fill report reconciled against the plan the same day - actual fill vs the mid, fees itemised, the toll journaled in dollars. (5) Management by the written doors only (Stage 8): profit, invalidation, time, max-loss. (6) The journal entry at the sitting: three tags, result in dollars and R, process grade. (7) The feelings file, separately (Stage 9) - Lesson 5 teaches you to read it at the block review.

- The pace rules: the next trade may not open until the previous trade is closed AND journaled AND graded - the block advances paperwork-first, so a fast market can never outrun the record. After any losing trade, the next live trade waits at least one full session (Stage 8's circuit-breaker, extended to the block's rhythm): the revenge window is a known hour in a known state,

and the protocol simply is not in the market then. Ten trades at this pace spans weeks of calendar. That is intended: the block is a season, not a weekend.

- The triggers, stated as doors - pre-written, mechanical, not negotiable mid-block (Stage 8's language for exits, applied to the block itself). DOOR 1, A BREACH: any trade the process grade marks BAD - oversize, unplanned entry, a bent door, a skipped journal - pauses the block; the weekly-review treatment (Stage 9: name it, price it in R, one guard written) must be filed before the next trade; a second breach ends the block. DOOR 2, -2R (-$284 on the example): pause for a full audit of the block's journal - every fill, every grade, the friction totals - before any further trade. DOOR 3, -3R (-$426): the block ends, whatever the calendar says; return to paper for at least twenty compliant trades and a written block review; a second block is a fresh Lesson 6 decision, never an automatic reload. DOOR 4, LIFE: any Stage 0 line changes - work, debt, the emergency fund, sleep, a stop-sign - and the block ends at any score, green included; Lesson 1's re-audit is the only way back in. Note what is absent from all four: embarrassment. Each door is the protocol collecting its data and stopping at the dose it pre-agreed.

RULE: The protocol is written by the calm investigator, in advance - the excited subject doesn't get a vote, a pen, or an exception.

68 - WHAT REAL MONEY CHANGES - AND WHAT IT MUST NOT

- Fills, up close - the three textures to journal, because they are information paper never gave you. (a) THE QUEUE: a limit at the mid fills when the market comes to it, not by right - Stage 8's walk-away price gets used more often than paper suggested. (b) THE PARTIAL: a ticket working with part of the spread filled is a state the plan card must already have an instruction for; Stage 7's rule (one net-limit ticket, never legged) is what keeps a partial from becoming an accidental naked position, and the journal records the state and the instruction followed - not an improvisation. (c) THE EXCITING-MOMENT TAX: slippage clusters at opens, news and level breaks - exactly where triggers live. The block's fill-vs-mid line, journaled per trade, is the first honest measurement of what your setups actually cost to enter.

- Friction, measured: the example block's all-in arithmetic - market result -$214, contract fees $26.00 (ten round trips x $2.60 at the published example schedule), tolls as printed on the ten fill reports - against the paper log's convention, which charged the spread by rule and fees not at all. Two lessons hide in that gap. Methods that only worked at the mid may not work at the fill (Stage 4 said it about paper; live proves it, trade by trade). And at first-ten size the toll is proportionally enormous - one more reason the block is a measurement exercise and not an income attempt.

- The feelings, named in advance, so they arrive as recognised weather rather than as orders. THE DISPOSITION EFFECT (Stage 0's study, Stage 9's tags): the winner feels fragile and begs to be banked early; the loser feels temporary and begs to be given room - both beggings arrive dressed as analysis. THE FIRST-WIN ARGUMENT: overconfidence after wins (Stage 9), now with a balance attached - the urge to make trade #3 'count' is the protocol's most predictable breach, scheduled in advance like a tide. THE REVENGE WINDOW: the hour after a live loss, when a trade to win it back presents itself as opportunity; Lesson 4's pace rule exists because this window is physiological, not intellectual. THE ATTENTION TAX: real positions get checked - and attention is a real cost, charged against Stage 0's time budget, with interest.

- The invariant, and its tripwire. Same PlayBook page and guard; same four doors at the same marks; same journal fields and tags; same brakes; same review rhythm; same size for all ten.

Nothing in the process may be 'adjusted for live' mid-block - every adjustment is a paper-phase activity (Stage 9's review cycle) or a block-review decision. And the tripwire that watches the invariant: if you notice the process changing - a door 'reinterpreted', a checking habit doubling, plan cards getting shorter - that observation is itself the signal to use Lesson 4's doors: pause, audit, or step back. A trader whose process bends under $142 of risk has received the block's most valuable datum at its cheapest price: the size is wrong for now. And 'for now' is a complete sentence.

RULE: The process doesn't change when the money does. Feelings are filed, never obeyed - and a bending process is a sizing report, not a character flaw.

69 - RECORDS & TAXES, HONESTLY

- What the broker provides - the register: a confirmation for every fill (price, fees; the document Lesson 2 has you reconcile the same day); account statements; and after the year ends, a consolidated tax package built around Form 1099-B, which reports your sales - for options acquired after 2013, cost basis is reported to you and the IRS too (the covered-security phase-in, per the IRS's Form 1099-B instructions). Box 1g of that form shows wash-sale losses the broker disallowed - under the form's own limits: covered securities, identical CUSIP, bought in the same account. Everything outside that triangle is yours to catch (takeaway three).

- How SPY options are taxed, in general (Publication 550's options section, in the course's words): an option on a capital asset is itself treated as a capital asset - close it, exercise it or let it lapse, and the difference is a capital gain or loss, short- or long-term by how long you held it (this course's trades run days to weeks: short-term). Let a bought option expire unexercised and you are treated as having sold it on its expiration date - the premium becomes a capital loss, dated at expiry. Write an option and let it lapse unexercised, and the premium you kept is a short-term capital gain (the credit spread's short leg lives under this rule whenever it isn't closed first - one more reason this course closes spreads before expiry, Stage 7). One more general line: sizeable gains during the year can mean estimated-tax payments (Topic No. 409) - a professional sizes those, not a lesson.

- The wash-sale rule, honestly (Publication 550's wash-sales section): sell a security at a loss - shares, or an option on them; the rule expressly covers contracts and options - and within 30 days before or after, you buy substantially identical securities, OR acquire an option on them, OR your spouse buys them, OR your IRA or Roth IRA buys them, and the loss is disallowed for that year. Normally 'disallowed' means postponed: the loss is added to the replacement position's cost basis, and the holding period carries over. THE IRA EXCEPTION IS THE TRAP: when the replacement buy happens inside an IRA, Publication 550's basis adjustment excepts exactly that case - there is no basis for the loss to land on, and it is gone permanently. And the honest uncertainty: whether two SPY option trades at different strikes or expiries are 'substantially identical' is a facts-and-circumstances question the IRS publishes no bright-line table for; professionals disagree about its edges. That uncertainty is itself a course point - it is why the journal records every leg with dates, and why your first live year's return deserves professional eyes. What is not uncertain: a disallowed loss is your responsibility even when no form flags it. Publication 550 says so outright.

- Losses, limits and the file cabinet (Topic No. 409; the IRS's recordkeeping guidance): capital losses first offset capital gains; a remaining net loss offsets other income up to $3,000 a year ($1,500 if married filing separately), and the rest carries forward to later years (the capital

loss carryover). The example block's budgeted -$341, if it lands, is a small short-term capital loss handled exactly this way - worth whatever your marginal rate makes of it, and not a dollar more: nobody 'writes off their tuition' at face value, and any course implying otherwise is marketing. Keep the records that support a return - confirmations, statements, the 1099s, your journal - until the period of limitations for that return runs out: generally three years after filing, per the IRS's guidance; keep copies of the filed returns themselves for good. The journal you would keep anyway, for Stage 9's reasons, turns out to be a tax record too. File it like one.

RULE: Two ledgers, both kept: the broker's for prices, yours for everything the tax rules - and your own review - actually ask about.

70 - READING TOMORROW - WILL SPY GO UP OR DOWN?

- Checkpoint 1 - Friday's close (knowable Sunday): trend, and where price closed inside its range. A close near the lows, below the prior day, after a down week, means sellers finished in charge - the burden of proof sits on the bulls. Oct 16: SPY 763.30, -1.10% on the day and -1.9% on the week, closing weak; QQQ -2.49%; chips down nine straight sessions.

- Checkpoint 2 - futures (Sunday 5:00pm CT): ES is SPY's futures twin; NQ is the tech twin; YM and RTY show whether the Dow and small caps agree. A gap that holds for 1-2 hours is information; a gap that fades back to Friday's close in 20 minutes was just the overnight crowd guessing.

- Checkpoint 3 - overnight (Asia -> Europe): did the rest of the world follow Friday down or stabilise? Read it through oil, the dollar, gold, and Bitcoin (the only major market that trades all weekend - its weekend wobble is a mood ring, not a signal).

- Checkpoint 4 - pre-market (Monday 3:00-8:30am CT, judged 7:00-8:15am): SPY's pre-market price against Friday's close and range, on pre-market volume - thin volume lies. Check whether Friday's leaders of the fall (QQQ, semiconductors) are bouncing or still sinking, and whether VIX is rising or falling: VIX up through 20 confirms fear; VIX falling back under 18 says Friday is being forgiven.

- Checkpoint 5 - catalysts: the economic calendar (Monday Oct 19 carries only the NAHB Housing Market Index, 9am CT - a light day), earnings with index weight (Monday is light: Fifth Third before the open; Steel Dynamics and Zions after the close - the week's heavyweights, Netflix, Tesla and Meta, land Tuesday and Wednesday), Fed speakers (none - the blackout before the Oct 27-28 FOMC runs all week), and positioning: the SPY Sheet's call wall, put wall, tipping line and net GEX, which say where the day is likely to pin or trend.

- The background dials, checked at every checkpoint: the 10-year yield (above 5% has been the market's headache all month - falling yields relieve stocks, rising yields pressure them), oil (Brent closed $109.86 Friday - more war-driven rise feeds the inflation story), and the VIX level (16-18 calm, 18-20 first warning - Friday closed 19.99, right at the top of the warning zone).

RULE: Five checkpoints, scored - never one headline, guessed. The lean is written before the open, with the level that proves it wrong.

71 - CATCHING THE RUN - HOW A TREND DAY ANNOUNCES ITSELF

- Tell 1 - the floor held. Before the run, SPY's pre-market lows kept bouncing off the same

shelf: Asia low 765.64, London low 765.95, prior-day low just under. Sellers pushed three times and failed. A level that refuses to break is stored energy - and it defines your stop: if the floor goes, the idea is wrong, cheaply.

- Tell 2 - the weather flipped, all at once. At the 8:30am CT open the board turned together: VIX fell from ~19.2 toward 17.61 (fear leaving), the 10-year yield slid from 5.14% to ~5.08% (the month's main headwind switching off), oil sank from ~99.5 to 95.86 (the war premium unwinding), and NVDA - the index's leader - ripped from 213 to 218. One dial is weather noise; four dials agreeing is a climate change.

- Tell 3 - volume expanded on the break, not before. Premarket volume was a whisper. The opening candles were towers by comparison, green and closing near their highs, and the pullback candles that followed were smaller. Read volume as a sequence: expansion on pushes, quiet on pullbacks = commitment. A single big bar alone proves nothing.

- Tell 4 - the staircase: levels broke, then held. Prior-day close 766.48 reclaimed, pre-market high 767.66 broke, Asia high 768.43 broke, the 30-minute block mid 769.64, prior-day high 770.46, block high 771.74. Each level that broke became the floor for the next push. That is the whole skill: enter at a break-and-hold or its retest, and stay while the stairs keep holding - leave when one doesn't.

- Tell 5 - RSI is a speedometer, not a crystal ball. RSI ran from the 40s to ~75 because the trend was strong; in a real trend it pins high and stays. RSI only warns when price makes a new high and RSI doesn't (divergence), or when price loses a level RSI already rolled over on. Shorting 'overbought' at 768 is how a trader donated money all the way to 772 on this exact morning.

- The top is not the entry. At 771.51 the guard panel's math was explicit: first target 771.72 (0.21 of room), tactical stop 770.70 (0.81 of risk) - a trade that must be right four times out of five just to break even. The run was catchable at 768 with room above; it was only advisible at 772. Knowing the difference is most of trading.

RULE: A run is caught at the first level that breaks and holds - never predicted beforehand, and never chased at the top.

72 - KNOW YOUR CHARTS - THE DESK TOUR

- MORNING FIRST - CONTEXT + WATCHBOARD (chart 8): the higher timeframes' structure in words, and eight desk symbols against their 200 EMA. Two minutes before the session: they set the lean every other chart must respect.

- THE LEVELS BOARD - SPY SCALP (chart 1): walls, gamma flip and session levels from the SPY Sheet, typed in and refreshed when the alerts ping. It arms only at its levels; a rip that never tests one produces a blank SETUP row - silence, correctly.

- THE TICKET PRINTER - PLUS DAY (chart 2): today's levels, with the bigger timeframes demoted to tint. It arms bounces, retests and momentum breaks and prints the strike, the spread alternative and the expiry math. T1 hit means take it and move the stop to breakeven; T2 is the full exit.

- THE CHALLENGER - DAY MAP (chart 6): the same day-trading job rebuilt intraday-only, with the hard clock PLUS DAY doesn't have - entries to 2:15pm CT, forced flat 2:45, done 3:00. Two engines, one job: run both, keep the scoreboard that wins, never take both signals.

- THE MORNING SPECIALIST - ORB (chart 3): the first 15 minutes become a box; the first close

outside it, on 1.2x relative volume or better, is the trade; the far side of the box is the stop. After its window it has no opinion - and on Oct 21 its volume filter kept it out of a breakout that hadn't proven itself.

- THE COIL - SQUEEZE (chart 4): Bollinger Bands trapped inside Keltner Channels store energy; the momentum histogram's turn after the coil is the release. No coil, no trade - momentum alone, however pretty, is weather, not a signal.

- THE CONTRARIAN - SNAPBACK (chart 5): in an uptrend (price above the 200 EMA) it buys only RSI(2) dips under 10 and exits on the close back through the 5 SMA. At RSI(2) 87 it is the desk's designated voice of restraint. On dead, pinned days it also calls out the iron-condor window.

- THE REFEREE - PLUS LIVE (chart 7): swing structure on closed bars - qualified breaks, retests, continuations - with stops and targets measured against real zones. It will miss vertical moves by design. Its job is the verdict (this shot: MONITOR LONG, inside resistance), not the trigger.

RULE: One chart, one job - and a chart that hasn't spoken hasn't given you a trade.

Education only - not financial advice. Options involve substantial risk of loss. Stage 0 statistics are quoted with their source, population and period. Stage 2 account and order rules: FINRA, the Federal Reserve's Regulation T, and the SEC. Stage 3 chart figures are SPY's own bars via Yahoo Finance (checked Oct 15, 2026). Stage 4 drawdown figures are SPY's own closes (Yahoo Finance, cross-checked against Nasdaq data); its other figures are arithmetic on labeled example numbers. Stage 5's contract and exercise mechanics are the OCC's (checked Oct 15, 2026); its figures are arithmetic on the Oct 9, 2026 chain and one labeled example premium. Stage 7 spread figures are arithmetic on the Oct 9, 2026 chain quotes and the lessons' labeled example numbers; assignment and distribution mechanics are the OCC's and State Street's (checked Oct 15, 2026). Stage 8 management figures are recomputations on Stage 7's structures at their printed fills, with scenario marks labeled; assignment and exercise mechanics are the OCC's (checked Oct 15, 2026). Stage 9's sample log is the course's labeled example numbers on Stages 7-8 structures, its tallies arithmetic on that sample; its PlayBook and review methods are credited to SMB Capital's published method, restated in the course's own words. Stage 10's figures are arithmetic on its labeled example learner and Stages 7-9 structures; its tax statements are general information from IRS Publication 550, Topic No. 409 and the Form 1099-B instructions (checked Oct 15, 2026) - not tax advice. Options examples use real SPY chain data from Oct 9, 2026. Vajgrt Labs - Education.