EDUCATOR2TRADER

THE INCOME TRADER STARTER KIT

The Pre-Trade Checklist

The house never writes a policy it did not underwrite first.

An insurance company does not decide whether to write your policy based on how it feels that morning. It runs the file. **This is your file.** Work top to bottom, and stop the moment a box will not tick. A trade you skipped is not a trade you lost.

H Hunt

Before you look at a single strike

- [ ] **Is this underlying one I actually know?** Not one I heard about this week. One I have watched long enough to have an opinion about how it behaves.
- [ ] **Is there an earnings report, a dividend date, or a known event inside my window?** If yes, I have a specific reason for accepting that, or I am out.
- [ ] **Is there enough liquidity to get out?** Open interest and volume that mean somebody is on the other side when I want to close.
- [ ] **Have I asked the house's question, not the gambler's?** Not "where is price going." Where is price **not** going.

O Offer

The contract you are willing to write

- [ ] **Is my strike at a level I am genuinely comfortable with** if the market comes to it? Not a level I am hoping never gets touched.
- [ ] **Is my expiration inside the window I planned**, not the one that happens to pay the most?
- [ ] **Can I say out loud, in one sentence, what I am agreeing to do** if this contract is assigned? If I cannot, I do not understand the trade yet.

U Underwrite

The part that keeps you in the game

- [ ] **Do I have the collateral this position requires**, in cash or shares, sitting there right now? Not "available if I sell something."
- [ ] **Is this position sized to my rules**, not to my excitement? Write the number: ______________ percent of my account.
- [ ] **If the worst reasonable case happens, can I absorb it** without changing anything about my life? If the honest answer is no, the size is wrong.
- [ ] **Is this money I can afford to lose entirely?** Not bill money. Not emergency money. Not somebody else's money.

S Secure

Getting paid, and knowing what you got paid for

- [ ] **Do I know the premium I am collecting before I click**, and is it worth the obligation I am taking on?
- [ ] **Have I written down my exit before I enter?** The number where I take it off, and the point where I manage it.

E Expire

The boring part where the money is

- [ ] **Do I know what I will do at each of the three outcomes**: it expires, it needs managing, it gets assigned? All three, before entry.
- [ ] **Am I checking in on a routine, not staring at it?** A time of day, not all day.

The one rule that overrides every box above

If you cannot tick a box, you do not have a trade. You have a wish. The house's advantage is not that it is smarter than the gambler. It is that the house is willing to sit out the hand. Sitting out costs you nothing. That is the whole edge.

Your Trade Log

The record is what turns experience into a system.

Every professional keeps a file. Not because the file makes money, but because **you cannot improve what you never wrote down.** Log every position, including the ones you skipped. The skipped ones teach you the most.

THIS MONTH

Date	Underlying	Strike / Exp	Premium	Why I wrote it	How it ended

My rules, in my handwriting

Max position size: ________ percent
Underlyings I trade: ________________________________
My check-in time: ________________________________
What makes me walk away: ____________________

The three questions, every Sunday

1. Which trade did I take that broke one of my own rules?
2. Which trade did I skip, and was I right to skip it?
3. What is the one thing I do not understand yet?

Questions to bring to class

A note from Arlissa

I taught math for thirty years, and the students who improved fastest were never the naturally gifted ones. They were the ones who **showed their work.** This page is you showing your work. Bring it to class and I can actually help you.