BOOK ONE OF FIVE

The Income Trader Ebook

The plain-English guide to the **selling** side of options — how everyday people learn to trade like the insurance companies, not the gamblers.

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Arlissa Pinkelton

An educator who trades • Engineer • Math Professor • Options Seller

A NOTE BEFORE CLASS

Welcome. Pull Up a Chair on the Other Side of the Table.

Hey hey — it's Arlissa. Before you read a single page of this book, I want you to know exactly who wrote it and why.

I'm an engineer by degree and training. I taught mathematics for three decades — including college freshmen who cried in my office about math and passed anyway. And every single market morning, I trade live with my students watching my screen. I'm an **educator who trades, not a trader who educates.** There's a difference, and you'll feel it in these pages.

In 2020 I was teaching overseas when everything came apart at once: a toxic job, my mother's passing, and the realization that somebody else had full control of my income. I made one decision that changed everything: **I'm taking my power back.** I studied everything I could find. I paid for the big programs — one cost me five thousand dollars and I never once saw the educator live. And buried inside all that studying, I found a way of trading the big programs barely touched. A calmer way. A math way.

This little book is your first walk through that door. You won't find hype in here. You won't find promises about money, because a real educator doesn't make those. What you WILL find is the single biggest idea in trading that nobody on your timeline talks about — explained so plainly that if you understand how car insurance works, you'll understand this.

> **HOW TO READ THIS BOOK**
>
> Read it BEFORE the masterclass — it's short on purpose. Keep your cheat sheet nearby, mark it up, and bring your questions to class. Prepared students get ten times more from the same lesson. That's not a slogan; that's thirty years of classrooms talking.

— Arlissa

Founder, Educator2Trader (E2T)

WHAT'S INSIDE

Contents

A PROMISE ABOUT THIS BOOK

You will not find a single earnings claim, return figure, or "get rich" promise in these pages. This is education. Trading involves real risk — and respecting that risk is exactly what separates the house from the gamblers.

01 The Two Sides of the Table

Every casino, and every market, has exactly two kinds of players.

Have you ever been to a casino? Bright lights. Free drinks. Everybody at the tables betting, hoping, praying. Somebody hits and the whole floor cheers. And in the middle of all that noise there is one player in the building who is not nervous, not hoping, and not praying: **the house.**

The house pays out winners every single night — cheers for them, even takes their picture — and still wins every single year. Not because the house is lucky. **Because the house did the math.**

The stock market works the same way, and here's what nobody tells you: almost everybody you've seen trade — the charts, the screenshots, the highlight reels — walked into that casino and sat down on the gambler's side of the table. They put money down, predicted where price would go, and hoped.

The Gambler's Side 🎲

- ✗ Bets on where price WILL go, then hopes
- ✗ Needs the market to move fast and move right
- ✗ Glued to charts all day, every day
- ✗ Wins loud, loses quiet
- ✗ Needs a miracle on every trade

The House's Side 🏛

- ✓ Asks where price will NOT go
- ✓ Gets paid at entry, like an insurer
- ✓ Runs on math and written rules
- ✓ Checks in on a routine, then lives life
- ✓ Lets time work FOR it, not against it

> **"You don't need a better way to buy options. You need to stop buying them."**
>
> THE SENTENCE THIS WHOLE BOOK IS BUILT ON

02 The Insurance Company Secret

The tallest building downtown is usually the insurance building. That's not an accident.

Ask yourself: how does an insurance company actually work? You pay them a premium every single month. Most months, nothing happens. Every once in a while, they pay out a claim. And they have done the math so carefully that, across all their customers and all their policies, **they collect more than they ever pay out.**

Nobody calls the insurance company a gambler. Nobody films the insurance company for a highlight reel. The insurance business is boring on purpose — because **boring, repeatable math is what winning looks like** when you're the house.

Now here's the secret they don't put on your timeline. In the options market, there is a way to stand on the insurance company's side of the transaction. To be the one who **collects** the premium instead of the one who pays it. Warren Buffett does it. The institutions do it. The "boring money" does it. It's called **selling options** — and the everyday people who learn to do it well, I call **income traders.**

WHY HAVEN'T YOU HEARD THIS BEFORE?

Two reasons. First: slow and steady doesn't make a good YouTube thumbnail, so nobody teaches it. Second: this knowledge has lived in rooms most of us were never invited into — country-club rooms, golf-course rooms. I've spent over six years in options-selling rooms, and I can count on no hands the number of educators who look like me teaching it. Consider this book your invitation.

HOLD ON TO THIS

An insurance company that wrote reckless policies would go broke — the model only works because insurers do the math before they sign anything. Remember that. It becomes Chapter 6.

03 What an Option Really Is

Strip away the jargon and an option is just a contract between two people.

People treat options like they're advanced calculus. They're not. **An option is a contract.** One person writes it. The other person buys it. Money changes hands the moment it's signed. You already deal with contracts exactly like this — your car insurance policy is one.

Think about your car insurance. You (the buyer) pay a premium for protection tied to something specific happening. The insurer (the seller) collects your premium the day the policy starts, and agrees to pay out only if that specific thing happens before the policy ends. Most of the time, it doesn't. The policy expires. The insurer keeps the premium and writes another one.

An options contract has the same three moving parts, and if you can hold these three ideas, you can follow everything in the masterclass:

- ✓ **The premium.** What the buyer pays the seller, up front, the moment the contract opens. This money moves at entry — not later, not maybe. At entry.
- ✓ **The strike.** The specific price level the whole contract is about — the "line on the chart" the agreement is tied to.
- ✓ **The expiration.** Every contract has an end date. When it arrives, the agreement is over — and whatever premium was collected is settled business.

> **"If you understand how car insurance works, you already understand this. I just teach you how to be on the collecting side of it."**
>
> ARLISSA PINKELTON

04 Buying vs. Selling: Who Pays Whom

Same contract, two seats — and everything depends on which one you take.

Almost everything you've ever seen about options — the calls, the puts, the "I turned pocket change into a fortune" screenshots — is options **buying**. The buyer pays the premium for a ticket that only pays off if price makes a big enough move, in the right direction, in time. That's three things that all have to go right. That's why buyers stare at charts all day: they **need** movement.

The seller took the other seat in the same transaction. The seller wrote the contract, collected the premium at entry, and now wins in every scenario except one. Price goes up a little? Seller keeps the premium. Price drops a little? Keeps it. Price goes absolutely nowhere? Keeps it. The buyer needs a specific event to happen. **The seller just needs it NOT to happen.**

The Buyer's Seat

- ✕ PAYS the premium at entry
- ✕ Needs price to move — right way, right amount, right time
- ✕ Time works AGAINST them, every single day
- ✕ Most contracts expire worthless for them

The Seller's Seat

- ✓ COLLECTS the premium at entry
- ✓ Wins where price does NOT go
- ✓ Time works FOR them, every single day
- ✓ Expiration is the finish line, not the enemy

Read that left column one more time. That's the seat almost everybody takes, because it's the only seat anybody ever showed them. The masterclass exists to walk you, step by step, into the other one — and to teach you the rules that keep the seller's seat safe to sit in.

05 The Question Flip

One question separates the gambler from the house. Learn to ask the other one.

Every gambler in the market is asking the same question: **"Where is price going?"** That's a prediction. That's a bet. Even the pros get that question wrong constantly — which is why the highlight reels never show the losses.

An income trader asks a completely different question: **"Where is price NOT going?"** Instead of predicting the one path price will take, you're choosing a level price is very unlikely to ever reach before your contract expires — and getting paid, at entry, for being right about where price won't go.

Feel how different that is. You're no longer trying to be a fortune teller. You're drawing a line far away from the action and saying: "I don't need to know where price goes. I just need it to stay on its side of my line."

> **HERE'S THE BEAUTIFUL PART: THE MARKET PUBLISHES THE ODDS**
>
> When you look at an options chain, the market is literally showing you the probability of price reaching every level — a number traders call **delta**. You don't have to guess. You read the probabilities the same way an insurance company reads actuarial tables before writing a policy, and you choose your line accordingly. That's not tea leaves. That's math — and math, as Arlissa likes to say, is her first language.

> **"I'm not guessing. I'm not reading tea leaves. I'm reading probabilities — the same way the insurance company reads actuarial tables."**
>
> FROM "THE HOUSE ALWAYS WINS" MASTERCLASS

06 The House Rules

Selling without a system is how you become the insurance company that goes broke.

By now you might be thinking: "If selling is so smart, why doesn't everybody do it?" Fair question. Here's the honest answer: because doing it **well** takes a system. An insurance company doesn't write unlimited policies on beach houses in hurricane season. It **underwrites**: it decides exactly how much risk it will carry, sets collateral aside for it, and sizes every policy so no single claim can sink the company.

Income traders who last do the same thing. Before any trade is placed, it gets underwritten: how much **collateral** backs it, how big it's allowed to be next to the account, and where the exit is if the math changes. In my classroom these are called the **never-blow-up rules** — and they are not optional.

This is why what I teach feels so different from the trading you've seen. It isn't adrenaline. It's underwriting. **It's grown folks' trading** — and it's precisely the part you cannot skip, which is why the masterclass spends real time on it.

THE HONEST WORD ABOUT RISK

All trading involves risk, including the loss of capital — for buyers AND sellers. There is no risk-free trade, and anyone who tells you otherwise is selling you something. What the house has is not zero risk. What the house has is **managed, measured, underwritten** risk — and a routine for keeping it that way. That's the skill.

> **"The gambler needs a miracle every trade. The house just needs its process."**
>
> THE H.O.U.S.E. METHOD — REVEALED IN FULL AT THE MASTERCLASS

SPEAK THE LANGUAGE

The Five Words to Know Before Class

When these five words come up in the masterclass — and they all will — you'll be nodding along instead of Googling under the table. Your one-page cheat sheet has them too. Keep it on your desk.

1

Premium

THE MONEY

What the option buyer pays the seller, up front, the moment the contract opens. As a seller, this lands at entry — everything after is about keeping it.

2

Strike

THE LINE

The specific price level a contract is tied to. The income trader hunts for a strike that price is very unlikely to reach before the contract ends.

3

Expiration

THE FINISH LINE

The date the contract ends. For sellers, every day that passes is a day closer to keeping the whole premium — time is on your side.

4

Delta

THE ODDS

The market's published probability that price reaches a given level. It's how the house reads the odds before writing the policy — no guessing required.

5

Collateral

THE BACKING

What a seller sets aside to back the contract, exactly like an insurer holding reserves. Collateral scales to your account — underwriting starts here.

★

Income Trader

THE IDENTITY

An everyday person who sells options with a system: paid at entry, guided by probabilities, protected by never-blow-up rules. The house, at kitchen-table scale.

BEFORE THE MASTERCLASS

Walk In Like the House: Your Pre-Class Checklist

- ✓ **Finish this book.** Twenty minutes, tops. Every concept in class will land the first time Arlissa says it.
- ✓ **Print or open your cheat sheet.** One page. Keep it next to you during class like a translator.
- ✓ **Open your workbook.** It follows the class beat for beat — fill-in-the-blanks, the H.O.U.S.E. letters, space for questions. People who write, remember.
- ✓ **Write down your "why."** One sentence. The paycheck you're tired of depending on, the person you're building for, the vacation you want to take without checking your bank app. You'll know when to use it.
- ✓ **Show up live if you can.** The replay is included in your kit, but the live room is where your questions get answered.
- ✓ **Bring an open mind.** If most of what you knew about trading came from the loud side of the internet, tonight might undo some of it. Let it.

> **"The student who shows up prepared gets ten times more from the exact same lesson. Thirty years of classrooms taught me that."**
>
> ARLISSA PINKELTON

ABOUT THE AUTHOR

Arlissa Pinkelton

Engineer by degree and training. Mathematics teacher, then professor, for three decades. Founder of Educator2Trader — one of the few communities anywhere focused on the **selling** side of options.

Every market morning, Arlissa trades live with her students watching her screen. Every Sunday evening, she teaches. Her students' favorite thing to say is that for the first time, **they actually understand what they're doing.**

Educator2Trader: educator2trader.com

EDUCATION-ONLY DISCLAIMER

This publication is for educational purposes only. Nothing in this book is financial, investment, or trading advice, or a recommendation to buy or sell any security, and nothing herein should be relied upon as such. All trading involves substantial risk, including the possible loss of capital; no outcome, income, or result is promised or implied, and past performance of any kind is not indicative of future results. Examples and analogies (including insurance comparisons) are illustrations of concepts, not representations of expected results. Arlissa Pinkelton is an educator, not a licensed financial advisor, broker, or dealer. Before trading, consult a licensed professional regarding your individual circumstances.

EDUCATOR2TRADER

YOUR NEXT STEP

You've Seen the Other Side of the Table. Now Come Watch It Played Live.

In the free masterclass, **"The House Always Wins,"** Arlissa takes everything you just read and shows you the system she built on top of it: the H.O.U.S.E. Method — five calm, repeatable steps, taught the way a professor teaches, with your questions answered live.

Bring your workbook. Keep your cheat sheet close. And come meet the version of you that stops betting against the house.

Attend the Masterclass →

Your class link and reminders are in your registration email.
