

# R.J. O'Brien

222 South Riverside Plaza, Suite 900  
Chicago, IL 60606

The process of trading begins with your completing at least one set of account forms.

This Application contains a negotiable contract (the "Account Agreement") through which you agree to assume certain contractual obligations and contractually waive certain rights. Accordingly, this Account Application, including the Account Agreement, **MUST BE READ CAREFULLY** and signed by **EVERY** person or group trading contracts as defined by the account agreement through R.J. O'Brien ("RJO"). Original agreements must be completed and returned to your broker. Customers may print out account agreements from the Internet and send original signed documentation back to broker. However, customers utilizing Internet forms should pay particular attention to paragraph 13 of the Account Agreement.

Please be sure that you read and understand everything in this Application. Fill it out fully and legibly, signing and dating, in ink, where required. Otherwise, the opening of your account may be delayed. A new account can be traded only when the Application and initial funds are accepted in, and the Application is approved by, RJO's Chicago office.

**SINCE TRADES INVOLVE AN IMMEDIATE OBLIGATION BY RJO TO THE RESPECTIVE EXCHANGES, UNLESS OTHER ARRANGEMENTS HAVE BEEN MADE, YOUR TRADING CAN BEGIN ONLY WHEN CLEARED FUNDS ARE RECEIVED BY R.J. O'BRIEN, IN THE FORM OF:**

- A. A **bank wire** to the Harris Trust & Savings Bank of Chicago for the account of R.J. O'Brien, Customer Segregated Account 367-171-6. The ABA routing, if necessary, is 071-000-288. (Be sure to include your name as it appears on your account agreement and also your complete account number.);
- B. A **certified check or cashier's check** made payable to R.J. O'Brien. If this is a new account, personal checks, money market checks and savings and loan checks may require clearance before you can trade. In addition, the originating source of all funds coming into the account must match the name on the account;
- C. **TRANSFER of funds and/or existing positions** to your account from another firm. When transferring an account, please fill out the Account Transfer Form in the back of this booklet, return it to RJO with all other required documents (via your Introducing Broker, if any), and RJO will apply positions and funds to your account accordingly.

**WHEN YOUR ACCOUNT IS OPEN AND TRADING, READ YOUR STATEMENTS CAREFULLY, AS SOON AS THEY ARE RECEIVED.** If you plan to be away, check in with your broker as frequently as prudent! *Do not delay reviewing your trading status.* If you have ANY questions about an individual trade or your balance or position, either phone your account representative (broker) immediately, or if he or she is unavailable or a problem is not resolved at once, call the RJO Compliance staff in Chicago at 312-373-5000.

**ATTENTION:** Please make a copy of this entire account application for your records.

## RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

### Futures

#### 1. *Effect of "Leverage" or "Gearing"*

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared." A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

#### 2. *Risk-reducing orders or strategies*

The placing of certain orders (e.g. "stop-loss" orders, where permitted under local law, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

### Options

#### 3. *Variable degree of risk*

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures above). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

### Additional risks common to futures and options

#### 4. *Terms and conditions of contracts*

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g., the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract and, in respect to options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

#### 5. *Suspension or restriction of trading and pricing relationships*

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

*Continued on next page.*

6. *Deposited cash and property*

You should familiarize yourself with the protections accorded money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

7. *Commission and other charges*

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

8. *Transactions in other jurisdictions*

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should inquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

9. *Currency risks*

The profit or loss in transactions in foreign currency denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

10. *Trading facilities*

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearinghouse and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

11. *Electronic trading*

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

12. *Off-exchange transactions*

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a firm price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

**I hereby acknowledge that I have received and understood this Risk Disclosure Statement.**

If Individual or Joint Account:	
_____	
Print Customer Name	
X _____	_____
Customer Signature	Date
_____	
Print Joint Party Name	
X _____	_____
Joint Party Signature	Date

If Corporation, Partnership, or other entity: (All General Partners must sign)	
X _____	
Signature	Title
_____	
Date	
X _____	_____
Signature	Title
_____	
Date	

**PRIVACY POLICY**

R.J. O'Brien and \_\_\_\_\_ believe in respecting the privacy and security  
(Name of Introducing Broker)  
of your personal information. Please read this Privacy Policy carefully.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

**Collection of Information**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others; and
- Information we receive from a consumer reporting agency.

**Information Sharing with Nonaffiliated Third Parties as Permitted by Law**

We are permitted by law to share all the information we collect, as described above, with (1) companies that perform marketing services on our behalf and (2) other third parties that assist us with preparing and processing orders and statements.

**Confidentiality and Security**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that are designed to protect your nonpublic information.

**NOTICE TO CUSTOMERS**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.



FOR OFFICE USE ONLY

Office / Sales Code / Account Number

Commission

## ACCOUNT APPLICATION

(Please type, or print legibly and fully in ink)

SSF Risk Disclosure provided on: \_\_\_\_\_

SSF Risk Disclosure provided via:  U.S. Mail  E-Mail

FOR OFFICE USE ONLY

Review Date

New Account  Update

IB Approval

Legal Account Name:

Social Security / Fed. ID #

Account Owner(s):

# of Dependents:

Date of Birth

Permanent street address is required (no P.O. Boxes):

Street Address

City

State

Zip+4

Home E-mail

Mailing Address (if different from above):

Street Address

City

State

Zip+4

Daytime Phone

Home Phone

Fax Phone

Work E-mail

Name and address of Employer

Occupation/Position

Nature of Business (If retired, please so indicate and list prior occupation)

Name of Broker/Contact who solicited you for this application

Marital Status:

Are you a:

U. S. Citizen:

Type of Account:

- Married  
 Single  
 Divorced

- Speculator  
 Hedger

- Yes  
 No

- Individual/Joint  
 General Partnership  
 Limited Partnership  
 Corporate  
 Trust  
 Discretionary  
 IRA  
 LLC  
 LLP

### Financials

Annual Income:

Liquid Net Worth:\*\*

Total Net Worth:

Current Banking Information:

- \$25,000 - \$50,000\*  
 \$50,000 - \$100,000  
 \$100,000 - \$200,000  
 \$200,000 - \$1,000,000  
 over \$1,000,000

- \$5,000 - \$25,000  
 \$25,000 - \$50,000  
 \$50,000 - \$100,000  
 \$100,000 - \$500,000  
 \$500,000 - \$1,000,000  
 \$1,000,000 - \$2,000,000  
 \$2,000,000 and over

- \$5,000 - \$25,000  
 \$25,000 - \$50,000  
 \$50,000 - \$100,000  
 \$100,000 - \$500,000  
 \$500,000 - \$1,000,000  
 \$1,000,000 - \$2,000,000  
 \$2,000,000 and over

Bank

City

Account #

\*If under \$25,000, give amount & source: \_\_\_\_\_

\*\*Excluding equity in home

For Corporations: attach a copy of most recent audited financial statement.

### Investment Experience

Futures:

Commodity Options:

Commodity Funds:

Stocks/Bonds:

- Yes  
 No  
 \_\_\_ Years

- Yes  
 No  
 \_\_\_ Years

- Yes  
 No  
 \_\_\_ Years

- Yes  
 No  
 \_\_\_ Years

If yes, please list accounts:

Open  Closed

Firm

Open  Closed

Firm

Yes  No Do you have an existing securities account? If yes, list: \_\_\_\_\_  
 Brokerage Firm Account #

Yes  No Do you have any unsatisfied debit balance(s) with RJO or with any other commodities/securities firm?

Yes  No Does any other person have authority to trade this account?

Yes  No Are you a "control person" or "affiliate" of a public company as defined in SEC Rule 144? This would include, but is not necessarily limited to, 10% shareholders, policy-making executives, and members of the Board of Directors.

Yes  No Are you an employee or member of any futures or securities exchange, NFA, NASD; a member firm of either of those entities or an employee of RJO? If yes, list: \_\_\_\_\_

Yes  No Does this account owner control or have a financial interest in any other account with this firm? If yes, list: \_\_\_\_\_

Yes  No Have you ever been subject to bankruptcy proceedings, receivership or similar actions, voluntarily or involuntarily?

If yes, list reason and date cleared: \_\_\_\_\_

Yes  No Have you ever been in a legal dispute or involved in arbitration proceedings, arising from a commodities or securities dispute?

Do you understand:

Yes  No Basics of Futures Trading?

Yes  No Risks of Loss and the Possibility of Incurring a Debit?

Yes  No RJO Margin Policy? (See Account Agreement, section 3)

Yes  No Is Futures Trading Suitable for you?

**PARTNERSHIP  
INDIVIDUAL GENERAL PARTNER INFORMATION**

**1) General Partner (All General Partners must complete. Attach additional page if necessary.)**

Name _____	Social Security _____	Occupation _____	Date of Birth _____
Employer Name _____	Nature of Business _____		

**Financials**

Annual Income: _____	Liquid Net Worth:** _____	Total Net Worth: _____
<input type="checkbox"/> \$25,000 - \$50,000*	<input type="checkbox"/> \$5,000 - \$25,000	<input type="checkbox"/> \$5,000 - \$25,000
<input type="checkbox"/> \$50,000 - \$100,000	<input type="checkbox"/> \$25,000 - \$50,000	<input type="checkbox"/> \$25,000 - \$50,000
<input type="checkbox"/> \$100,000 - \$200,000	<input type="checkbox"/> \$50,000 - \$100,000	<input type="checkbox"/> \$50,000 - \$100,000
<input type="checkbox"/> \$200,000 - \$1,000,000	<input type="checkbox"/> \$100,000 - \$500,000	<input type="checkbox"/> \$100,000 - \$500,000
<input type="checkbox"/> over \$1,000,000	<input type="checkbox"/> \$500,000 - \$1,000,000	<input type="checkbox"/> \$500,000 - \$1,000,000
	<input type="checkbox"/> \$1,000,000 - \$2,000,000	<input type="checkbox"/> \$1,000,000 - \$2,000,000
	<input type="checkbox"/> \$2,000,000 and over	<input type="checkbox"/> \$2,000,000 and over

*\*If under \$25,000, give amount & source: \_\_\_\_\_*  
*\*\*Excluding equity in home*

**Investment Experience**

Futures:	Commodity Options:	Commodity Funds:	Stocks/Bonds:
<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
____ Years	____ Years	____ Years	____ Years

*If yes, please list accounts:*

_____ <input type="checkbox"/> Open <input type="checkbox"/> Closed	_____ <input type="checkbox"/> Open <input type="checkbox"/> Closed
Firm	Firm

**Do you understand:**

Yes  No Basics of Futures Trading?  
 Yes  No Risks of Loss and the Possibility of Incurring a Debit?  
 Yes  No RJO Margin Policy? (See Account Agreement, section 3)  
 Yes  No Is Futures Trading Suitable for you?  
 Yes  No Are you an employee or member of any futures or securities exchange, NFA, NASD; a member firm of either of those entities or an employee of RJO? *If yes, list: \_\_\_\_\_*

**2) General Partner**

Name _____	Social Security _____	Occupation _____	Date of Birth _____
Employer Name _____	Nature of Business _____		
Daytime Phone _____	Home Phone _____	Fax Phone _____	

**Financials**

Annual Income: _____	Liquid Net Worth:** _____	Total Net Worth: _____
<input type="checkbox"/> \$25,000 - \$50,000*	<input type="checkbox"/> \$5,000 - \$25,000	<input type="checkbox"/> \$5,000 - \$25,000
<input type="checkbox"/> \$50,000 - \$100,000	<input type="checkbox"/> \$25,000 - \$50,000	<input type="checkbox"/> \$25,000 - \$50,000
<input type="checkbox"/> \$100,000 - \$200,000	<input type="checkbox"/> \$50,000 - \$100,000	<input type="checkbox"/> \$50,000 - \$100,000
<input type="checkbox"/> \$200,000 - \$1,000,000	<input type="checkbox"/> \$100,000 - \$500,000	<input type="checkbox"/> \$100,000 - \$500,000
<input type="checkbox"/> over \$1,000,000	<input type="checkbox"/> \$500,000 - \$1,000,000	<input type="checkbox"/> \$500,000 - \$1,000,000
	<input type="checkbox"/> \$1,000,000 - \$2,000,000	<input type="checkbox"/> \$1,000,000 - \$2,000,000
	<input type="checkbox"/> \$2,000,000 and over	<input type="checkbox"/> \$2,000,000 and over

*\*If under \$25,000, give amount & source: \_\_\_\_\_*  
*\*\*Excluding equity in home*

**Investment Experience**

Futures:	Commodity Options:	Commodity Funds:	Stocks/Bonds:
<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
____ Years	____ Years	____ Years	____ Years

*If yes, please list accounts:*

_____ <input type="checkbox"/> Open <input type="checkbox"/> Closed	_____ <input type="checkbox"/> Open <input type="checkbox"/> Closed
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**Do you understand:**

Yes  No Basics of Futures Trading?  
 Yes  No Risks of Loss and the Possibility of Incurring a Debit?  
 Yes  No RJO Margin Policy? (See Account Agreement, section 3)  
 Yes  No Is Futures Trading Suitable for you?  
 Yes  No Are you an employee or member of any futures or securities exchange, NFA, NASD; a member firm of either of those entities or an employee of RJO? *If yes, list: \_\_\_\_\_*

## ACCOUNT AGREEMENT

**1. ACCOUNT STATUS**

R.J. O'Brien (RJO) agrees to accept and maintain for the undersigned Customer one or more accounts and to act as broker or dealer for Customer in the execution and clearance of orders for transactions involving the purchase and sale of commodity futures contracts; options on futures contracts; commodities and forward contracts, security futures contracts ("SSF"); option, spot and forward foreign exchange transactions; exchange for physicals ("EFPs"); and any other cash transaction (individually, a "Contract" and collectively, "Contracts"). Customer hereby represents that all responses made in connection with the Account Application and Account Agreement are complete and correct, and that RJO will be informed of any material change in such data, including financial information.

Customer warrants to RJO that if Customer is an individual or if this is a joint account, Customer(s) is of legal age and of sound mind. Unless otherwise indicated in the Application, no one except the Customer(s) identified in the Account Application has an interest in the account(s).

Customer agrees to permit verification of relevant information by RJO through third parties (including credit reporting entities). In any event, this Account Agreement and the account(s) permitted hereunder become effective only upon acceptance by an authorized representative of RJO at its principal office in Chicago, Illinois.

**2. ACCOUNT RISKS**

Customer acknowledges the following:

- A) TRADING IN CONTRACTS IS HIGHLY SPECULATIVE AND IN NO SENSE MAY BE CONSIDERED A CONSERVATIVE "INVESTMENT";
- B) BECAUSE OF THE LOW MARGIN DEPOSITS NORMALLY UTILIZED AND THE VOLATILE PRICE MOVEMENTS WHICH CAN OCCUR IN THE CONTRACT MARKETS, THE POSSIBILITY OF RAPID AND SUBSTANTIAL LOSSES IS CONTINUALLY PRESENT;
- C) TRADING IN CONTRACTS IS APPROPRIATE ONLY FOR THOSE PERSONS FINANCIALLY ABLE TO WITHSTAND SUBSTANTIAL LOSSES, SOMETIMES GREATLY EXCEEDING THE VALUE OF THEIR MARGIN DEPOSITS.

**3. MARGINS, DEPOSITS AND BALANCES**

All checks and funds from Customer, to be credited to Customer's account(s), must be payable only to "R.J. O'Brien". Customer agrees at all times to maintain such margin in his account as RJO may from time to time (at its sole discretion) require, and will meet all margin calls in a reasonable amount of time. Customer agrees that, if requested to do so, Customer will promptly wire-transfer such funds. Market conditions permitting, RJO agrees to make reasonable efforts to notify Customer of margin calls and/or deficiencies and to allow a reasonable period for Customer to provide funds. FOR THE PURPOSE OF THIS AGREEMENT, A REASONABLE AMOUNT OF TIME SHALL BE DEEMED TO BE ONE (1) HOUR, OR LESS THAN ONE HOUR IF, IN RJO'S BUSINESS JUDGMENT, MARKET CONDITIONS WARRANT. Customer further agrees that, notwithstanding anything in this Agreement to the contrary, in the event that the account(s) is undermargined, has zero equity or is equity deficit at any time, or in the event that RJO is unable to contact Customer due to Customer's unavailability or due to a breakdown in electronic communications, RJO shall have the right to liquidate all or any part of Customer's positions through any means available, without prior notice to the Customer.

Furthermore, if at any time Customer's account does not contain the amount of margin determined by RJO to be appropriate to protect it from adverse

market activity, or in the case of Customer's bankruptcy, or any other event which may cause RJO to be concerned over Customer's ability to perform, RJO may at its sole discretion and without prior notice, to Customer, "straddle" or "spread" open positions, switch positions to another month, commodity or exchange, close out positions in whole or part, or limit and/or terminate the right of the Customer to trade in the account(s), other than for liquidation. RJO is authorized to take whatever action it deems necessary including, without prior demand or notice to Customer, hedging and/or offsetting of Customer's positions in a cash market or otherwise, selling or otherwise liquidating any property belonging to the Customer or in which the Customer has an interest, buying or borrowing any property required to make delivery against any sales, including short sales, effected for Customer's account(s) or otherwise liquidating the positions in Customer's account(s) by exchange of future for physical transactions, all for Customer's sole account and risk. Such liquidation, sale or purchase may be public or private and may be made without notice to Customer and in such manner as RJO may, in its sole discretion, determine.

RJO may require margin in excess of that required by applicable law, regulation, exchange or clearinghouse minimums. All deposits shall be deemed made only when cleared funds are actually received by RJO. If a check is not honored or paid by a bank upon presentment, RJO will immediately debit Customer's account for the amount of the returned check as well as any fees incurred. Any failure by RJO to call for margin at any time shall not constitute a waiver of RJO's right to do so any time thereafter, nor shall such failure create any liability to the Customer. RJO shall not be liable to Customer for the loss or loss of use of any margin deposits option premiums, or other property, which loss is the direct or indirect result of bankruptcy, insolvency, liquidation, receivership, custodianship, or assignment for the benefit of creditors of any bank, other clearing broker, exchange, clearing organization or similar entity.

RJO may, for any reason, require Customer to transfer its account(s) to another firm. If Customer does not transfer its positions promptly upon demand by RJO, RJO may liquidate the positions and Customer agrees to indemnify and hold RJO harmless from any and all losses resulting from such liquidation.

The Customer acknowledges that RJO is hereby specially authorized, for its account and benefit, from time to time and without notice to it, either separately or with others, to lend, repledge, hypothecate or rehypothecate, either to itself or to others, any and all property (including but not limited to securities, commodities warehouse receipts or other negotiable instruments) held by Customer in any of its accounts and RJO shall not at any time be required to deliver to Customer such identical property but may fulfill its obligation by delivery of property of the same kind and amount.

**4. SECURITY.** As security for the payment or performance of all liabilities or indebtedness to RJO or any of its affiliates now or hereafter existing (collectively, the "RJO Entities") presently outstanding or to be incurred under this or any other agreement or otherwise, Customer grants the RJO Entities a security interest in any and all property belonging to Customer or in which Customer may have an interest, held by any RJO Entity or carried in any account of Customer with any RJO Entity including individual, multiple owner or commodity accounts (collectively, the "collateral") The collateral shall be subject to such security interest as collateral to discharge all obligations of Customer to any of the RJO Entities, wherever or however arising and without regard to whether or not any RJO Entity has made loans with respect to such collateral. The RJO Entities are authorized to sell and/or purchase any and all property in any account or to liquidate open Contracts or redeem money market or cash deposit investments in any account of Customer without notice in order to satisfy such obligations. In enforcing its security interest, the RJO Entities shall have the discretion to determine the amount, order and manner of property to be sold and shall have all the rights and remedies available to a secured

## ACCOUNT AGREEMENT

party. Without the consent of RJO, Customer will not cause or allow any of the collateral held in any Customer account, whether now owned or hereafter acquired, to be or become subject to liens, security interests, mortgages or encumbrances of any nature other than the security interest in favor of the RJO Entities.

### 5. DEBIT BALANCES

All monies, securities, negotiable instruments, open positions in Contracts, options premiums, commodities or other property now or at any future time on deposit or in safekeeping with RJO, shall constitute security for Customer's obligations hereunder and Customer grants RJO the right to sell or use such security to offset and credit any of those obligations not promptly paid. Customer understands that Customer is liable to RJO for any deficit ("debit") balance in the account(s) remaining after any such offset. If Customer does not promptly pay a debit in Customer's account(s) and RJO deems it necessary to take collection action, Customer will hold RJO harmless for all losses and expenses and will reimburse RJO for the debit and all costs incurred, including reasonable attorneys' fees in connection with such collection actions.

Customer agrees to pay interest on debit(s) at the greater of 1% per month or at an annual rate of 1% over the prime rate at the Harris Trust & Savings Bank of Chicago.

### 6. COMMISSIONS, FEES AND OTHER COSTS

Customer agrees to pay all commissions, fees and other costs charged by RJO, including but not limited to, introducing broker and floor brokerage, clearing, exchange and NFA fees. In the event that Customer's account is transferred to another broker, transfer commissions and/or service fees may be charged. Any interest accrued in any account on excess cash balances shall be retained by RJO. RJO shall be under no obligation to pay or account to Customer for any interest income or benefits that may be derived from or use of client monies, reserves, deposits, cash equivalents or any other property.

If Customer directs RJO to enter into any transaction which is effected in a foreign currency or if funds provided by Customer involve the use of a foreign currency: any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for Customer's account and risk. All initial and subsequent deposits for margin purposes shall be made in U.S. dollars, unless otherwise requested in writing by Customer, and written approval from RJO is obtained. RJO is authorized to convert funds in Customer's account(s) into and from the relevant foreign currency at the rate of exchange plus appropriate fees, obtained from RJO or RJO's banker.

### 7. EXCHANGE AND FEDERAL RULES

All transactions handled by RJO on Customer's behalf shall be subject to the constitution, regulations, customs and interpretations of each exchange or market (and its clearing house, if any), on which the trades are executed, and to all applicable governmental regulations. RJO shall not be liable to Customer as a result of any action taken by RJO to comply with such rules. RJO's violation of any exchange or other self regulatory organization's regulations shall not provide Customer with either a defense to a claim by RJO or the basis of a claim against RJO.

In the event that the Customer is a regulated institution or entity, Customer recognizes and acknowledges that it may be required to comply with regulations including, but not limited to the Commodity Exchange Act, and that RJO has no obligation to insure that Customer abides by the rules and regulations pertaining to it.

### 8. POSITIONS AND DELIVERIES

Customer authorizes RJO to purchase and sell Contracts, in accordance with

Customer's oral or written instructions.

Customer acknowledges Customer's reporting obligations (regarding certain sized positions) under CFTC Regulation 18.00. These sections obligate Customer to notify the CFTC on Form 40 on the first day that Customer's position is reportable (as defined in CFTC Regulation 15.03) and for each day thereafter as long as Customer holds the position.

Customer agrees to honor all assignments and deliver the underlying commodity in the prescribed time. If Customer fails to so deliver, Customer designates RJO to act as Customer's agent to buy such commodity contracts so that the commitment is honored. If a call or a put option is written on a futures contract, Customer realizes that Customer will be required to purchase the underlying futures contract at the exercise price in the event Customer receives a notice of assignment. Customer agrees to honor all assignments and pay the exercise price in the prescribed time. If Customer fails to so act, Customer designates RJO as Customer's agent to liquidate the underlying futures contract so that Customer's commitment will be honored. Customer understands that Customer's account will be debited for any loss and that a commission and/or other related transaction costs will be charged for these services.

Customer understands that, unless the contract specifications state to the contrary, every futures contract contemplates delivery and Customer shall promptly advise RJO if Customer intends to make or take delivery. When Customer intends to take delivery, Customer shall deposit with RJO the full value of the commodity at least five (5) business days prior to the first notice day and, in the case of short positions, at least seven (7) business days prior to last trading day. Alternatively, sufficient funds to take delivery or the necessary documents must be in the possession of RJO within the same periods described above. If RJO does not receive the aforementioned instructions, funds or documents, RJO is authorized, at its discretion, to borrow or buy any property necessary to honor such obligation, and Customer shall pay and indemnify RJO for any costs, losses, penalties or damages (including, but not limited to delivery and storage costs) which RJO might incur in fulfilling this responsibility.

Customer understands that if Customer does not liquidate a position prior to the end of trading on the last day before expiration of a security futures contract, Customer will be obligated to either make or accept a cash payment for cash settled contracts, or accept delivery of the underlying securities in exchange for final payment of the settlement price for SSF contracts settled by physical delivery. Unless the SSF contract specifications state to the contrary, every SSF contract contemplates delivery. Before a Customer will be allowed to make or take delivery of an SSF, Customer must provide RJO with information relating to the broker-dealer through which Customer will effect delivery. In this regard Customer will identify the name of the broker-dealer, the broker-dealer's Depository Trust Number, the broker Dealer's Institutional ID number, and the Customer's account number on the books of the broker-dealer. When a customer intends to take delivery, Customer shall provide notification and deposit with RJO the full value of the underlying securities subject to the SSF at least five (5) business days prior to the last trading day of the contract. When the customer holds a short position and intends to make delivery, Customer shall provide notification and tender the underlying securities subject to the SSF to RJO at least five (5) business days prior to the last trading day. If RJO does not receive the aforementioned instructions, funds or stocks, RJO is authorized, at its discretion, to borrow or buy any stock necessary to honor such obligation, or to liquidate or otherwise offset the position, and Customer shall pay and indemnify RJO for any costs, losses, penalties or damages (including, but not limited to settlement and transaction costs) which RJO might incur in fulfilling this responsibility.

## ACCOUNT AGREEMENT

**9. OPTIONS**

CUSTOMER WILL NOT PURCHASE A PUT OR CALL UNLESS CUSTOMER IS ABLE TO SUSTAIN THE TOTAL LOSS OF THE PREMIUM AND RELATED TRANSACTION COSTS. CUSTOMER WILL NOT SELL (WRITE) A CALL OR PUT OPTION UNLESS CUSTOMER EITHER OWNS THE UNDERLYING FUTURES CONTRACT OR IS ABLE TO WITHSTAND SUBSTANTIAL FINANCIAL LOSSES.

Customer recognizes that Customer is fully responsible for taking action to exercise an option contract. RJO shall not be required to take any action with respect to an option contract, including any action to exercise a valuable option prior to its expiration date, except upon express instructions from Customer. In this connection, Customer understands that exchanges have established exercise cut-off times for the tender of exercise instructions, and that Customer's options may become worthless in the event that Customer does not provide instructions promptly. Customer further understands that RJO cut-off times may differ from the times established by the exchanges, and hereby agrees to waive any and all claims for damage or loss which might arise out of an option not being exercised. RJO will not be responsible for information regarding option expiration dates and assignment notification. Additionally, RJO will not be responsible for any errors or omissions regarding such information.

Customer understands that the RJO exercise policy is on a random basis. All short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned. Notices of assignment are allocated on a random basis upon best efforts among all customers' short option positions which are subject to exercise.

Customer understands that particular commodity options may cease to trade at any time or expire, either of which event may result in Customer's financial loss. Customer also understands that some exchanges may automatically exercise long in the money options pursuant to the regulations of such exchange.

**10. LIMITATION OF LIABILITY OF RJO FOR ACTS OF BROKERS**

RJO will execute Customer's transactions solely as agent of Customer. In executing transactions on an exchange, RJO may utilize floor brokers (who may be employees or other agents of RJO), but will not be responsible to Customer for negligence or misconduct of an independent floor broker if, at the time the floor broker was selected, the floor broker was authorized to act as such under the rules of the relevant commodity exchange and the appropriate regulatory agency. RJO will not be responsible to Customer in the event of error, failure, negligence, or misconduct on the part of any non-guaranteed Introducing Broker, Commodity Trading Advisor, or other person acting on Customer's behalf and, without limiting the foregoing, RJO has no obligation to investigate the facts surrounding any transaction in Customer's Account(s) which is introduced by such non-guaranteed Introducing Broker, Commodity Trading Advisor, or other person. With respect to guaranteed Introducing Brokers, Customer agrees that RJO's maximum liability to Customer shall be limited to the amount of the minimum net capital requirement (calculated in accordance with 17 C.F.R. §1.17 as of the date of the finding of actual liability), that would have been required for the guaranteed Introducing Broker had it been a non-guaranteed Introducing Broker. Customer expressly acknowledges that a finding of liability against an Introducing Broker may substantially exceed the amount of the Introducing Broker's minimum net capital requirement which, in some circumstances may be as low as \$45,000. This means that Customer's right to recover from RJO pursuant to the provisions of this paragraph could also be limited to \$45,000.

**11. COMMUNICATIONS AND ORDERS**

Since all Contracts experience rapid movements in price, Customer's attention is required in the placement of orders and execution of the same by RJO.

Unless a managed (discretionary) account has been arranged through the execution of a written trading authorization, each order should be communicated to RJO by the Customer or Customer's duly authorized broker. Instructions should include, but may not necessarily be limited to, the commodity involved, quantity, price, and delivery month. Any trade not specifically authorized by Customer must be immediately reported by Customer directly to RJO's Compliance Department. Customer will be financially responsible for all trades not so reported and for any losses arising by virtue of a course of dealing involving his grant of de facto control over the account to his broker. Customer agrees that RJO will not be responsible for delays or inaccuracies in the electronic preparation of statements or the distribution of market information. Nor will RJO be responsible for any failure beyond its control, including (but not limited to) government restrictions, exchange reporting problems, contract market rulings, strikes, suspension of trading, war or acts of God. RJO's liability to Customer is limited to damages arising from its own gross negligence or willful misconduct and such damages are limited to actual (as distinguished from consequential) damages suffered by Customer. RJO makes no representation, warranty or guarantee as to, and shall not be responsible for the accuracy or completeness of, any information or trading recommendations furnished to Customer by its employees or agents.

Orders are good for one day only (regular day trading session) unless specified and accepted as being "open", in which case the order will remain open until filled or the Customer so specifies. If Customer does not specify the actual exchange or forum to execute its order, RJO in its sole discretion shall execute the Customer's order using its best judgment. In some circumstances, this may mean RJO may be on the other side of Customer's trade. The price at which an order is actually executed shall be binding, even if incorrectly reported. Similarly, an order actually executed but in error reported as not executed is also binding.

Customer understands that while the Internet and the World Wide Web generally are dependable, technical problems or other conditions may delay or prevent Customer from entering or canceling an order on the RJO Online Trading System, or likewise may delay or prevent RJO from executing an order on the RJO Online Trading System. RJO shall not be liable for, any technical problems, system failures and malfunctions, communication line failures, equipment or software failures or malfunctions, system access issues, system capacity issues, high Internet traffic demand, security breaches and unauthorized access beyond the reasonable control of RJO, and other similar computer problems and defects. RJO does not represent, warrant or guarantee that Customer will be able to access or use the RJO Online Trading System at times or locations of Customer's choosing, or that RJO will have adequate capacity for the RJO Online Trading System as a whole or in part by RJO's or Customer's use of or reliance on the RJO Online Trading System or its content or in otherwise performing its obligations under or in connection with this Agreement. In no event will RJO or any of its service providers be liable to Customer or any third party for any punitive, consequential, special or similar damages even if advised of the possibility of such damage. If some jurisdictions do not allow the exclusion or limitation of liability for certain damages, in such jurisdictions, the liability of RJO or any of its service providers shall be limited in accordance with this Agreement to the extent permitted by law. RJO reserves the right to suspend service and deny access to the RJO Online Trading System without prior notice during scheduled or unscheduled system maintenance or upgrading.

In the event that Customer is unable to transmit an order through the RJO Online Trading System, or is unable to confirm that an electronic order































